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The Effect of Return on Asset and Return on Equity on Debt to Asset Ratio in PT. Medan Regional Office Life Insurance

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ABSTRACT

The purpose of the study was to determine the effect of Return on Assets on the Debt to Asset Ratio, to determine the Return on Equity of the Debt to Asset Ratio, and to determine the effect of Return on Assets and Return on Equity on the Debt to Asset Ratio either partially or simultaneously at PT. Jiwasraya Insurance. The approach used in this study is an associative approach. Samples that meet the withdrawal criteria are carried out for ten years. Data collection techniques in this study using documentation techniques. The data analysis technique in this study uses the Classical Assumption Test, Multiple Regression, Hypothesis Testing (t-test and F-test), and the Coefficient of Determination. Data processing in this study using the SPSS version 22.00 software program. The results of this study prove that the Partial Return on Assets has an effect on the Debt to Asset Ratio, while the Return on Equity has an effect on the Debt to Asset Ratio. Simultaneously Return on Assets and Return on Equity affect the Debt to Asset Ratio.

Keywords: Debt to Asset Ratio, Return on Assets, Return on Equity

JEL Classification: F6, F65, G10

INTRODUCTION

The development of industrial society in Indonesia is inseparable from economic and technological developments in human life, where with the increasingly limited sources of human needs in an effort to increase prosperity, the greater human effort to protect themselves or their families and their property from events. that can cause harm or cause interference in achieving their life goals. In its development, the insurance business has not been taken into account in preparing for the family's future if something happens to the backbone of their livelihood. This can be said to be reasonable because the age of the insurance industry is still relatively young, but that does not mean it is too late to include insurance in considering the risk of death or accidents that may occur (Jufrizen and Nasution 2016).

In 1957, in the context of nationalizing the Indonesian economy, Dutch-owned life insurance companies in Indonesia were subject to nationalization. On December 17, 1960, NILLMIJ van 1859 which had been nationalized based on Government regulation Number 23 of 1958 was changed its name to PT Perusahaan Peranggungan Djiwa Sedjahtera. Based on Government Regulation No. 214 of 1961, on January 1, 1961, 9 Dutch-owned insurance companies were merged with the main core of NILLMIJ van 1859 to become a State Insurance Company for Djiwa Eka Sedjahtera.

On January 1, 1966, based on PP no. 40 In 1965 a new state company was established called the State Insurance Company Djiwasraya, which was an amalgamation of the State Insurance Company Djiwa Eka Sedjahtera. And based on SK. Minister of Insurance Affairs Number 2/SK/66 dated January 1, 1966 PT Peranggungan Djiwa Dharma Nasional was controlled by the Government and then integrated into the State Insurance Company Djiwasraya. Based on Government regulation Number 33 of 1972,

The obligation of financial statement transparency has brought the company to a history that will not be forgotten, where in 2008 the company was declared "Insolvent" by the regulator, at that time the Capital Market and Financial Institution Management Agency (Bapepam-LK). The Minister of State-Owned Enterprises through his letter number S-593/MBU/2008 dated July 9, 2008 will in principle maintain the viability of the company and expects the cooperation and support of the Minister of Finance as the ultimate shareholder and regulatory to help resolve the problems being faced by the company. Based on the letter from the SOE Minister, the company's management and shareholders have made a Business Plan in the context of restructuring the company through the mechanism of increasing capital and Zero-Coupon Bond, however, the restructuring scheme could not be implemented because the conditions at that time did not allow it. In the end, Jiwasraya Management has a temporary solution to resolve the problem by means of reinsurance, which in Indonesia has never been done and this solution does not burden the state's finances. This reinsurance is carried out in cooperation with companies from abroad.

This reinsurance solution was carried out by the company from December 31, 2009 to March 31, 2013, the termination of the reinsurance method was carried out because the company had another solution by utilizing the applicable policies and regulations, namely the application of IFRS (International Financial Report Statement), where one of the policies was that the company could carry out revaluation of assets owned. By doing this asset revaluation, the company avoids and gets out of insolvent problems. At that time on August 13, 2013, Mr. Dahlan Iskan as the Minister of SOEs stated that "Jiwasraya has become a healthy company and can again compete in the life insurance industry".

