

Liquidity and Profitability Performance Analysis of PT Asuransi Tugu Pratama Indonesia Tbk During 2020–2024

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ABSTRACT

This study analyses the financial performance of PT Asuransi Tugu Pratama Indonesia Tbk during 2020–2024 by comprehensively evaluating liquidity and profitability ratios. Employing a descriptive quantitative approach, the research utilises secondary data derived from the company's audited annual reports. Key financial indicators, including Return on Assets (ROA), Return on Equity (ROE), Loss Ratio, Expense Ratio, Combined Ratio, and Liquidity Ratio, were calculated to assess operational efficiency and financial stability. The results reveal consistent improvements in profitability and liquidity, particularly in 2023, when ROA reached 7.73% and ROE 18.59%. The average combined ratio remained below 100%, indicating efficient underwriting performance, while liquidity ratios consistently exceeded industry benchmarks. These findings imply that the company maintained strong financial resilience and effective risk management throughout the study period. Nevertheless, the study recognises the absence of comparative peer analysis and external economic variables as its limitations. The results are expected to contribute to managerial decision-making and to provide empirical insights for further research on insurance performance evaluation in Indonesia's post-pandemic financial sector.

Keywords: Financial Performance; Liquidity Ratio; Profitability; Combined Ratio; Insurance Industry

INTRODUCTION

The financial performance of insurance companies reflects their ability to manage funds, mitigate risk, and generate sustainable profits within a regulated environment (Sulaeman et al., 2020). In the Indonesian insurance industry, financial soundness has become increasingly important in the post-pandemic era, as companies are expected to demonstrate both profitability and liquidity resilience amid volatile macroeconomic conditions. The insurance sector also serves as a stabilising instrument in national financial systems by mitigating risk dispersion and supporting long-term economic resilience (Majka M., 2024). PT Asuransi Tugu Pratama Indonesia Tbk, as one of the leading general insurance companies in the country, represents a relevant case for evaluating how financial ratios can be used to measure stability and efficiency in underwriting and investment operations.

Financial performance analysis in the insurance sector commonly employs key indicators such as liquidity and profitability ratios, which provide insight into a company's operational efficiency and its capacity to meet short-term obligations while maintaining profitability (Hasibuan et al., 2023). The liquidity ratio measures the company's ability to cover its liabilities with current assets, indicating financial flexibility during periods of volatility in claims. Meanwhile, profitability ratios, particularly the Return on Assets (ROA) and Return on Equity (ROE), assess the effectiveness of management in utilising assets and equity to generate income. Complementary to these, insurance-specific ratios such as the Loss Ratio, Expense Ratio, and Combined Ratio offer a more nuanced understanding of underwriting performance and risk control through effective underwriting and timely claim settlement (Hasan & Tampubolon., 2025)

Previous studies on insurance financial performance have primarily focused on profitability determinants or macroeconomic influences, often neglecting a comprehensive integration of liquidity and underwriting ratios over an extended period. Furthermore, empirical research specifically addressing Indonesian insurance companies remains limited, despite the industry's pivotal role in national financial stability and risk protection. This research seeks to address that gap by conducting a longitudinal analysis of PT Asuransi Tugu Pratama Indonesia Tbk's financial performance from 2020 to 2024, encompassing both liquidity and profitability perspectives.

This study adopts a descriptive quantitative approach to analyse secondary data derived from audited financial statements. Through a detailed examination of key financial ratios—ROA, ROE, Loss Ratio, Expense Ratio, Combined Ratio, and Liquidity Ratio—the study aims to evaluate trends, identify efficiency patterns, and interpret the firm's financial resilience over the five years. The findings are expected to enhance understanding of post-pandemic financial performance in Indonesia's insurance sector, provide empirical evidence for managerial decision-making, and serve as a reference for future research on financial sustainability within the insurance industry and operational efficiency (Periyadi et al., 2024).

METHOD

This study employs a descriptive quantitative approach to analyse the financial performance of PT Asuransi Tugu Pratama Indonesia Tbk during the 2020–2024 period. The descriptive method is appropriate because it enables a systematic, objective assessment of financial data to reveal patterns, relationships, and trends without manipulating variables (Huda. M. I, 2021). The research relies exclusively on secondary data from the company's audited annual reports, published by PT Asuransi Tugu Pratama Indonesia Tbk, and verified by the Indonesia Stock Exchange and official financial disclosure platforms. The selected analysis period covers five consecutive fiscal years, allowing observation of the post-pandemic performance recovery and the company's strategic financial adjustments.

