ABSTRACT

Some companies were doing a separation of management and company ownership with the company, which aims to obtain maximum benefit with cost efficient. Implementation of Good Corporate Governance (GCG) is done to be able to monitor the management issues that arise between management and shareholders. One of the pillars of good corporate governance is the establishment of a risk management framework that plays a role in ensuring the achievement of the value of company, through consideration of the risks that might arise from business activities. Ministry of State Owned Enterprises (BUMN, red) realized that BUMN need to implement good corporate governance and risk management to support the performance of BUMN that became one of the largest contributors to the economy of Indonesia. Insurance companies encourage economic growth in terms of protection against uncertainty in operating revenues and provide revenue to the state revenue which collected premium by the company. This study aims to determine the effect of risk management to good corporate governance in insurance companies in Indonesia.

This type of research is a descriptive study verification, which aims to explain the characteristics of both variables and testing theories which has been existed, not to create a new theory. Sampling was conducted with a purposive sampling method to determine the number of samples in this study, there were 15 respondents based on the interests and goals of the study. Data analysis was conducted using simple linear regression (simple linear regression method), because there is only one free variable under study.

Influence on GCG Risk Management is positive and very strong, with the amount of influence 53.40%. Regression equations were formed from this research is GCG (Y) = 62.786 +0.338 X. Based on the t test, $t_{count} > t_{table}$ is 3.862> 2.160, this means that the independent variable (Risk Management) significantly influence the dependent variable (GCG).

Keywords: Risk Management, Good Corporate Governance, Simple Regression Analysis, Insurance Company