According to Law No. 2 of 1992, "Insurance or coverage is an agreement between two or more parties, in which the insurer binds himself to the insured, by receiving insurance premiums, to provide compensation to the insured due to loss, damage or loss that may be suffered by the insured, arising from an uncertain event, or for payment for the death or life of an insured person." Every company wants to have certain goals to be achieved in an effort to meet the interests of stakeholders and can run in the long term (sustainable) including insurance companies as one of the financial service products. The company's objectives are to gain profit (profit), increase the value of the company, and to satisfy the needs of the community. The achievement of these goals is determined by the performance of the company itself. One important aspect that always gets special attention from every element of the company is the company's finances. This can happen because companies are faced with basic problems regarding the company's operations, namely how big the company should be and how fast the growth should be.

The solvency ratio is related to external funding, namely the extent to which the company uses funding through debt or financial leverage (financial leverage). Financial leverage can be a double-edged sword. Under normal circumstances, the company gets a return from an investment funded by borrowed funds greater than the interest paid, then the return on the owner's capital will be enlarged or leveraged.

The solvency ratio or leverage ratio is the ratio used to measure the extent to which the company's assets are financed by debt. This means how much debt burden is borne by the company compared to its assets. In a broad sense it is said that the solvency ratio is used to measure the company's ability to pay all obligations, both short term and long term if the company is dissolved (liquidated).

According to Kasmir (2021) Debt to Asset Ratio (DAR) is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets are financed by debt or how much the company's debt affects asset management. If the debt ratio is higher, while the proportion of total assets does not change, the debt owned by the company is getting bigger. The greater the total debt, the higher the financial ratio or the ratio of the company's failure to repay the loan. And vice versa if the debt ratio is getting smaller than the debt owned by the company will also be smaller and this means the financial risk of the company returning the loan is also getting smaller.

Profitability is a measurement of the company's overall ability to generate profits with the total number of assets available in the company. The higher this ratio, the better the condition of the company. And conversely, the smaller this ratio, the worse the condition of the company because it is unable to generate profits for the company.

According to Kasmir (2012) the use of profitability ratios can be done by using comparisons between the various components that exist in various financial statements, especially the balance sheet financial statements and the income statement. Measurements can be made for several operating periods. The goal is to see the company's development within a certain time span, either a decrease or an increase, as well as to find the cause of the change.

According to Hery (2015), Return on Assets (ROA) is a ratio that shows how big the contribution of assets in creating net income. In other words, this ratio is used to measure how much net profit is generated from each rupiah of funds embedded in total assets. This ratio is calculated by dividing net income by total assets.

To measure the level of profit of a company, the ratio of profit to profitability is used. This ratio is more in demand by shareholders and company management as an investment decision tool, whether this business investment is developed, maintained and so on. According to (Sjahrial, 2010, p. 44) said that Return on Equity is a comparison between the amount of profit available to the owner of own capital on the one hand with the amount of own capital that generates the profit on the other hand. Or in other words, it can be said that Return on Equity is the ability of a company with its own capital to work in it to generate profits

LITERATURE REVIEW

Debt to Asset Ratio

This ratio is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets are financed by debt or how much the company's debt affects asset management. The higher this ratio, the more funding with debt. So, it is increasingly difficult for the company to obtain additional loans because it is feared that the company will not be able to cover its debts with its assets. Conversely, the lower this ratio, the smaller the company is financed by debt.

The company's debt management can be measured by the solvency ratio. The ratio shows the extent to which the company is financed by debt. The higher this ratio means the higher the amount of loan capital used by the company so that it increases the risk borne by the company.

Debt To Asset Ratio is one of the ratios used to measure the level of solvency of the company. The level of solvency of the company is the company's ability to pay the company's long-term obligations. A company is said to be solvable, meaning that the company has sufficient assets and wealth to pay its debts. This ratio shows the amount of total debt to the total assets owned by the company. This ratio is the percentage of funds provided by creditors to the company.(Hani, 2015, p. 123) stated that the Debt to Asset Ratio, which is a ratio that calculates how many parts of the total funding needs are financed with debt. Kasmir (2012) state that: *"Debt to Asset Ratio"*is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets are financed by debt or how much the company's debt affects asset management.

