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Original Research Article

Effect of Managerial Competency and Corporate Governance on the Performance of Indonesian Life Insurance

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Abstract: The success of insurance companies in general and in Indonesia depends on the performance of the company's executives and board of directors. The aim of this research is to analyze the influence of managerial competence and independent commissioners on the performance of insurance companies in Indonesia. The number of life insurance companies in this research sample was 22 companies from 2018 to 2022, so the total research data was 110. After removing 10 outlier data, the final data analyzed was 100. This research models the relationship between managerial competence, the proportion of independent board of directors and the performance of life insurance companies. The results of this research show that managerial competence and the proportion of independent directors, which are proxies for governance, have a significant and positive relationship to the performance of insurance companies in Indonesia, both partially and simultaneously. Manager competency and corporate governance mechanisms have improved company performance.

Keywords: Managerial Competency, Corporate Governance, Performance.

1. INTRODUCTION

The fourth industrial revolution has changed the way of doing business in all industrial sectors, including the current and future insurance industry. Internet technology is turning small local markets into global markets and local businesses into global competitors. This development changes business dynamics so that it requires a global mindset and approach for companies that want to compete in the global market. Today, many companies face challenges in recruiting skilled managers at all levels. In recent years, many companies such as Circuit City, General Motors, Compaq, Kodak, SAAB, and Enron went bankrupt or experienced financial problems, often unexpectedly, due to poor management. This shows the importance of efficient and effective management, emphasizing the need for competency-based human resource strategies to create competitive advantages (Aslan & Pamukcu, 2017; and Delima & Nitharshan, 2016).

The Financial Services Authority (OJK) views the important role of directors in supervising the company's operational performance by determining that companies must have a minimum of 3 members on the board of commissioners and at least half of the insurance company's members are independent directors. Financial Services Authority (OJK) regulations regulate in detail the duties and responsibilities of insurance company directors. The responsibilities of directors include ensuring effective, precise and fast decision making and being able to act independently; carry out supervisory duties and provide advice to the board of directors; supervise the board of directors in maintaining the balance of interests of all parties; prepare a report on board activities which is part of the report on the implementation of good corporate governance; monitor the effectiveness of GCG implementation; and help meet the needs of the sharia supervisory board by using committee members whose organizational structure is under the board of commissioners. In this regulation, OJK also sets criteria for prospective directors who must meet the requirements and pass the fit and proper test.

Every successful business requires staff who are committed and dedicated to the core operations of the company, so that they can act strategically. If every human resource in the company understands their role and has autonomy, then they will be more productive and contribute more to the company. Companies that invest their time and assets in human resources will make their business have a competitive advantage, so that they can obtain predetermined and even higher profits.

Insurance is moving towards a more customer-centric model where expertise in leveraging the latest technology can manage simpler and more repetitive

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functions. Insurance company employees are required to develop more specialized skills in various fields such as claims management and master soft skills to be able to deal directly with customers. The role of insurance will continue to evolve in the next decade and society will also adapt to new knowledge and skills by combining online access via websites or combining various media such as text, video, infographics and quizzes – to maximize knowledge transfer. In this case, digital communities also help people learn and share knowledge and create virtual support centers that improve knowledge and skills.

The best corporate human resources should always strive to build long-term skills and this requires a more proactive approach and a culture that encourages people to build the skills new businesses need. Exposing individuals to a variety of different functions within the company or even assignments outside the business can create a broader experience for them. They will find this to be challenging and rewarding and can build broader knowledge, thereby creating more talent who are more agile and adaptable when facing environmental changes. The company's top management must lead a cultural transformation that makes all human resources aware that new skills are needed in the new environment and considers that human resources are the organization's core capital assets.

Insurance companies must support their employees to acquire relevant skills and transition to new job roles as jobs change due to technological developments. Insurance companies must also build strong human capital and implement inclusive hiring practices that focus on the skills needed to get the job done effectively and efficiently. Business and workforce transformation must go hand in hand. As industries leverage technology to provide better service to customers, company leaders need to equip their staff with the right skills so they can continue to make meaningful contributions and stay engaged in rewarding work. Insurance companies need an insurance workforce that is capable, agile and adaptable so they can successfully navigate the waves of change, disruption and transformation.

