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RESEARCH ARTICLE -FINANCIAL MANAGMENT

The impact of insurance service premiums on (ROA) for Iraqi insurance companies

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Abstract

The study aimed to demonstrate the impact of insurance service premiums on the return on assets for (5) companies practicing private insurance for the period from 2010 to 2021. The independent variable was measured insurance service premiums in three dimensions: (accident insurance, car insurance, fire insurance). The dependent variable is Return on assets (ROA). The researcher conducted his statistical analysis using the Eviews program using (panel data) models that were adopted in the process of estimating the study model. The data published on the companies' website was relied upon. The researcher used a pooled regression model to test the hypotheses, and the study concluded that insurance service premiums in general have an impact on (ROA), based on the results of the statistical analysis used in the study.

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Keywords: Insurance service premiums; Accident insurance; Car insurance; Fire insurance; Return on assets (ROA).

1. Introduction

The study of insurance service premiums is considered one of the important studies at the present time, due to the presence of companies that provide insurance services through which they provide financial and economic protection to society, whether individuals or companies, to confront the multiple risks that surround them. Therefore, insurance premiums play an important and fundamental role in achieving profitability for insurance companies. As well as the sustainability of its activities and business in the Iraqi financial market. Because these premiums represent the financial payment that the insured makes on a regular basis to the insurance company in exchange for providing him with the necessary insurance coverage and protection against the risks he faces. It is not considered merely a risk cost paid by the insured, but has become an essential element in building and generating revenues. The researcher is keen to clarify the impact of insurance service premiums on (ROA), because it contributes to enhancing the sustainability of companies' business and achieving financial balance, as it is the main source of revenues and profits, in addition to benefit from it in providing insurance services more effectively and with the best standards approved in the insurance industry.

The study showed an important topic for [1], who tested the importance of the impact of a number of profitability factors on Egyptian insurance companies. The independent variables were (net earned premiums, accounting reserve, investment activity profit, and other income), while the dependent variables related to profitability were measured through return on assets, as the study relied on data disclosed in the Egyptian market for three companies. Working in the field of life insurance during the period from (2014-2018). The researcher relied on the use of factor analysis to measure the effect of variables on each other. The result was that there was a direct relationship for (net earned premiums, accounting reserve, and investment activity profit) with profitability, and an inverse relationship for each of the other revenues with profitability. The researcher recommended the necessity of conducting several studies that include creating new determinants that would affect the profitability of life insurance companies, as well as developing the statistical models used.

Other study showed the effects of some variables on the performance of Syrian companies specialized in the field of insurance, as the study sample included (12) companies from the private sector from (2009-2018). The data was analyzed statistically, and the variables studied were (total written premiums, total investments, age of the company, gross domestic product), and their impact on financial performance was measured, which was interpreted as (ROA & ROE). It was found that there is a positive effect of (total written premiums, total investments, inflation rate) on the return on assets. The two variables (Gross Domestic Product and age of the company) had a negative impact on (ROE), and therefore the researcher recommended the need to pay attention to the investment policy in insurance companies [2].

While study of [3] clarified the underwriting documents through insurance premiums to maintain the solvency of SAA in Algeria. The researcher used the descriptive approach by evaluating the company's underwriting policy based on its financial reports for the year 2016-2019, and various indicators, ratios, and rates of change were calculated using (Excel) program, and it was concluded that underwriting is the most important function of the company, as obtaining insurance service premiums is considered a first step and a gateway to insurance activity. The rational underwriting policy it followed made it occupy first place due to its control over underwriting activity and the provision of insurance premiums, which enabled it to maintain its share in the Algerian market.

This study is concerned with studying the extent of the impact of the total written insurance premiums and the inflation rate on the profitability of companies (UAE) that practice insurance activities, measured by (ROA), with the aim of clarifying the extent of the impact of the insurance sector globally on it, as well as the financial crises caused by it. Economic contraction from 2008-2010. This research discovered that there is an impact of the inflation rate and insurance premiums on the dependent variable from 2010 to 2019, and it also indicated an improvement in the insurance sector after the end of the financial crisis [4].