Hery (2015) state that: *"Debt to Asset Ratio"*is the ratio used to measure the ratio between total debt and total assets. In other words, this ratio is used to measure how much the company's assets are financed by debt or how much the company's debt affects asset financing.

So, the conclusion of the Debt to Asset Ratio is to show the total amount of debt that can be guaranteed by total assets or to show the amount of funds provided by creditors to the total assets owned by the company. The higher the Debt to Asset Ratio, the greater the company's risk because debt creates a fixed interest expense on the company.

The benefit of the analysis of the Debt to Asset Ratio is a leverage ratio (solvability) in which to choose to use own capital or borrowed capital must use several calculations. As it is known that the use of own capital or borrowed capital will have a certain impact on the company. The management must be good at managing the Debt to Asset Ratio (DAR). A good ratio regulator will provide many benefits for the company to deal with all possibilities that will occur. However, all policies depend on the overall goals of the company.

The benefits of solvency ratio or leverage ratio according to (Cashmere, 2012, p. 154) that: To analyze the ability of the company's position towards obligations to other parties. To analyze the company's ability to meet fixed obligations (such as loan installments including interest). To analyze the balance between the value of assets, especially fixed assets with capital. To analyze how much the company's assets are financed by debt. To analyze how much the company's debt affects asset management. To analyze or measure how much of each rupiah of own capital is used as collateral for long-term debt. To analyze how much loan funds will soon be billed, there are several times their own capital.

Return on Assets

Return on Assets shows the productivity of all company funds, both loan capital and own capital. The higher this ratio the better, and vice versa. Return on Assets is a tool usually used to assess the company's overall performance (Brigham and Houston 2011)..

This ratio describes the return-on-investment returns showing the productivity of all company funds, both own capital and loan capital. By knowing this ratio, we can assess whether the company is efficient in utilizing its assets in the company's operational activities. This ratio also provides a better measure of the company's profitability because it shows the effectiveness of management in using assets to generate income.

(Sudana, 2011, p. 22) state that: "ROA is a ratio that shows a company using all of its assets to generate after-tax profits. This ratio is important for the management to evaluate the effectiveness and efficiency of the company's management in managing all company assets. The greater the ROA, the more efficient the use of company assets or in other words with the same number of assets, greater profits can be generated, and vice versa.

(Hani, 2015, p. 119) state that: *"ROA* or ROI is the ability of capital invested in overall assets to generate net profits. ROA or ROI is a measure of the efficiency of the use of capital in a company. For companies in general, the problem of efficient use of capital is more important than the problem of profit, because large profits are not a measure that the company has been able to work efficiently.

(Hery, 2015, p. 193) state that: *"ROA* is a ratio that shows how big the contribution of assets in creating net income. In other words, this ratio is used to measure how much net profit will be generated from each rupiah of funds embedded in total assets. This ratio is calculated by dividing net income by total assets."

From the above understanding, it can be concluded that Return on Assets is a ratio that shows how much net income can be obtained from the entire wealth owned by the company, because it uses profit after tax figures and the average wealth of the company. According to (Munawir, 2014, p. 91) the usefulness of the ROA analysis can be stated as follows: As one of its principal uses is its comprehensive nature. If the company has carried out good accounting practices, the efficiency of the use of working capital, production efficiency and sales efficiency will be achieved. If the company can have industry data so that industry ratios can be obtained, then with this ROA analysis it can be compared with the efficiency of the use of capital in the company which is below, equal to or above the average. ROA analysis can also be used to measure the profitability of each product produced by the company. *ROA* Besides being useful for control purposes, it is also useful for planning purposes. For

example, ROA can be used as a basis for decision making if the company will rely on expansion.

Return on Equity

Return on Equity (ROE) is a measurement of the income available to the owners of the company or the capital they invest in the company. (Hani, 2015, p. 120) states that Return on Equity indicates the ability of the company's equity (generally common stock) to generate profits. (Sudana, 2011, p. 22) state that: *"Return on Equity* is a ratio that shows the company's ability to generate after-tax profits by using the company's own capital. This ratio is important for the shareholders to determine the effectiveness and efficiency of the management of their own capital carried out by the company's management. The more this ratio means the more efficient the use of own capital by the company's management.