The collected data include financial statement components: total assets, total liabilities, shareholders' equity, premium income, underwriting expenses, claims paid, and net profit. These figures serve as the basis for computing key financial ratios that reflect liquidity, profitability, and operational efficiency. The descriptive quantitative approach is frequently applied in financial performance research because it enables objective interpretation of secondary data and facilitates the identification of performance patterns over time (Kamal, 2024). To ensure data comparability, all financial values were converted to a consistent unit, Indonesian Rupiah (IDR), and adjusted to their nominal amounts as reported in the audited statements.

The financial ratios were calculated using standard formulae widely recognised in accounting and insurance financial analysis (Diana et al., 2021). The liquidity ratio was calculated by dividing current assets by current liabilities, reflecting the company's ability to meet short-term obligations. Profitability was assessed using the Return on Assets (ROA) and Return on Equity (ROE) ratios, where ROA equals net income divided by total assets. ROE equals net income divided by total equity. ROE equals net income divided by total equity. ROE equals net income divided by total equity. ROE equals net profit divided by total equity. ROE equals net profit divided by total equity, both expressed as percentages. Underwriting performance was evaluated through three key ratios: the Loss Ratio, representing total claims incurred divided by net premiums earned; the Expense Ratio, representing underwriting and operational expenses divided by net premiums; and the Combined Ratio, calculated as the sum of the Loss Ratio and Expense Ratio. A Combined Ratio below 100 per cent indicates that the company's underwriting activities generate profit before considering investment income.

Data analysis involved computing these ratios for each year of observation, followed by interpreting their trends and fluctuations to identify patterns of improvement or decline in financial performance to analyse year-to-year trends (Rahmadani, 2024). Descriptive statistical tools, including mean, percentage change, and trend rate, were used to summarise the findings. Where relevant, graphical representations, such as line charts, were used to visualise ratio dynamics across the study period. Although inferential statistical testing was not the primary focus, observed changes were critically assessed against industry benchmarks and regulatory expectations issued by the Financial Services Authority of Indonesia (OJK).

The methodological framework of this study ensures transparency and replicability, as all data sources are publicly accessible and the calculations follow conventional financial analysis standards. This approach facilitates an accurate and objective evaluation of the company's financial condition, providing a foundation for further analytical or comparative studies in the insurance industry.

RESULTS AND DISCUSSION

The evaluation of PT Asuransi Tugu Pratama Indonesia Tbk's financial performance over the 2020–2024 period demonstrates a consistently improving trend in profitability, liquidity, and underwriting efficiency, consistent with prior findings (Rompas & Rumokoy, 2023). The following tables present the quantitative results derived from audited financial statements, followed by analytical interpretations of each performance indicator.

Table 1. Return on Assets (ROA) 2020–2024

Year	Net Profit (Rp million)	Total Assets (Rp million)	ROA (%)
2020	244,847	12,366,469	1.98
2021	609,032	13,634,982	4.47
2022	827,861	13,497,890	6.13
2023	1,086,942	14,054,646	7.73
2024	1,008,615	14,225,000	7.09

Source: Audited Annual Reports of PT Asuransi Tugu Pratama Indonesia Tbk (2020–2024). Calculated by the author.

The ROA results indicate steady improvement from 1.98 per cent in 2020 to 7.73 per cent in 2023, followed by a slight decline to 7.09 per cent in 2024. The upward trajectory during the first four years reflects enhanced utilisation of total assets and efficient cost management following the economic disruptions of the pandemic

period. The marginal contraction in 2024 is attributed to the normalisation of investment yields and increased provisioning for claims, yet the value remains within a high-performance threshold. Overall, the results affirm that the company successfully generated higher income from its assets, demonstrating prudent operational and investment management.

Table 2. Return on Equity (ROE) 2020–2024

Year	Net Profit (Rp million)	Shareholders' Equity (Rp million)	ROE (%)
2020	244,847	7,199,628	3.40
2021	609,032	7,810,019	7.80
2022	827,861	7,594,536	10.90
2023	1,086,942	5,848,990	18.59
2024	1,008,615	6,276,000	16.07

Source: Audited Annual Reports of PT Asuransi Tugu Pratama Indonesia Tbk (2020–2024). Calculated by the author.

The ROE results show a marked increase from 3.40 per cent in 2020 to 18.59 per cent in 2023, before slightly decreasing to 16.07 per cent in 2024. This trend demonstrates a substantial improvement in the company's capacity to generate profits for shareholders, especially after the restructuring and efficiency initiatives implemented post-2020. The decline in equity observed in 2023 contributed to the higher ROE ratio that year, as profitability rose faster than capital accumulation. A high ROE is generally positive but must be analysed prudently (Billah & Aziza., 2021). The consistent double-digit ROE performance from 2022 onwards highlights strong shareholder value creation and capital efficiency.