While [5] study aimed to investigate the determinants of the profitability of insurance companies operating in India, which number (23) companies, for the period (2008-2010). Among the most prominent factors that the study addressed were (growth in premiums, capital, liquidity). (Underwriting risks) Data was collected from annual reports and financial statistics of companies, and regression analysis was used. The study showed that (ROA) is positively affected by liquidity, while it is negatively affected by growth in premiums and capital. The study also did not find any evidence of the relationship. Between underwriting risks and profitability. The objectives of the study:

- Description of the insurance companies, sample of the study, identifying the insurance products they provide to the insured.
- Identify the insurance products offered by companies.
- Determine the impact of insurance service premiums on (ROA).

Insurance service premiums are affected by many factors, the most important of which is the difference in insurance products offered by insurance companies to the study sample from one period to another and the variation that occurs in the value of premiums. The researcher was keen to clarify the effects of these premiums because of their fundamental and vital role in enhancing sustainability and continuity and their direct impact on (ROA) as an important indicator. These factors prompted the researcher to study the premiums for three types of products (accident insurance, car insurance, and fire insurance) and their impact on (ROA) with the aim of interpreting them and providing insurance services effectively and with better and reliable standards in the insurance industry.

The insurance service is the important element among the services provided by financial institutions, especially insurance companies, and there is no doubt that it plays a vital and important role in the service sector, as many decisions depend on it, so it naturally plays a dual role. The first is to provide the insurance service to the insured applicants in exchange for Obtaining sums of money called (insurance premiums), while the other role involves achieving profitability by investing the money you earn from those premiums to achieve financial returns.

1.1. Study methodology

- Descriptive method.
- In descriptive statistics, statistical measures were used (arithmetic mean, standard deviation, max value, min value).
- Inferential statistics include testing hypotheses.
- Multiple Linear Regression.
- Use panel data models.

1.2. Study variables

1.2.1 Independent variable

Fig. 1 show Insurance service premiums that consist of three dimensions:

- Accident insurance.
- Cars Insurance.
- Fire insurance.

1.2.2. Dependent variable:

Return on assets (ROA).

Fig. 1. Study variables

1.3. Study hypotheses

Main hypothesis: There is an impact relationship between insurance service premiums and the return on assets, which stems from it:

- The first sub-hypothesis: There is an impact relationship between accident insurance and (ROA).
- The second sub-hypothesis: There is an impact relationship between car insurance and (ROA).
- The third sub-hypothesis: There is an impact relationship between fire insurance and (ROA).

1.4. Temporal and spatial boundaries of the study

- Spatial: companies operating in the private insurance sector.
- Temporality: Company information published on its website.

1.5. Presenting the reality of insurance companies

It is represented by the private sector of insurance companies in Table 1, which number (5) insurance companies:

Table 1. Description of insurance companies (study sample)