(Hery, 2015, p. 194) state that: *"Return on Equity*is a ratio that shows how big the contribution of equity in creating net income. In other words, this ratio is used to measure how much net profit will be generated from each rupiah of funds embedded in total equity. This ratio is calculated by dividing net income by equity."

So, Return on Equity (ROE) is one of the main tools investors use most often in valuing a stock. If the profitability ratio achieves maximum profit as targeted, the company can do much for the welfare of owners, employees, as well as improve product quality and make new investments (Rambe et al. 2017).

According to (Kashmir, 2012, p. 198) profitability ratios have benefits, namely: Knowing the level of profit earned by the company in one period. Knowing the company's profit position in the previous year with the current year. Knowing the development of profit from time to time. Knowing the amount of net profit after tax with own capital. Knowing the productivity of all company funds used both loan capital and own capital.

Conceptual Framework

Effect of Return on Assets on Debt to Assets Ratio

Companies with high profits tend to use more borrowing to obtain tax benefits. Return on Assets is a profitability ratio that shows the company's ability to generate profits. Return on Assets shows the company's return or profit generated from the company's activities that are used to run the company. The greater this ratio, the better the company's profitability. according to(Kashmir, 2012, p. 201) stated "Return on Assets is a ratio that shows the results (returns) of the total assets used in the company.

Return on Assets is the ratio between net income and overall assets to generate profit. This ratio shows how much the company's net profit is measured by the value of its assets. Analysis of Return on Assets (ROA) or often translated in Indonesian as economic profitability, measures the company's development in generating profits.

Next according to (Syamsuddin, 2009, p. 63) states, "Return on Assets is a measurement of the company's overall ability to generate profits with the total amount of assets available in the company". According to (Hery, 2015, p. 193) states that if the low ROA means the lower the amount of net profit generated from each rupiah of funds embedded in total assets.

From some of the theories above, it can be concluded that Return on Assets is one of the profitability ratios that shows the company's profit and is used to measure the company's effectiveness in generating profits by utilizing its assets. Likewise, if the ratio is low, the smaller the company is financed with debt. If the company turns out to have

a high solvency ratio, this will result in a greater risk of loss. Conversely, if the company has a lower solvency ratio, it certainly has a smaller risk of loss, especially when the economy is down. This impact also results in a low rate of return when the economy is high. This research is supported by research(Kartika, 2016)that profitability has a negative and significant effect on capital structure. Other research was also conducted by(Satriawan, 2016) that profitability has a significant and negative effect on capital structure.

Effect of Return on Equity on Debt to Asset Ratio

Return on Equity (ROE) is an important element in the return of investment decisions. This ratio is used as an indicator or source of information about the company's ability to generate profits as seen from the returns received by investors and about how the company manages its assets.

According to (Sudana, 2011, p. 22) stated, “Return on Equity shows the company's ability to generate after-tax profit by using the company's own capital. According to (Hani, 2015, p. 120) stated, “Return on Equity shows the ability of the company's equity (generally common shares) to generate profit.

The amount of own capital profitability is influenced by the debt ratio. The effect of the debt ratio on the profitability of own capital can be positive, can be negative or can have no effect at all. The positive effect means that the greater this ratio, the greater the profitability of own capital. This will happen if the economic profitability is greater than the interest rate. The negative effect occurs in the opposite economic situation, namely in a state of economic profitability which is smaller than the interest rate. In such a situation, the company that has the largest debt ratio will have the smallest profitability of its own capital.

The lower the debt ratio (DAR), the better the condition of a company. Because only a small proportion of assets are financed by debt. If the funds borrowed by the company (debt) obtain greater results than the debt, the results obtained are greater than the debt, then the income or profit earned by the company will increase. Companies that have a high rate of return on investment (profitability) tend to have small amounts of debt.

This research is supported by research(Infantry, 2015) that profitability has a significant positive effect on capital structure. Other research was also conducted by (Marfuah, 2017) that there is a significant influence between profitability on capital structure.

