TABARRU'S FUNDS AND INVESTMENT INCOME ON ASSET GROWTH IN SHARIA GENERAL INSURANCE COMPANIES

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ABSTRACT
The development of sharia insurance in Indonesia is still relatively small compared to conventional insurance. At the end of 2022, traditional insurance premiums will hold *a market share* of 50.32%, followed by social and mandatory insurance premiums at 45%, while sharia insurance premiums contribute 4.76%. For this reason, increasing company assets can expand the Sharia insurance company's business and make it more expansive. Some factors can cause assets to grow, including *tabarru funds* and investment income. The problem formulation in this research is: 1). *How do Tabarru's* funds influence asset growth in Sharia general insurance registered with AASI? 2). How does investment income affect asset growth in Sharia general insurance companies registered with AASI? 3). Do *Tabarru's* funds and investment income affect asset growth in Sharia general insurance companies registered with AASI? This research uses quantitative methods. The population in this study was comprised of Sharia general insurance companies registered with AASI, namely 25 companies. The samples taken were six companies using the *purposive sampling method*. The data analysis method used is panel data regression using *Eviews* 12 software. The conclusion of the research results from hypothesis testing is that the *Tabrru fund variable* partially affects Sharia insurance assets' growth. In contrast, the investment income variable does not affect the growth of Sharia insurance assets. Meanwhile, the variables tabarru' funds and investment income influence the growth of Sharia general insurance company assets with a $_{\text{calculated F value}}$ of 11.46701 > F_{table}, namely 3.354130829 and a sig value of 0.000005 < 0.05.

Keywords: *Tabarru' Funds*, Investment Income, Asset Growth, Sharia Insurance

INTRODUCTION

A person's daily routine is always filled with unexpected risks, considering that each stage of life carries different potential risks. This risk is uncertain and can occur at any time. This uncertainty can give rise to anxiety regarding potential risks in the future, such as the risk of death, accidents, risk of fire, and other risks that can reduce the benefits or profits obtained. Risk always involves the possibility of something unexpected or unwanted occurring (Pane et al., 2022). One solution to reduce the impact of unwanted risks is to involve a company that can bear these risks. The best choice in dealing with this problem is to choose an insurance company because it can protect risk management. As non-bank financial institutions, insurance companies can be a solution in managing and reducing risks that may arise in everyday life. Two types of insurance companies are operating in Indonesia, namely conventional and sharia insurance. The primary purpose of conventional insurance is purely for business.

Meanwhile, Sharia insurance aims to help other insurance participants when they experience a disaster (Hidayati, 2012). Sharia insurance is a contract or agreement between the company and the policyholder and between policyholders relating to the management of contributions per Sharia principles (Parsaulian, 2018). In OJK data for 2022, the IKNB *market share*, conventional finance, reached 95.26%, while sharia finance was only 4.74%, which means it is still very far behind (OJK, 2022). At the end of 2022, conventional insurance premiums will hold *a market share* of 50.32%, followed by social and mandatory insurance premiums at 45%, while sharia insurance premiums contribute 4.76%. So, up to now, the development of Sharia insurance can still be small compared to conventional insurance (OJK, 2023). Asset growth plays a vital role in the operation of a company. Increasing company assets is a strategy that aims to achieve annual increases. With increasing total assets, the opportunity to develop the business becomes wider. In increasing asset growth, of course, some factors cause assets to increase; one factor that influences the growth of Sharia insurance company assets is Tabarru's fund income and investment income.