1. Dar AL-Salam Insurance Company	
Type of Company	An Iraqi private joint stock company
Employer	Iraqi insurance sector
Capital	300,000,000 million Iraqi dinars
Date of Establishment	7409 on 6/11/2000
Directing insurance business	10/10/2000
Types of insurance products provided to the insured	
Marine, Engineering, Aviation, Life, fire, car, accidents	
2. Gulf Insurance Company	
Type of Company	An Iraqi private joint stock company
Employer	Iraqi insurance sector
Capital	1000000000 million Iraqi dinars
Date of Establishment	27205 on 1/9/2004
Directing insurance business	7/12/2004
Types of insurance products provided to the insured	
Marine, fidelity bond, Cash, Engineering, Aviation, Life, fire, Theft, car, liability, accidents	
3. AL-Hamraa Insurance Company	
Type of Company	An Iraqi private joint stock company
Employer	Iraqi insurance sector
Capital	300,000,000 million Iraqi dinars
Date of Establishment	7673 on 7/1/2001
Directing insurance business	27/3/2001
Types of insurance products provided to the insured	
Marine, Individual life, Engineering, Aviation, Group life, fire, car, accidents	
4. AL- Ahlia Insurance Company	
Type of Company	An Iraqi private joint stock company
Employer	Iraqi insurance sector
Capital	500,000,000 million Iraqi dinars
Date of Establishment	7423 on 19/6/2000
Directing insurance business	15/2/2001
Types of insurance products provided to the insured	
Marine, Theft, liability, Engineering, Aviation, Life, Health, fire, Loan, car, accidents	
5. AL- Ameen Insurance Company	
Type of Company	An Iraqi private joint stock company
Employer	Iraqi insurance sector
Capital	150000000 million Iraqi dinars
Date of Establishment	7606 on 31/7/2000
Directing insurance business	9/11/2000
Types of insurance products provided to the insured	
Marine, Reinsurance, Engineering, Aviation, Life, Fire, Car, accidents	

2. Study Concepts and Terminology

2.1. Insurance service

It is a group of products provided by insurance companies to their customers or beneficiaries in order to reassure the concerned parties, who are the insured audience, whether their money or their lives are insured [6].

2.2. Insurance premium:

It is an amount of money paid periodically by the policy owner to the insured for the protection provided. The premium is the price of safety that the insured obtains [7]. Insurance premiums are also known as the money that the insured pays to (insurance company) for the purpose of insurance coverage for that risk that the insurance company takes on, and this amount Of course, it is considered a price for insurance or a price for those risks that are covered by the insurance company, noting that the insurance premium that the insured is obligated to pay to the

company is according to time periods that may be monthly or annual according to the agreement that is made between the two parties to the insurance contract and thus it is called the periodic premium. Whereas the insured pays it in the form of a single payment, here it is called the single instalment [8].

2.3. Fire insurance:

This insurance is designed for individuals interested in protecting their property from loss and damage resulting from fire or any of the dangers included in the insurance policy. Note that this type of insurance did not exist until the beginning of the nineteenth century when the London Fire broke out, which damaged approximately 85% of the buildings in the city of London. On the basis of this, people at that time searched for a way to confront such dangers that surrounded them. Or even reduce the resulting losses, which called for the emergence of some associations and offices concerned with this matter, such as the Phoenix Association, which was one of the most famous in 1067 at the time [9].

2.4. Car insurance

It specializes in compensating for damages that occur to the insured's vehicle or the vehicles he caused damage to. Car insurance has become one of the most common insurances due to the frequent car accidents that people are exposed to on a daily basis, in addition to what the law imposes on the driver by requiring him to carry comprehensive insurance on his vehicle, which relates to With the liability that may result from frequent car accidents, all of these reasons mentioned above have made car insurance an important insurance for all members of society, and one of its types is complementary and compulsory insurance [10].

2.5. Accident insurance

The insurer undertakes to pay a specific amount of money to the beneficiary (the heir) upon the death of the insured as a result of being exposed to a visible accident, independent of any other causes, or to pay it to the insured himself in the event of physical injury. The cover can be broader to include Some diseases [11]. Thus, personal accident insurance is considered a broad insurance that covers all things that are not covered by marine insurance, fire insurance, and life insurance [12].

2.6. Return on assets (ROA)

This ratio is also considered an indicator that indicates the extent of the insurance company's profitability relative to its total assets, and through it the efficiency of management in the process of using assets to generate profits is measured. It also relies heavily on the size of assets that are used in investment [13]. Therefore, this ratio is used to compare insurance companies and financial institutions in similar sectors, to determine the size and nature of profits that result from investment in assets. Therefore, the return on assets ratio gives us an idea of the effectiveness of the insurance company in converting those invested funds into profits. The higher the (ROA), the better the performance of insurance companies. Either its decrease may be due to high operating expenses or the result of following conservative investment or credit policies [14].

