UNIVERSITAS ANDALAS

ANALYSIS OF THE TECHNICAL EFFICIENCY OF CONVENTIONAL LIFE INSURANCE COMPANIES IN INDONESIA ON 2016-2020 USING *THE DATA ENVELOPMENT ANALYSIS* (DEA) METHOD

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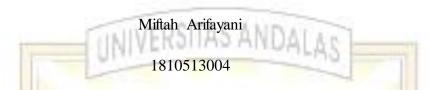
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ABSTRACT

This research explains the efficiency of conventional life insurance in Indonesia in 2016-2020 using the Data Envelopment Analysis (DEA) method. By using input variables (capital and employee expenses) and output (premium income). In five years, the input growth is too large compared to the output growth. Researchers examined twelve conventional life insurance companies. The data used is from financial reports on each company's website. The data processing tool uses DEAP version 2.1. The results of the study show that three of the twelve companies are efficient using the CCR model, while using the BCC model there are five of the twelve companies that are efficient. Companies that are not efficient because they are not in accordance with the targets achieved.