Effect of Return on Assets and Return on Equity together on the Debt to Asset Ratio

The company's financial funding decisions will greatly determine the company's ability to carry out its operating activities and will also affect the risk of the company itself. If the company increases leverage, this company will automatically increase the company's financial risk. For this reason, some managers do not fully fund their companies with their own capital, but are also accompanied by the use of funds through debt, both long-term debt and short-term debt.

*Return on Assets s*mall or declining in a company indicates a lack of insurance management ability in terms of managing assets to increase revenue and or reduce costs. A declining ROA will also make the company suffer losses and will hamper growth. Return on Equity is used to measure the ability of a company to generate profits with equity capital. According to research conducted by (Zuhro, 2016) concluded

that Return on Assets and Return on Equity have a significant effect on the Debt to Asset Ratio.

Hypothesis

Hypothesis is a temporary explanation of certain behavior or circumstances that have occurred. The hypothesis is a statement about a concept that can be judged true or false if it shows a phenomenon that is observed and tested empirically to achieve the objectives of this study referring to the company and literature mentioned in the previous description (Sugiyono 2017).

Based on the formulation of the problem and the objectives of this study, the following hypotheses can be drawn:

1. There is an effect of Return on Assets on the Debt to Asset Ratio at PT. Jiwasraya Insurance.
2. There is an effect of Return on Equity on the Debt to Asset Ratio at PT. Jiwasraya Insurance.
3. There is an effect of Return on Assets and Return on Equity together on the Debt to Asset Ratio at PT. Jiwasraya Insurance

RESEARCH METHOD

The research approach used in this research is to use an associative approach. The associative approach is an approach using two or more variables to determine the relationship or influence between one variable and another (Juliandi, Irfan, and Manurung 2014). The type of data used is quantitative, namely in the form of numbers using formal, standard and measuring instruments.

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RESULTS

Classical assumption test is a requirement of multiple regression analysis. Which aims to obtain valid analysis results. The classical assumption test includes the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

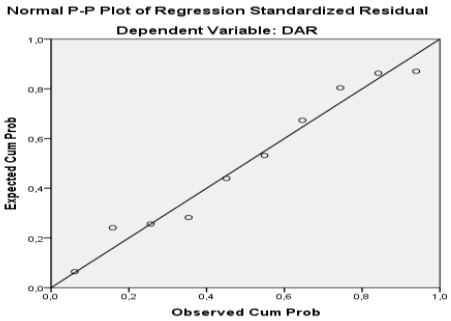
Normality test

The normality test aims to determine whether the regression, the dependent variable and the independent variable both have a normal distribution or not. A good regression model is to have a normal or close to normal data distribution. The normality test used in this study is by:

1) Normal Test PP Plot of Regression Standardized Residual
   The test can be used to see whether the regression model is normal or not with the condition that if the data follows the diagonal line and spreads around the diagonal line.

a) If the data spreads around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, then the regression model meets the classical assumptions.
b) If the data spreads far from the diagonal and follows the direction of the diagonal line or the histogram graph does not show a normal distribution pattern, then the regression model does not meet the assumption of normality.

Figure 1. Normal P-Plot Chart



2) Kolmogorov Smirnov. test
   This test aims so that in this study can determine whether the distribution is normal or not between the independent variable and the dependent variable or both, with the following criteria:
   a) If the significant value is <0.05, it means that the data is not normally distributed.
   b) If the significant value is > 0.05, it means that the data is normally distributed.

With SPSS version 22.00, the Kolmogorov Smirnov test results can be obtained as follows:

Table 1. Kolmogorov Smirnov. Test Results

One-Sample Kolmogorov-Smirnov Test

		ROA	ROE	DAR
N		10	10	10
Normal Parameters, b	Mean	3,2850	24.5060	87.3410
	Std. Deviation	1.88531	12,49009	3,23337
Most Extreme Differences	Absolute	,180	,179	,160
	Positive	,120	,179	,160
	negative	-,180	-,158	-,138
Test Statistics		,180	,179	,160
asymp. Sig. (2-tailed)		,200c,d	,200c,d	,200c,d

a. Test distribution is Normal.
b. Calculated from data.