3. Standard Study

The model includes premiums for (accident insurance, car insurance, and fire insurance) and their relationship to ROA, through which the study hypotheses are tested:

$$Y_{it} = \beta_0 + \beta_1 \text{Accidents}_{it} + \beta_2 Cars_{it} + \beta_3 Fires_{it} + e_{it} \quad (1)$$

Where:

i: refers to the number of cross-sectional data (companies), which is equal to and takes from 1-5
t: refers to the time dimension that begins with the year 2010 and ends with the year 2021
Y_{it}= (ROA)
Accidents_{it} = accident insurance
Cars_{it} = car insurance
Fires_{it} = fire insurance

4. Statistical Description of the Independent Variables in the Study

For the purpose of describing the study variables for each company under research, and according to the variables specified in the study, the descriptive statistics methods used for each independent variable will be explained, which are (accident insurance, car insurance, fire insurance), the details of which are shown as follows:

4.1. Statistical description of the dimensions of the independent variable (insurance service premiums)

Through what the researcher presented about the types of insurance practiced by the five insurance companies in the study sample, when he analyzed their reality, it was noted that there are three types of insurance that all companies share, which are (accident insurance, car insurance, and fire insurance) as follows:

4.1.1 Accident insurance

Table 2. show accident insurance premiums

Table 2. Accident insurance premiums

Total premiums	Dar AL-Salam	Gulf	AL-Hamraa	AL- Ahlia	AL- Ameen	Year
724,453,884	37,824,593	76,712,900	579,457,110	29,979,281	480,000	2010
6,633,210,826	24,237,388	73,812,500	6,296,619,008	2,392,500	236,149,430	2011
6,651,781,676	99,177,725	24,717,000	6,005,671,901	4,144,250	518,070,800	2012
5,117,648,553	230,414,020	18,945,000	3,939,776,596	39,955,193	888,557,744	2013
2,155,377,714	882,138,570	5,860,000	746,012,821	16,348,295	505,018,028	2014
1,585,799,188	532,439,718	7,573,748	504,185,465	23,730,857	517,869,400	2015
2,035,355,342	116,198,241	8,030,000	1,443,657,969	15,567,550	451,901,582	2016
6,417,858,927	8,849,393	911,342,145	5,267,695,253	23,229,000	206,743,136	2017
2,862,452,522	485,466,473	119,045,000	2,043,382,464	4,828,760	209,729,825	2018
3,706,637,563	3,010,192,436	86,199,850	343,677,841	5,604,800	260,962,636	2019
4,306,805,830	3,147,250,408	52,371,000	656,010,814	4,852,240	446,321,368	2020
4,120,963,359	2,579,244,729	361,863,800	580,914,590	10,404,286	588,535,954	2021

Table 3. Descriptive statistics for Accident insurance

Std. Dev.	Min	Max	Mean	Details
1,230,000,000	8,849,393	3,150,000,000	929,000,000	Dar AL-Salam
208,000,000	5,860,000	701,000,000	118,000,000	Gulf
2,340,000,000	344,000,000	6,300,000,000	2,370,000,000	AL-Hamraa
12,006,639	2,392,500	39,955,193	15,086,418	AL- Ahlia
233,000,000	480,000	889,000,000	403,000,000	AL- Ameen
1,440,000,000	480,000	6,300,000,000	767,000,000	A1l companies

Table 3. displays the mean of accident insurance amounting to (767,000,000) and Std. Dev. (1,440,000,000), where the largest value was for Al-Hamra Company, amounting to (2,370,000,000) with a standard deviation of (2,340,000,000), and the lowest value was for Al-Ahlia, which amounted to (15,086,418) with a Std. Dev. (12,006,639).