Several researchers have conducted similar research regarding asset growth. One is research from Tsamrotul Hasanah titled "The Influence of Premiums, Tabarru Funds, Claims and Investments on Asset Growth of Sharia General Insurance Companies in Indonesia 2017-2022". The results of this research show that the independent variables, namely premiums, tabarru funds, and investment, have no impact or do not significantly influence the dependent variable, namely asset growth. Meanwhile, the claims variable shows a significant impact on asset growth. Meanwhile, Novia Lestari conducted research with the title "The Influence of Premiums, Claims, and Investments on Asset Growth." The results of this research show that simultaneously, the results explained in conclusion prove that claim, premium, and investment variables have a significant influence on the development of sharia life insurance company assets. This further research was carried out because there was an inconsistency with previous research. There was *a research gap* from previous research, which was analyzed by data that showed fluctuations and a decreasing trend in Sharia insurance assets. This research aims to describe more clearly the factors that influence asset growth and investigate how these factors interact with existing theoretical frameworks.

LITERATURE REVIEW

Asset Growth

Asset growth indicates a company's ability to expand its operations, as seen in changes in its total assets each year. Companies always need funding sources to support the growth and expansion of their operations; apart from using existing internal funds, additional funds are also needed from external sources such as debt. Companies that proliferate tend to require more capital from external sources. This phenomenon arises because rapid growth indicates the company has strong potential and opportunities to expand operations and meet market demand. The formula (1) for asset growth is:

$$\text{Asset growth} = \text{Asset}_1 - \text{Asset}_{t-1} \tag{1}$$

Information:
Assets1 = total assets for the current year
Assets(t-1) = total assets of the previous year

The formula above is a comparison formula used to determine changes in the form of increases or decreases in financial statement items or other data in two or more compared periods. (Sofyan Syafri Harahap, 2016) .

Dana *Tabarru'*

In Sharia insurance practice, contributions paid by participants are divided into *tabarru funds* and *ujrah funds*. *Tabarru's* funds are donations or contributions collected from Sharia insurance participants to help other insurance participants. *Tabarru* funds are used when one of the policyholders experiences a disaster, so the funds used are tabarru funds as a form of payment for insurance participant claims. Claims are obligations that companies must fulfill to insurance participants as a form of promised protection. Apart from being used to pay claims, *Tabrru funds* can also be invested for further growth. In *tabarru' funds,* there are accumulated funds that have the potential to increase the number of funds through investments managed by the company; these accumulated *tabarru' funds* will then be channeled into *tabarru' fund deposits, tabarru'* fund investment results, and the initial balance of *tabarru'* funds (Ai Nur Bayinah, 2017).

Investment

Investment is an effort aimed at expanding a person's wealth or assets. Apart from that, investment also reflects a commitment to the allocation of funds or other resources carried out now with the hope of achieving profits in the future. The investment process begins by diverting some of the available resources, which may initially be used for current consumption, to be used as capital to obtain more profitable benefits in the future (Hayati, 2016).

METHODS

In these findings, the author applies a quantitative approach method, namely a research method that applies numbers in statistical analysis to test and validate hypotheses and confirm the form of conclusions about the phenomenon being researched (Purba & Parulian Simanjuntak, 2011). The analysis method in this research uses the panel data regression analysis method, which is processed with the help of *Eviews Statistics Software* version 12. Several tests are carried out, namely through the Chow test, Hausman test, multicollinearity test, heteroscedasticity test, regression equation, and hypothesis test, namely, coefficient of determination, t-test, and f test. The sampling model is a *purposive sampling technique* that adjusts sample selection to take special considerations (Suharyadi, 2016). Six companies have met the criteria to be used as research samples. The criteria used to select research samples are Sharia general insurance companies registered with AASI, Sharia general insurance companies in the 2018-2022 research period, and Sharia general insurance companies with financial reports completed during the 2018-2022 research period.

A hypothesis is a statement as a temporary answer to assumptions that may or may not be true regarding a phenomenon or relationship between variables (Ma'ruf Abdullah, 2015). The hypothesis that the researcher took was H01 = *Tabarru's funds* have no effect on asset growth in Sharia general insurance companies registered with AASI for the 2018-2022 period, H02 = investment income does not affect the growth of company assets in Sharia general insurance companies registered with AASI for the 2018 period - 2022, H03 = *tabarru' funds* and investment income have no effect on asset growth in sharia general insurance companies listed in AASI for the 2018-2022 period.

