

TABLE OF CONTENTS

STATEMENTS OF WORK ORIGINALITY	0
PREFACE	3
TABLE OF CONTENTS	5
LIST OF TABLES	9
LIST OF FIGURES	10
LIST OF APPENDIX	12
ABSTRACT	13
ABSTRAK	14
CHAPTER I	15
1.1 Background	15
1.2 Problem Statement	21
1.2.1 Use of derivatives for insurance companies in indonesia	21
1.2.2 Factors that lead an insurance company to use derivatives	23
1.3 Research Questions	25

1.4 Research Objectives	26
1.5 Research Scope	28
1.5.1 Research Model	28
1.5.2 Research Object	28
1.5.3 Research Location	29
1.5.4 Research Observation Period	29
1.6 Research Contribution	29
1.6.1 Firm-specific factors that have a significant effect on the use of derivatives	29
1.6.2 How the Firm-Factors affect the usage of derivatives for insurance companies	30
CHAPTER II	31
2.1 Theoretical Background	31
2.1.1 The Concept of Derivative	31
2.1.2 The Concept of Insurance Company	31
2.2 Literature Review and Research Hypothesis	36
2.2.1 Lists of firms specific factors and their descriptions	36
2.2.2 How Firm-Specific Factors Affect the Usage of Derivatives	40

2.2.2.1 Firm Size	42
2.2.2.2 Total Cash in Asset	43
2.2.2.3 Total Stock Investment Found in Asset	44
2.2.2.4 Total Bonds in Asset	45
2.2.2.5 Leverage	46
2.2.2.6 Reinsurance	47
2.2.2.7 Asset-Liability Mismatch	47
2.2.2.8 Solvency	49
2.2.2.9 Liquidity	50
2.2.2.10 Taxes	50
CHAPTER III	52
3.1 Research Design	52
3.2 Definition of Operational Variables	54
CHAPTER IV	58
4.1 Description of Data	58
4.2 Testing of Hypotheses	70
4.3 Discussion	72

CHAPTER V	78
5.1 Conclusion	78
5.2 Research Limitation	79
5.3 Research Implications	80
BIBLIOGRAPHY	81
APPENDIX	84