4.1.2. Car insurance

Table 4. show car insurance premiums

Table 4 Car insurance premiums

Total premiums	Dar AL-Salam	Gulf	AL-Hamraa	AL- Ahlia	AL- Ameen	Year
208,843,101	2,630,293	15,269,750	164,780,419	23,688,622	2,474,017	2010
218,717,793	1,899,120	5,177,262	181,185,558	16,705,921	13,749,932	2011
572,872,741	81,346,541	228,796,821	220,569,894	27,507,500	14,651,985	2012
857,303,835	353,841,874	174,838,426	298,937,088	16,222,575	13,463,872	2013
541,135,420	121,788,945	184,092,900	220,501,740	1,292,992	13,458,843	2014
217,248,529	-2,463,543	2,364,781	202,043,706	263,829	15,039,756	2015
178,307,144	2,984,138	10,957,000	143,310,318	6,466,980	14,588,708	2016
251,669,191	2,563,258	20,430,000	211,022,081	3,988,250	13,665,602	2017
271,139,529	5,206,000	21,693,700	204,859,069	1,551,000	37,829,760	2018
507,314,722	2,672,075	12,816,600	422,346,816	186,000	69,293,231	2019
510,319,304	1,485,540	8,861,000	448,476,124	732,000	50,764,640	2020
238,093,407	7,526,275	1,480,000	190,652,532	5,809,842	32,624,758	2021

Table 5. Descriptive statistics for Car insurance

Std. Dev.	Min	Max	Mean	Details
104,000,000	-2,463,543	354,000,000	48,456,710	Dar AL-Salam
84,756,274	1,480,000	229,000,000	57,231,520	Gulf
97,836,530	143,000,000	448,000,000	242,000,000	AL-Hamraa
9,759,484	186,000	27,507,500	8,701,293	AL- Ahlia
19,507,550	2,474,017	69,293,231	24,300,425	AL- Ameen
112,000,000	-2,463,543	448,000,000	76,216,079	A1l companies

From Table 5. the average value for car insurance was (76,216,079) with a Std. Dev. (112,000,000), and the highest value was for Al-Hamra Company, which was (242,000,000) with a standard deviation of (97,836,530). The smallest value was for the National Insurance Company (8,701,293), with a Std. Dev. (9,759,484).

4.1.3. Fire insurance

Table 6. show Fire insurance premiums. Table 7. shows the arithmetic mean for the fire insurance variable was (230,000,000) with a Std. Dev. (371,000,000), where the largest value of the mean was for Al Hamra Company with a value of (883,000,000) with a standard deviation of (369,000,000), and the smallest value for Al Amin Company was (39,475,523) Std. Dev. (22,298,507).

Table 6. Fire insurance premiums

Total premiums	Dar AL-Salam	Gulf	AL-Hamraa	AL- Ahlia	AL- Ameen	Year
823,277,281	58,076,115	152,209,771	486,014,456	72,322,858	54,654,081	2010
693,851,461	34,607,268	105,176,923	439,474,080	86,400,430	28,192,760	2011
940,665,345	140,240,773	29,666,906	624,931,296	118,766,160	27,060,210	2012
1,275,301,135	188,962,542	25,005,000	763,260,582	200,037,651	98,035,360	2013
1,144,186,051	179,970,034	19,990,000	846,878,597	69,515,050	27,832,370	2014
1,046,166,957	44,130,115	45,104,000	852,895,406	51,106,176	52,931,260	2015
1,077,088,921	26,905,306	67,187,705	852,135,977	76,731,673	54,128,260	2016
1,076,609,264	17,768,151	77,544,000	873,943,103	78,223,750	29,130,260	2017
1,159,304,729	12,017,757	132,398,000	915,586,312	73,696,500	25,606,160	2018
908,599,345	77,896,054	5,997,000	789,502,400	4,800,750	30,403,141	2019
1,451,130,440	26,778,301	540,000	1,354,330,927	40,974,961	28,506,251	2020
2,229,192,431	391,661,003	315,000	1,792,506,818	27,483,450	17,226,160	2021

