



**DETERMINANTS OF INSURANCE COMPANIES  
PROFITABILITY: AN ANALYSIS OF MALAYSIAN  
LIFE INSURANCE INDUSTRY**

**MUHAMMAD SHAKIR JIHADI BIN MOHD SUKOR  
2016689468**

**&**

**NABILAH SYUHADA BINTI MOHD YUSOFF  
2016630908**

**BACHELOR OF BUSINESS ADMINISTRATION WITH  
HONOURS (FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
MELAKA**

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## ABSTRACT

This study examines about the factor that affect profitability performance of life insurance industry in Malaysia. There are three independent variables that have been selected for this research and we applied panel regression technique as to identify the significant relationship with dependent variable. The independent variables are firm size, volume of capital and assets tangibility while dependent variable is return on assets as proxy for profitability performance. This study uses annual data from annual report of Allianz Life Insurance, Hong Leong Assurance, Prudential Malaysia, Great Eastern Malaysia and Zurich Insurance & Takaful Malaysia from the year of 2011 to 2017 which the total observation is 35 sample. As for this study, we chose three company which is among the best company based on their long establishment and also profit performance in order to know which factors affects their profitability performance. Furthermore, the study regarding of factors that affecting insurance company is rarely being discuss in Malaysia because most of the previous studies discuss on other countries. Thus, to differentiate our research with previous studies we extended our period from 2011 to 2017 where more data can be collected. We also focuses on five insurance company which is Allianz Life Insurance, Hong Leong Assurance, Prudential Malaysia, Great Eastern Malaysia and Zurich Insurance & Takaful Malaysia. Based on the findings, shows that all independent variables has insignificant relationship with profitability performance.