RESULTS

The data in these findings is secondary data obtained from each Sharia insurance company's financial reports, which have been audited. Six companies are samples for this research; these companies are general sharia insurance companies registered with AASI for the 2018-2022 period. The six companies are as follows: PT. Tugu Insurance, PT. Bumida 1967, PT. Mega Insurance, PT. Sinar Mas, PT. Staco Mandiri, and PT. Allianz Insurance.

Table. 1 Sharia General Insurance Company Financial Data for the 2018-2022 Period

(In million rupiah)

No.	Company name	Year	Dana Tabarru'	Investment Income	Asset Growth
1	**PT. Sharia Monument**	2018	9746	2026	4313
		2019	12725	2152	12290
		2020	13819	1893	-8396
		2021	12264	5846	18605
		2022	12939	2215	-19550
2	**PT. Sinar Mas**	2018	15230	16308	14036
		2019	23544	21680	64911
		2020	34421	37528	56547
		2021	48764	15169	69724
		2022	87436	22251	90992

		2018	11627	2130	6491
		2019	13465	2132	3734
3	**PT. Staco**	2020	14829	1851	12085
		2021	18281	1536	12085
		2022	21555	2120	15295
		2018	8943	2297	1529
		2019	9776	2626	3085
4	**PT. Allianz**	2020	10616	2230	4763
		2021	12142	1785	3095
		2022	12570	1575	2148
		2018	13954	23867	4436
		2019	16319	21027	-1738
5	**PT. Bumida 167**	2020	21462	1976	-10535
		2021	23893	1768	1979
		2022	23273	2074	5891
		2018	17484	3930	-6509
		2019	22952	6584	4093
6	**PT. Mega Insurance**	2020	25016	14427	21183
		2021	16243	5465	23839
		2022	21690	6031	54072

Source: Data analysis (2024)

Selection of Panel Data Regression Models

A panel data regression model can be selected using several tests, including the Chow test and the Hausman test. The Chow test value was 13.02, with a probability value of 0.0231. This shows that the probability value is less than the significance level where α= 5% or 0.05, so the H1: *Fixed Effect Model* is accepted. The Hausman test value is 32.29, with a probability value of 0.0000. This shows that the Probability value is less than the significance level where α= 5% or 0.05, so the H1: *Fixed Effect Model* is accepted. From the results of the Chow test and Hausman test, it can be concluded that the results of the panel data regression model that is best used in this research is the *Fixed Effect Model* (FEM). Next, the classical assumptions are tested using the multicollinearity and heteroscedasticity tests. The results obtained from the correlation coefficient values X1 and X2 were 0.502366 <0.85. So, H0 is accepted, meaning there is no multicollinearity problem, or it passes the multicollinearity test. The heteroscedasticity test in this study used the *White test model* . The results of the heteroscedasticity test can be seen from the *Probability Obs*R-squared value* of 0.2439 > 0.05. So, it can be concluded that the data does not have symptoms of heteroscedasticity or that the assumptions of the heteroscedasticity test have been fulfilled and passed. The following results were obtained for the panel data regression equation: Y = -4928.80111156 + 0.815861430459*X1 + 0.499563298819*X2. The panel data regression equation explains that the constant value is -4928.80, meaning that without the variables tabarru' funds (X1) and investment income (X2), the asset growth variable (Y) would experience a decrease of 4928.80%. The regression coefficient value of the *tabarru' fund variable* (X1) is 0.81. If the values of other variables are constant and variable X1 increases by 1%. So, the asset growth variable (Y) will increase by 81% and vice versa. If the values of other variables are constant and variable X1 decreases by 1%. Then, the asset growth variable (Y) will decrease by 81%. The t-test results on the *tabarru' fund variable* (X1) obtained a tcount value of 3.468734 > ttable, 2.048407142, and a sig value. 0.0022 < 0.05, then H01 is rejected, and Ha1 is accepted, meaning that *the tabarru' fund variable* influences asset growth in sharia general insurance companies in Indonesia. The t-test results on the investment income variable (X2) obtained a t value of 1.090981< t table, namely 2.048407142 and a sig value. 0.2871 > 0.05, then Ha2 is rejected, and H02 is accepted, meaning that the investment income variable does not affect asset growth in Sharia general insurance companies in Indonesia. The result of the Fcount value is 11.46701 > Ftable, namely 3.354130829, and the sig value is 0.000005 < 0.05, then H03 is rejected, and Ha3 is accepted, meaning that the variable *tabarru' funds* and investment income influence the growth of assets of sharia general insurance companies in Indonesia, for the test results for the coefficient of determination R^2, a value of 0.884601 was obtained, where the independent variables, namely *tabarru' funds* and investment income, can explain the effect of 71.6434% on the dependent variable, namely asset growth. Meanwhile, the remaining 28.3566% (obtained from 100 - *-adjusted R-squared value*) is influenced by other variables not examined by researchers in this study.