Managerial competence has a significant impact on the success of a company through investment in human resources, such as the development of managerial skills, knowledge, values and critical thinking that are relevant to facing various changes and decision-making challenges. The insurance sector is starting to emphasize a competency-based approach. Competency models offer a framework for assessing top management performance in specific roles such as several human resource management processes including selection, development, succession planning, performance management, and promotion. By increasing selection accuracy, it turns average performers into high achievers. Competency models also function as solutions to various challenges and provide significant competitive advantages when integrated into the implementation of business strategies. Companies that want to increase market share must maximize the potential of their current employees and recruit the best talents from the external market.

Corporate governance has become a current issue in many countries because of its large contribution to economic growth. Companies that do not have good governance can be the main cause of company failure in achieving its goals. Mishra & Kapil (2018) state that corporate governance is related to three aspects of the decision-making process in a company. First, who has the authority to make what decisions; second, whose interests are prioritized in making certain decisions; and third, how contextual factors such as social, political, economic and legal institutions impact the decision-making process and the outcomes of those decisions.

Well-functioning corporate governance mechanisms are critical for local companies and foreign investors interested in pursuing the enormous opportunities for investment and growth provided by developing countries. Improving corporate governance can increase investor confidence in insurance companies in Indonesia. The Indonesian government pays great attention to the importance of good corporate governance for insurance companies. This is stated in Minister of Finance Regulation number 152/PMK.010/2012 concerning good corporate governance for insurance companies which aims to: optimize the value of insurance companies for stakeholders; improve management in a professional, transparent, effective and efficient manner; increasing compliance with company organs so that decision making is based on high ethics, compliance with laws and regulations; and create healthier, more reliable, trustworthy and competitive companies; as well as increasing the company's contribution to the national economy.

Regulations regarding good corporate governance for insurance companies have undergone several improvements. Due to the importance of good corporate governance, the government has separated regulatory and supervisory authority from the Ministry of Finance to the Financial Services Authority (OJK) in line with developments in the ever-changing and dynamic environment, so that insurance companies can still achieve the goals they have set and the goals expected by them government.

In the institutional context of insurance companies in Indonesia, there are two important things that influence company performance, namely first, the concentrated ownership structure of insurance companies and the control structure carried out by families who have majority share ownership with presence at management and board of directors levels. Second, because increasing customer awareness in insurance has emphasized the importance of protecting stakeholders, especially protecting insurance customers. Apart from that, the government also pays attention to insurance companies' compliance with applicable laws and regulations. Law enforcement is a big problem for insurance companies in Indonesia due to rampant corruption and money laundering.

To overcome corporate governance problems, top management can implement internal and external governance mechanisms. The main internal mechanisms are the board of directors and the shareholding structure of the company, while the main external mechanisms are the external market for corporate control (takeover market) and the legal system.

Corporate governance is important for company performance and there are several studies conducted in developed countries that confirm the existence of a positive relationship between good corporate governance and organizational performance and several studies on this matter have been conducted on this matter in Indonesia. Insurance companies have experienced rapid expansion and are considered important in advancing the Indonesian economy, so the need for this kind of study is very important. This good governance is the right solution to the problem of conflicts of interest, designing ways to prevent corporate violations and aligning stakeholder interests through incentive mechanisms. Good corporate governance is a characteristic desired by liberalized markets to ensure the flow of foreign and domestic capital to accelerate economic development. This is because it can increase investor trust and goodwill, guarantee transparency, fairness, responsibility and accountability.