Multicollinearity Test
The multicollinearity test was used to determine whether the regression model found a high correlation between the independent variables, provided that:
1) If the tolerance is < 0.1 or equal to VIF > 10, there is a serious multicollinearity problem.
2) If Tolerance > 0.1 or equal to VIF < 10, there is no multicollinearity problem.

With SPSS version 22.00, the results of the multicollinearity test can be obtained as follows:

Table 2. Multicollinearity Test Results

Model		Correlations			Collinearity Statistics	
		Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)					
	ROA	-,702	-,869	-,750	,085	1,766
	ROE	-,505	,800	,570	,085	1,766

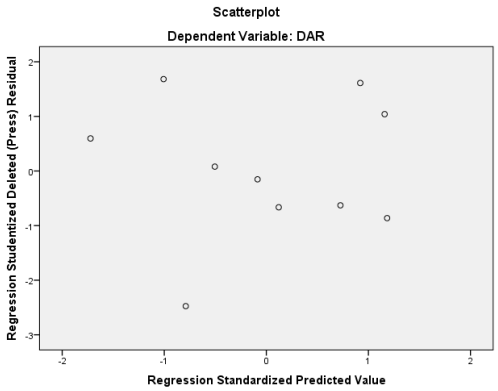
Dependent Variable: DAR

Heteroscedasticity Test

Heteroscedasticity test was conducted to determine whether in the regression model there was an inequality of variance from the residuals of one observation to another observation. To find out whether or not heteroscedasticity occurred in the regression model of this study, the analysis was carried out using an informal method. Informal methods in heteroscedasticity testing are the graph method and the Scatterplot method. The basis of the analysis is as follows:

1) If there is a certain pattern, such as dots forming a regular pattern, then heteroscedasticity has occurred.
2) If there is no clear pattern and the points spread irregularly, then there is no heteroscedasticity.

Figure 2. Heteroscedasticity Test Results



Autocorrelation

Autocorrelation aims to test whether in a linear regression model there is a correlation between the confounding error in period t and the error in period t-1 (previous). If there is a correlation, it is called an autocorrelation problem. A good regression model is free from autocorrelation. One way to identify it is to look at the Durbin Watson (DW) value:

1) If the DW value is below -2, it means that there is a positive autocorrelation.
2) If the DW value is between -2 to +2, it means that there is no autocorrelation.
3) If the DW value is above +2, it means that there is a negative autocorrelation.

The results of the autocorrelation test can be seen in the following table:

Table 3. Autocorrelation Test

Model Summary b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,904a	,817	,765	1.56699	,817	15,660	2	7	,003	1,307

a. Predictors: (Constant), ROE, ROA

b. Dependent Variable: DAR

Multiple Linear Regression

The multiple linear regression model used is Debt to Asset Ratio (DAR) as the dependent variable and Return on Assets (ROA) and Return on Equity (ROE) as independent variables. Where multiple analysis is useful for measuring the effect of each dependent variable on the independent variable. The following are the results of data management using SPSS version 22.00.

Table 4. Multiple Linear Test Results

Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	89,426	1.164		76.858	,000
	ROA	-4,412	,950	-2.572	-4,642	,000
	ROE	,506	,143	1,956	3,529	,010

a. Dependent Variable: DAR

Hypothesis test

Statistical t test or partial test

The t-test was conducted to see whether there was a partial effect between the independent variable and the dependent variable. For criteria, the t test is carried out at the level of = 0.05 with the t value for = 10 - 2 = 8 is 2,306, thus this t table is used as the criteria for drawing conclusions. Based on the results of data management with SPSS version 22.00, the results of the t-statistical test are as follows:

Table 5. t statistic test result (partial)

Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	89,426	1.164		76.858	,000
	ROA	-4,412	,950	-2.572	-4,642	,000
	ROE	,506	,143	1,956	3,529	,010

a. Dependent Variable: DAR

DISCUSSION

Based on the results of the analysis in research conducted using the appropriateness of theories, opinions and previous studies that have been stated previously, the following is a discussion of some of the findings of the research problem:

Effect of Return on Assets on Debt to Asset Ratio

Based on the results of research that has been done, it was found that the effect of the Return on Assets variable on the Debt to Asset Ratio has a negative sign with a coefficient of -2.572. So, it can be concluded that the Return on Asset variable has decreased while the Debt to Asset Ratio variable has increased. That is, if the Return on Assets is greater than the cost of debt, the solvency is profitable and the return on capital using solvency will also increase. But here what is seen is that the Return on Assets decreases and the Debt to Asset Ratio increases, then the company will decide to fund its company with debt or borrow from creditors. The results of this study are in accordance with the results of previous research conducted by (Kartika, 2016) who found that profitability had a significant and negative effect on the funding structure.