Table 3. Combined Ratio (Loss and Expense Ratios) 2020–2024

Year	Loss Ratio (%)	Expense Ratio (%)	Combined Ratio (%)
2020	55.75	20.19	75.94
2021	48.44	19.79	68.23
2022	40.42	22.52	62.94
2023	45.52	21.63	67.15
2024	39.66	21.89	61.55

Source: Audited Annual Reports of PT Asuransi Tugu Pratama Indonesia Tbk (2020–2024). Calculated by the author.

The Combined Ratio serves as a comprehensive indicator of underwriting performance. The company consistently maintained its ratio below the industry benchmark of 100 per cent, indicating profitable underwriting operations (Morara, K., & Sibindi .,2021). Between 2020 and 2024, the average Combined Ratio was 67.16 per cent, which confirms that premium income sufficiently covered claims and operating expenses. The most efficient year was 2024, with a Combined Ratio of 61.55 per cent, reflecting improved claims management and expense control. This performance suggests that the company achieved profitability primarily through effective underwriting rather than relying excessively on investment returns, a positive sign of operational sustainability.

In addition to profitability and underwriting outcomes, the liquidity ratio, though not tabulated here, remained consistently above 300 per cent throughout the five years. This high liquidity position ensures the company's ability to honour policyholder claims promptly and sustain confidence among stakeholders. However, it also implies a potential trade-off, as excessive liquidity might limit higher-yield investment opportunities. Balancing liquidity and profitability thus emerges as a critical strategic aspect of financial management in the insurance sector.

Overall, the three tables collectively portray a coherent picture of PT Asuransi Tugu Pratama Indonesia Tbk's post-pandemic financial stability. The positive evolution of ROA and ROE, coupled with an efficient Combined Ratio, underscores the firm's robust performance. The observed results validate the hypothesis that disciplined underwriting, prudent liquidity management, and operational efficiency contribute significantly to long-term profitability in insurance firms. Nevertheless, as this analysis is limited to a single entity, further studies employing comparative data across industry peers are recommended to enhance the generalisability of these findings.

CONCLUSION

This study examined the financial performance of PT Asuransi Tugu Pratama Indonesia Tbk over the period 2020–2024 through a comprehensive assessment of liquidity, profitability, and underwriting efficiency ratios as found in previous empirical research (Susrama., 2024). The results demonstrate that the company maintained strong financial health, characterised by consistent improvements in profitability and prudent liquidity management during the post-pandemic recovery phase. The Return on Assets (ROA) and Return on Equity (ROE) ratios displayed a clear upward trajectory, indicating enhanced operational efficiency and improved utilisation of

corporate resources. Simultaneously, the Combined Ratio remained below 100 per cent throughout the five years, indicating effective underwriting practices and disciplined cost control.

The findings suggest that the company's ability to maintain a high liquidity ratio while improving profitability reflects a sound balance between solvency and income generation (Sari & Sisdiyanto, 2024). Such financial resilience is attributed to strategic asset allocation, cautious risk management, and the company's adherence to the prudential standards mandated by the Financial Services Authority of Indonesia (OJK). These outcomes also indicate that, in a developing market context, insurance companies with disciplined underwriting and robust liquidity management are better positioned to sustain profitability and mitigate systemic risks during periods of economic uncertainty.

From a practical perspective, the results provide valuable insights for insurance managers and policymakers. Managers should prioritise continuous monitoring of liquidity and profitability ratios to ensure long-term stability while optimising capital deployment. Regulators and industry stakeholders can also use these findings to refine financial soundness benchmarks and promote more resilient insurance operations. The study underscores the importance of maintaining equilibrium between liquidity and profitability to navigate post-pandemic market volatility and ensure policyholder protection. Theoretically, this research reinforces the interdependence between liquidity, profitability, and underwriting efficiency as key determinants of financial sustainability in the insurance sector. It contributes empirical evidence to the body of knowledge on insurance performance evaluation in emerging markets by demonstrating that profitability can be achieved not merely through investment returns but also through operational discipline and efficient claims management. Nevertheless, the study acknowledges certain limitations. The analysis focuses solely on a single insurance entity, without incorporating comparative industry data or macroeconomic variables, which constrains generalisability. Future research should expand the scope by including cross-sectional or panel data to examine industry-wide trends and by performing inferential statistical testing to validate relationships between financial ratios and firm performance. Previous empirical studies have also confirmed that companies with efficient liquidity management and disciplined underwriting practices consistently demonstrate stronger profitability and solvency outcomes (Dahiyat et al., 2021).

In conclusion, PT Asuransi Tugu Pratama Indonesia Tbk demonstrated stable, sustainable financial performance over the observed period, driven by prudent risk management and operational efficiency. The integration of liquidity and profitability analysis provides a holistic understanding of financial stability in the insurance sector and offers both academic and practical relevance for guiding strategic decision-making in similar institutional contexts.

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