In overseeing the operations of an insurance company, the board of directors has an important role in reducing agency costs that arise due to the separation of ownership and controlling decisions within the company. The board of directors is the center of the corporate governance control mechanism which is responsible for monitoring manager activities and is the highest internal control mechanism in an organization. The existence of the board of directors is to protect the interests of shareholders where it receives authority in internal control. Companies that have corporate governance mechanisms are better able to achieve organizational goals and objectives than companies that do not have them. An organization with better systems and procedures is important for company performance. Corporate governance aims to ensure good business management and comply with all governance norms set by the supervisory body for the benefit of all, including public agency costs arising from the separation of ownership and control of decision making in the company. Regulators are playing a more active role in setting standards and regulations to make management practices in financial institutions more accountable and efficient. Therefore, financial sector regulators assign additional responsibilities to boards of directors, often contained in more detailed regulations regarding decision-making practices and strategic objectives.The board of directors has greater power to make decisions that are beneficial to the company. Boards of directors have a limited role in Ethiopian insurance companies, where they are required to implement legalistic and prescriptive policies, procedures, rules and regulations set by the regulatory body, the National Bank of Ethiopia (Fekadu, 2015).

This research provides new findings that emphasize the importance of managerial competence and independent directors as one of the criteria for good corporate governance in insurance companies in Indonesia in improving company performance. This research reinforces several positive results as well as confirming several positive findings in previous literature. Therefore, this research contributes to the understanding of how managerial competence and good insurance company governance practices influence company performance for both academics in general and policy makers in Indonesia in particular. Next, this paper discusses the literature review and hypothesis development. The next section is the research method, and continues with the results and discussion. The final section presents the conclusions.

2. Literature Review and Hypothesis Development

Insurance companies are companies that provide services in the form of risk coverage to the public. The success of this company largely depends on the competence of human resources. The executives are tasked with and responsible for the operational success of the company and the board of directors plays a role and is responsible for supervising the company's executives.

2.1 Managerial Competency and Financial Performance

Research results (Sharma, 2011) reveal that the managerial competencies required in the general insurance sector in India include analytical skills, communication skills, creativity, decision making, ability to delegate, flexibility, initiative, interpersonal skills, work knowledge, leadership, managerial skills, ability to motivate, ability to plan and team management. Intellectual capital is driven by advances in science and knowledge. Human factors play an important role in the process of knowledge management and knowledge-based organizations and are also considered to be the most important competitive advantage for any organization and the scarcest resource in knowledge-based economy of this century. Yeganeh *et al.,* (2014) found that simultaneously human capital, customer (relational) capital and structural capital were positively related to performance, but partially human capital and structural capital were effective factors on performance.

Wickramasinghe & De Zoyza (2009) found that broad competencies are important for managers working in one of seven functional areas. While these findings demonstrate the importance of competencies from value and skills groups over knowledge groups across functional areas and have particular relevance for managers in the telecommunications industry, the findings of this research may have broader relevance and implications for management development initiatives. Efriyenty (2021) concludes that disclosure of human resources and financial reports in insurance companies has an influence on net profit margin

The research results of Arifa & Ahmar (2016) show that intellectual capital in 10 insurance companies listed on the Indonesia Stock Exchange has a significant influence on financial performance with significant indicators of physical capital and human capital. Suhardi, *et al*., (2024) found that the best practice for increasing production in Indonesian life insurance companies is to create effective human resource management. The production level of life insurance companies is very dependent on human capital as a production factor. Agents act as human capital and play an important role in the production process in insurance companies and with high talent, attitude, skills and knowledge, they can maintain intense relationships with their customers. Therefore, insurance companies that want to increase their competitive advantage in the long term, they must be able to utilize the talents, attitudes, skills and sustainable knowledge of their employees; invest in developing the quality of agents (employees) by making them human resources.

Competency is a comprehensive set of skills possessed and the core skills expected to complete the job. Competence will help individuals maintain their transformation in facing current and future challenges. Competency models are useful in making it easier for organizations to identify skills gaps between existing skills and the skills that will be required. Increasing employees' focused competencies and skills helps them cope with organizational changes. Competency is a combination of knowledge, attitudes, skills, behavior, core values and others. Vimala & Rathnaraj (2018) found that there is a gap between acquired competencies and required competencies among managers in all types of skills in both government and private insurance companies in Tamil Nadu. Managerial competence, which is characterized by knowledge, skills and personal abilities, is a rare, valuable and difficult to imitate resource that enables companies to achieve superior performance. The study of Ssekakubo *et al*., (2014) conclude that there is a positive relationship between managerial competence and financial performance of Savings and Loans, Credit and Cooperative Societies in Uganda.