Effect of Return on Equity on Debt to Asset Ratio

Based on the results of research that has been done, it was found that the influence of the Return on Equity variable on the Debt to Asset Ratio has a positive sign with a coefficient of 3.529. So, it can be concluded that the Return on Equity and Debt to Asset Ratio variables both experienced an increase. The increasing value of ROE is based on the improvement of the company's management performance in optimizing all available sources of funds until the company can achieve the company's profit target.

Increased profits generated from the amount of capital available to the company will make creditors interested in providing loans to the company, thus the debt in the capital structure of the company will increase. The results of this study state that Return on Equity has a positive and significant effect on the Debt to Asset Ratio. This is supported or in line with research conducted by (Jufrizen et al. 2019) concludes that Return on Equity has a positive and significant effect on the Debt to Asset Ratio.

Effect of Return on Assets and Return on Equity on Debt to Asset Ratio

From the research that has been done, it can be seen that the F count value is 15.660, while F table is 4.74, then the test results simultaneously using a significance level of 0.003, obtained from the probability of 0.05. This indicates that F count is in the rejection area of Ho, in other words, Return on Assets and Return on Equity simultaneously have a significant effect on the Debt to Asset Ratio. The increasing amount of debt offset by the increase in the number of profits obtained indicates that the policies taken by the company's management are in accordance with the needs and level of company performance so that the increase in profits obtained has a positive impact on increasing the Debt to Asset Ratio.

So, it can be concluded that there is a simultaneous significant relationship between Return on Assets and Return on Equity on the Debt to Asset Ratio. So, from this case it can be concluded that ROA, ROE, together have an effect on DAR in the company PT. Jiwasraya Insurance. The company's financial funding decisions will greatly determine the company's ability to carry out its operating activities and will also affect the risk of the company itself. If the company increases leverage, this company will automatically increase the company's financial risk. For this reason, some managers do not fully fund their companies with their own capital, but will also be accompanied by the use of funds through debt, both long-term debt and short-term debt.

The results of this study state that Return on Assets and Return on Equity have a positive and significant effect on the Debt to Asset Ratio. This is supported or in line with research conducted by (Zuhro and Suwitho 2016) concluded that Return on Assets and Return on Equity have a significant effect on the Debt to Asset Ratio. Concluded that Return on Assets and Return on Equity have a positive and significant effect on the Debt to Asset Ratio.

The higher the DAR value of the company, the greater the company's inability to pay all its obligations. Conversely, the lower the DAR value, the better the condition of a company. Because only a small proportion of assets are financed by debt. If the funds borrowed by the company (debt) obtain greater results than the debt, then the income or profit earned by the company will increase.

CONCLUSION

Based on the data obtained as well as the results of the analysis that has been carried out as well as the discussion that has been stated in the previous chapter, it can be concluded that the Return on Assets (ROA) and Return on Equity (ROE) of the Debt to Asset Ratio (DAR) at PT. Asuransi Jiwasraya Medan area office are as follows:

1. Based on research conducted at the company PT. Asuransi Jiwasraya in 2007-2016, it can be concluded that Return on Assets (ROA) has a negative and significant effect on the Debt to Asset Ratio (DAR).
2. Based on research conducted at the company PT. Asuransi Jiwasraya in 2006-2016, it can be concluded that Return on Equity (ROE) has a positive and significant effect on the Debt to Asset Ratio (DAR).
3. Based on research conducted at the company PT. Asuransi Jiwasraya in 2007-2016, it can be concluded that Return on Assets (ROA) and Return on Equity (ROE) have a significant influence on the Debt to Asset Ratio (DAR).

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The authors declare that there are no conflicts of interest regarding the publication of this paper.

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