***Tabarru's* Funds on Asset Growth of Sharia General Insurance Companies for the 2018-2022 Period**

In the T-test results, the tcount value is 3.468734 > ttable is 2.048407142, and the sig. 0.0022 < 0.05 means that the *tabarru' fund variable* influences asset growth in Sharia general insurance companies in Indonesia. So (Ha1) is accepted, and the hypothesis (H01) is rejected.

This finding is to the findings of (Lilis Kholipah, 2020), explaining the results of the findings that *the tabarru fund variable* has a positive effect on the growth of a company's assets, with a value of tcount > t_{table} (3.233 > 2.0322. According to him, when the number of claims is small, the *tabarru funds* saved can be invested and will increase the investment value, which will impact the growth of company assets. This finding is also appropriate (Gabriela et al., 2021) to explain that *tabarru funds* positively and significantly influence total assets. On the other hand, if *Tabarru's funds* experience a reduction, it can also reduce total assets.

The findings above do not match the findings of Tsamrotul Hasanah (2023), which states that *tabarru' funds* have a negative influence on the growth of company assets, with a value of tcount < ttable, namely 1.126556 < 2.02107539. He said that tabarru funds are used to pay insurance participants through claims. However, if the number of insurance claims increases, it will result in small investments; small investments can also lead to small asset growth. According to the findings of Khiyarotun Nisa (Nisa, 2023), *tabarru funds* do not influence the growth of company assets. Where not only completing claim payments, *Tabrru funds* are implemented to increase productivity and provide benefits among its members. When the number of claims is high, it can provide a reduction in assets in the form of investments. Likewise, the findings from Ayu Ulandari (Ulandari, 2017) explain that the *tabarru' fund variable* negatively and significantly influences the asset growth of Sharia general insurance companies. The value is tcount < ttable = -2.170 < 2.019. According to him, *tabarru'* funds are funds specifically for paying claims, so t*abarru' funds* will reduce investment funds because they are used to pay insurance participants' claims so that the company's income from investment returns can experience a reduction which will create obstacles to the growth of sharia insurance company assets.

From the many differences in the research results above, researchers can conclude that *tabarru funds* are indeed special funds that have been collected and used to pay insurance participant claims when the participant experiences a disaster. When many insurance participants submit claims, the claim burden will increase. It can result in investment returns that tend to be small and can impact company assets; however, when claims are small, *Tabrru funds* will not continue to be saved but will be invested by the company. This impacts significant investment returns, and the greater the investment results, the greater the impact on the growth of company assets.