Mwenda *et al*., (2023) concluded that managerial competence has a significant effect on company profitability. Improving managerial competency has the potential to significantly increase business profitability, as managers play a key role in the overall functioning of the organization. The research results (Nemati *et al*., 2020) show that the status of the variables individual competence, technical competence, managerial and interactive competence, general competence and task competence in Iranian insurance branches is in a desirable situation. Lakshminarayanan *et al*., (2016) show that the competency 'self-management' exerts maximum influence on job performance, followed by 'relationship management' and 'analytical skills'. The results of this study provide strong evidence that managerial competence and self-efficacy together are relatively stronger in predicting job performance compared to the two predictors alone. Based on the explanation above, we propose the following hypothesis:
H_1: The managerial competence of life insurance companies influences company performance

2.2 Corporate Governance and Financial Performance

Independent directors are selected by insurance companies to oversee management on behalf of shareholders and a higher proportion of independent directors on the board is expected to result in superior financial performance and high corporate value. Outside directors and audit committees are widely considered to be central elements of good corporate governance. The increased value comes primarily from board independence, and also from audit committees (Black and Kim, 2012). Empirical findings from Mishra & Kapil (2018) show that board independence was found to be significantly related to company performance. Shan and McIver (2011) found that the degree of board independence is a significant factor in determining firm performance of Chinese companies, but it only appears to have a positive impact on performance in larger companies. Research results from Chakraborty *et al*., (2019) shows that the influence of board characteristics such as size, independence and the proportion of female directors has a significant effect on cross-listed and Canadian only companies.

Fekadu (2015) concluded that board size, board independence and board diversity have a negative and insignificant effect on the performance of insurance companies in Ethiopia. So all corporate governance mechanisms have an insignificant effect on insurance company performance as measured by return on assets. This clearly confirms that the role of the board of directors in the highly regulated financial sector is very small and insignificant for those who have limited discretionary authority to serve on the board of directors. Najjar (2012) concluded that the size of the board of directors, company size, and the number of block holders have a statistically significant influence on company performance (ROE) in the insurance industry. These results emphasize the importance of a good governance structure for companies and the economy as a whole in the long term.

Tornyeva & Wereko (2012) find that large board size, board skill, management skill, longer serving CEOs, size of audit committee, audit committee independence, foreign ownership, institutional ownership, dividend policy and annual general meeting are positively associated with the financial performance of insurance companies in Ghana. Yameen *et al.*, (2019) conclude that the size of the board of directors and the size of the audit committee have a negative impact on the performance of hotels in India, while the composition and persistence of the board of directors, the composition and persistence of the audit committee, and foreign ownership have a positive influence on the measured performance of hotels in India. by accounting proxies. Puni *et al.*, (2020) find that the presence of both insiders and outsiders on corporate boards improves financial performance. Septiana *et al.*, (2016) find that the independent board and institutional ownership has a positive but not significant to ROE. Nguyen & Thanh (2022) reveal that manufacturing firms are more likely to have better environmental performance when the proportion of independent directors on board increases. Therefore, the following can be hypothesized.

H_2: The proportion of independent directors of a life insurance company's board of directors influences company performance

3. RESEARCH METHOD

This research requires data on the performance of life insurance companies as measured by return on equity, managerial capability and the proportion of independent board of directors. Research data was obtained from each company's website. Theoretically, a larger sample size usually produces econometric model estimation results that are closer to the true parameter values, or leads the model to provide similar values to the population. Table 1 presents the name of life insurance companies as samples.

