

ABSTRACT

Profitability refers to a company's ability to maximize profits by utilizing resources effectively. Large profits have the potential to attract stakeholders. The growth rate of insurance industry still behind sectors such as banking. This caused by various factors, including mismanagement case at insurance companies, such as Jiwasraya. Data obtained from OJK website shows that ROA of insurance companies fluctuated between 2018 and 2022. Fluctuating ROA indicates that companies in insurance industry have not utilized the potential of their assets to generate highest returns. Another strategy to increase company's competitive advantage is to ensure its ability to fulfill its liabilities. This highlights the importance of managing intellectual capital and current ratios effectively to increase profitability. This study aims to determine the effect of intellectual capital and current ratios on profitability in insurance companies listed on the Indonesia Stock Exchange between 2018 and 2022. Observation data of 70 samples were collected from 14 companies for five years through saturated sampling. Data analysis was performed using panel data regression analysis with SPSS 24. The results of the study found that Value Added Capital Employed and Value Added Human Capital positively impacts ROA. Structural Capital Value Added and Current Ratio negatively impacts ROA

Keywords : profitability ; intellectual capital; current ratio