The Effect of Investment Income on Asset Growth of Sharia General Insurance Companies for the 2018-2022 Period

Based on the results of the T-test, it shows that the tcount value is 1.090981< ttable is 2.048407142, and the sig. 0.2871 > 0.05 means that the investment income variable does not affect asset growth in Sharia general insurance companies. So (Ha2) in this finding is rejected, and (H02) is accepted. These findings are by research conducted by (Fatmawati Devy, 2021). According to the results of their research, investment funds do not provide large profits, so they cannot provide benefits to company assets. Likewise, the findings in research conducted by (Khiyarotun Nisa, 2023) state that investment does not influence growth. According to him, investment cannot provide large profits and can be detrimental if there is a decline in investment, so it cannot increase the growth of company assets.

These findings do not align with previous research studies (Sakila & Nurlaila, 2023). According to him, the higher the company's capability in investment management, the higher the growth of the company's assets. Likewise, with the research results conducted by (Novia Lestari, 2023). According to him, when investment increases, assets can increase. The size of the company's capital means that a company can experience an increase in assets; this can be experienced due to investment. Likewise, these findings are based on Lilis Kholipah's findings (Kholipah, 2020), which show that investment variables positively influence the growth of company assets. According to him, investment contributes to the growth of company assets. Increasing the level of investment can increase income and the number of assets of the company concerned.

From the results of the partial test above, it is clear that the results of the investment variable on asset growth in this finding do not influence asset growth. The funds used to invest in Sharia insurance companies come from Tabrru funds, a collection of money used for charitable efforts. If the amount of investment is high, it will also increase the number of assets and vice versa. This could be caused by factors such as *Tabrru funds* and other funds being too small to invest the funds to be invested.

The Influence of Tabarru's Funds and Investment Income on Asset Growth of Sharia General Insurance Companies for the 2018-2022 Period

The results of the simultaneous test (f test) obtained Fcount of 11.46701 > Ftable, namely 3.354130829 and a sig value of 0.000005 < 0.05, meaning that the variable *tabarru' funds* and investment income influence the growth of Sharia general insurance company assets. So, the conclusion is that H03 is rejected, and Ha3 is accepted. Then, the independent variables, namely *Tabarru's funds* and investment income, influence the dependent variable, namely asset growth of 71.6434%, and the remainder is influenced by variables not mentioned in this research, namely 28.3566%.

The results of this research are research conducted by (Kholipah, 2020; Novia Lestari, 2023) (Sakila & Nurlaila, 2023; Tsamrotul Hashanah, 2023), which explains that all independent variables simultaneously influence the dependent variable. However, this research is not in line with research conducted by (Nisa, 2023), which states that all independent variables do not have a joint effect on the dependent variable.

CONCLUSION

The results of this research aim to see whether *Tabarru's funds* and investment income influence the growth of assets of Sharia insurance companies registered with AASI for the 2018-2022 period. This data finding applies secondary data on each of the six companies that have been sampled, namely PT. Tugu Insurance, PT. Bumida 1967, Mega Insurance, PT. Sinar Mas, PT Staco Mandiri, and Allianz Insurance. Analysis of this data was assisted by *Eviews* version 12 software. After conducting the research, the conclusion was that, according to the t-test results, the *tabarru' fund variable* had a value of 3.468734 > ttable of 2.048407142 and a sig value. 0.0022 < 0.05. These results mean that the tabarru' fund variable has an influence on asset growth in Sharia general insurance companies in Indonesia for the 2018-2022 period. From the t-test results, the investment income variable obtained a tcount of 1.090981< ttable of 2.048407142 and the value of sig. 0.2871 > 0.05, meaning that the investment income variable does not affect asset growth in Sharia general insurance companies. The asset growth of Sharia general insurance companies in Indonesia for the 2018-2022 period. The results of the simultaneous test (f test) show that the Fcount is 11.46701 > Ftable, namely 3.354130829, and the sig value is 0.000005 <0.05, meaning that the variable *tabarru' funds* and investment income simultaneously influence the growth of sharia general insurance company assets. In Indonesia for the 2018-2022 period.

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