Table 1: Samples of the study

No.	Name of Life Insurance Company	No.	Name of Life Insurance Company
1	PT Asuransi Jiwa Sinarmas MSIG	12	PT Great Eastern Life Indonesia
2	PT Panin Dai-chi Life	13	PT Hanwha Life Insurance Indonesia
3	PT Ace Life Assurance	14	PT Asuransi Jiwa Manulife Indonesia
4	PT AIA Financial	15	PT Asuransi Jiwa Mega Indonesia
5	PT Asuransi Allianz Life Indonesia	16	PT Prudential Life Assurance
6	PT Avrist Assurance	17	PT Heksa Eka Life Insurance
7	PT Asuransi Jiwa BCA	18	PT Indolife Pensiontama
8	PT BNI Life Insurance	19	PT Asuransi Jiwa Inhealth Indonesia
9	PT Asuransi Jiwa Bringin Jiwa Sejahtera	20	PT Asuransi Jiwa Sequis Life
10	PT Equity Life Indonesia	21	PT Asuransi Jiwa Tugu Mandiri
11	PT Asuransi Jiwa Generali Indonesia	22	PT. Asuransi Jiwa Taspen

Source: The Financial Services Authority (OJK)

The number of life insurance companies in this research sample was 22 companies from 2018 to 2022, so the total research data was 110. After removing 10 outlier data, the final data analyzed was 100. This research models the relationship between managerial competence, the proportion of independent board of directors and the performance of life insurance companies. To estimate this relationship, this research uses a multiple linear regression model which is presented as follows:

$$LAG1\_LN\_ROE_{it} = \beta_0 + \beta_1 MC_{it} + \beta_2 IC_{it} + \varepsilon_{it}$$

Where LAG1_LN_ROE is lag one of natural logarithm of return on equity, MC is managerial competency, and IC is proportion of independent directors.

The ordinary least squares (OLS) estimator of the linear regression model coefficients is the best linear unbiased estimator (BLUE), namely the estimator that has the smallest variance among the unbiased and linear estimators of the observed output. For this reason, we carried out classic assumption tests which include data normality tests, autocorrelation tests, multicollinearity tests and heteroscedasticity tests.

4. RESULTS AND DISCUSSION

We display descriptive statistics in table 2 as follows.

Table 2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
LAG1-LNROE	101	-4.94	.96	-1.64	.94
MC	111	-.04	1.05	.09	.18
IC	111	.33	.75	.55	.09
Valid N (listwise)	101				

Table 2 shows that the lowest value for lag 1 of the natural logarithm of return on equity is -4.94 and the highest value is 0.96, the average value is -1.64 with a standard deviation of 0.94. The lowest value for managerial competence is 0.04 and the highest value is 1.05, the average value is 0.09 with a standard deviation of 0.18. The lowest value for the proportion of independent directors is 0.33 and the highest value is 0.75, the average value is 0.55 with a standard deviation of 0.09.

The results of multiple linear regression to determine the influence of managerial competence and the proportion of independent directors on company performance as measured by return on equity are presented in table 3.

Table 3: Multiple Linear Regression Output

Dependent Variable: LAG1_LNROE				
Method: Panel Least Squares				
Date: 06/10/24 Time: 02:23				
Sample: 2018 2022				
Periods included: 5				
Cross-sections included: 22				
Total panel (unbalanced) observations: 100				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
MC	1.714	0.486	3.528	0.001*)
IC	-1.849	0.945	-1.957	0.053**)
C	-0.813	0.537	-1.515	0.133
R-squared	0.169	Mean dependent var		-1.653
Adjusted R-squared	0.152	S.D. dependent var		0.934
S.E. of regression	0.860	Akaike info criterion		2.565
Sum squared resid	71.719	Schwarz criterion		2.644
Log likelihood	-125.273	Hannan-Quinn criter.		2.597
F-statistic	9.880	Durbin-Watson stat		2.084
Prob(F-statistic)	0.000			

*) Significant at the 0.05 level, **) Significant at the 0.1 level

Table 3 summarizes the influence of managerial competence and the proportion of independent directors on company performance indicators. Empirical evidence from the Least Squares estimator shows that the hypothesis of managerial competence (H1) and the proportion of independent directors (H2) to predict company performance is supported.

Human capital is the key to the success of businesses, especially life insurance companies. This is shown from the results of this research where managerial competence has a significant effect on company performance as measured by return on equity which shows the level of prosperity of shareholders. Managerial competence can be improved through education, training, workshops, seminars, conferences held internally and externally such as seminars organized by The Financial Services Authority (OJK) and various professional associations related to insurance. Training and workshops can be carried out in-house training and externally and are held regularly by various insurance professional associations. The findings regarding the positive relationship between managerial competence and company performance are similar to findings documented in other studies such as Ssekakubo *et al*., (2014), Mwenda *et al*., (2023), and Nemati *et al*., (2020).

Likewise, the proportion of independent directors who play an important role in providing advice and supervising the Board of Directors who play an important role in monitoring and supervising executives in achieving company goals. Empirical findings from an analysis of life insurance companies in Indonesia support the idea that independent directors produce better company performance which signals to investors to rely on independent directors to protect their profits. This evidence confirms the recommendation that life insurance companies in Indonesia must employ independent directors for at least one third of all directors, and not less than three. The involvement of an independent board of directors in monitoring the performance of executives has made a significant contribution to the company's performance. Usually they come from academics who have experience as company consultants and practitioners who currently or have previously held top management positions. They are neutral and professional in providing advice and in making decisions. The findings regarding the positive relationship between independent directors and firm performance are similar to findings documented in other studies such as Black and Kim, (2012), Mishra & Kapil (2018), Shan and McIver (2011), Chakraborty *et al*., (2019), Puni *et al*., (2020), Septiana *et al*., (2016), and Nguyen & Thanh (2022). This evidence suggests that independent directors are an effective monitoring mechanism in overseeing the activities of executives, leading to improved firm performance.

After producing the regression equation, we carry out a classical assumption test to obtain the best linear unbiased estimator (BLUE), namely the estimator that has the smallest variance among the unbiased and linear estimators of the observed output. The results of the classical assumption test can be seen in the appendix 1 and show that the data is normally distributed, there are no symptoms of autocorrelation, there is no multicollinearity, and there is no heteroscedasticity.

Appendix 1: Classic Assumption Test

1. Normality Test

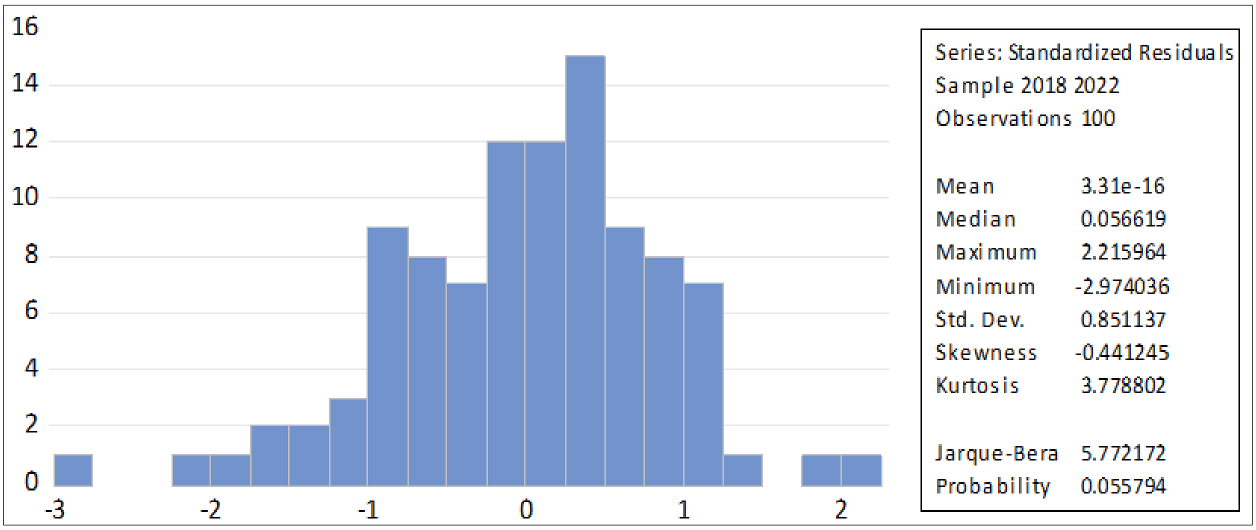

Figure 1: Output Normality Test

Output Normality Test

The Jarque-Bera test is used to test normality. The Jarque-Bera test was used to test the normality of the data distribution. The probability value of the Jarque-Bera test is above 0.05, so it can be concluded that the data is normally distributed.

2. Autocorrelation Test

A common method of testing for autocorrelation is the Durbin-Watson test.

Durbin-Watson stat value is 2.084

k=2 and n=100

dU=1.7152

dL=1.6337

4-dU= 2.2848

4-dL= 2.3663

Because the Watson Durbin value of 2.084 is between the values of dU = 1.7152 and 4-dU = 2.2848, it can be concluded that there is no autocorrelation

3. Multicollinearity Test

Table 4: Output of Correlation Coefficient

	MC	IC
MC	1	-0.171
IC	-0.171	1

Output of Correlation Coefficient

To detect multicollinearity is to calculate the correlation coefficient for all pairs of predictor variables. If the correlation coefficient r is exactly +1 or -1 then it is called perfect multicollinearity. The correlation test is used to detect multicollinearity. The value in the correlation table shows a figure of -0.171 and is below the value of 0.85. This means there is no multicollinearity.

4. Heteroscedasticity Test

Table 5: Output of Heteroscedasticity Test

Dependent Variable: ABS(RESID)				
Method: Panel Least Squares				
Date: 06/10/24 Time: 03:23				
Sample: 2018 2022				
Periods included: 5				
Cross-sections included: 22				
Total panel (unbalanced) observations: 100				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
MC	0.327	0.298	1.098	0.275
IC	1.115	0.579	1.924	0.057
C	0.016	0.329	0.050	0.960
R-squared	0.0419	Mean dependent var		0.660
Adjusted R-squared	0.0221	S.D. dependent var		0.533
S.E. of regression	0.5272	Akaike info criterion		1.587
Sum squared resid	26.9594	Schwarz criterion		1.665
Log likelihood	-76.3519	Hannan-Quinn criter.		1.619
F-statistic	2.1200	Durbin-Watson stat		1.305
Prob(F-statistic)	0.1256			

Output of Heteroscedasticity Test

The table above shows that the probability value of the MC and IC variables is above 0.05, so it can be concluded that there is no heteroscedasticity.

5. CONCLUSIONS

This research focuses on identifying managerial competence and independent directors in life insurance companies in Indonesia. Ways to improve the performance of life insurance companies and the importance of managerial competence and independent directors are analyzed and assessed. This paper results in the development of a life insurance company performance model which serves as a basis for improving company performance. The influence of managerial competence and corporate governance on company performance has become a research topic that has attracted the attention of academics and researchers. Even though there is a lot of empirical literature discussing this matter, specific research on life insurance companies in Indonesia is still very limited. Therefore, this research aims to examine the impact of managerial competence and governance of life insurance companies in Indonesia on performance. Five years of panel data from 22 insurance companies were used and analyzed.

The results of this research show that managerial competence and the proportion of independent directors, which are proxies for governance, have a significant and positive relationship to the performance of insurance companies in Indonesia, both partially and simultaneously. Manager competency and corporate governance mechanisms have improved company performance. For this reason, top management must continuously develop the competence of managers and maintain the proportion of independent directors and pay attention to their competence so that company performance is maintained.

The limitations of this research are mainly that it does not cover all life insurance companies in Indonesia and only focuses on managerial competence and independent directors. Several variables are thought to influence insurance company performance, such as strategy, agent competency, capital strength, technology and others. For this reason, we recommend that future research include these variables and use more sample data so that the resulting research becomes more accurate.

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