Table 7. Descriptive statistics for Car insurance

Std. Dev.	Min	Max	Mean	Details
111,000,000	12,017,757	392,000,000	99,917,785	Dar AL-Salam
52,081,501	315,000	152,000,000	55,094,525	Gulf
369,000,000	439,000,000	1,790,000,000	883,000,000	AL-Hamraa
49,218,047	4,800,750	200,000,000	75,004,951	AL- Ahlia
22,298,507	17,226,160	98,035,360	39,475,523	AL- Ameen
371,000,000	315,000	1,790,000,000	230,000,000	A1l companies

4.2 Statistical description of the dimensions of the dependent variable return on assets (ROA)

4.2.1 Return on assets (ROA)

It is a financial measure that measures a company's ability to achieve profit from its assets. and reflects the company's success in using its assets to generate profits. It can be measured through the following equation: (Jewell& Mankin,2011:82)

$$\text{Return on Assets} = \frac{net\ profit\ after\ tax}{total\ assets} * 100 \quad (2)$$

Table 8. we conclude the following:

- Al Hamra was in the advanced position as it achieved the maximum value in (ROA) which is 32.4% in 2011.
- Al-Ahlia settled in the last positions due to obtaining the minimum value in (ROA), which is -4.5% in 2014.

Table 9. shows that the arithmetic mean of the return on assets variable was (6.2%) with a standard deviation of (5.5), where the highest value was for Al Hamra Company, which was (10.4%), with a standard deviation of (7.9), and the lowest value was for Al Ahlia Insurance Company, which was (2.9%), with a standard deviation of (5.5).

5. Analyzing the Results of Linear Regression of Insurance Service Premiums and their Impact on ROA

5.1. Estimating models panel data

The researcher sought to present cross-sectional data models, which are extremely important dual data with different fixed and random types, and to compare them by studying and analyzing the mathematical relationship linking insurance premiums to (ROA), as in Table 10.

5.1.1 Testing the trade-off between the pooled regression model and random effects

Through the (LM test), the researcher conducted a comparison between the models used in the study, and achieved the results whose details are shown in the following table.
Table 11. shows the results of the statistical analysis of the (OLS) model, which indicates that the model is valid for testing and its results are reliable and there is no need for the (Hausman) test, as the value of (Prob) was greater than (0.05) and respectively [(0.2110), (0.3701), (0.1238)] This means (accepting H0 and rejecting H1).

The value of both (car and fire insurance was insignificant) except for the value of (accident insurance, which was significant less than (0.05). The value of 0.773993 for accident insurance and (R-squared) for the whole model was (0.22), which means that the explanatory power for accident insurance is (22%) of the change that occurs in (ROA) and the rest (78%) is for variables that were not studied in the model. From the above table, the following was concluded:

- Accepting the first main hypothesis, which states: “There is a statistically significant influence relationship between insurance service premiums and the return on assets.”
- Accepting the hypothesis that states, “There is a statistically significant influence relationship between accident insurance and return on assets.”
- Rejecting the hypothesis that states, “There is a statistically significant impact relationship between car insurance and return on assets.”
- Rejecting the hypothesis that states, “There is a statistically significant influence relationship was found between fire insurance and return on assets.”

Table 8. Return on assets ROA

year	Dar AL-Salaam NPAT	Dar AL-Salaam T/A	Dar AL-Salaam ROA	Gulf NPAT	Gulf T/A	Gulf ROA	AL-Hamra NPAT	AL-Hamra T/A	AL-Hamra ROA	AL- Ahlai NPAT	AL- Ahlai T/A	AL- Ahlai ROA	AL- Amen NPAT	AL- Amen T/A	AL- Amen RO
2010	30263688	332551 8582	9.1 %	77902 842	131464 6785	5.9 %	385814 468	316672 5180	12.2%	19086 9171	225901 3799	8.4 %	96226 812	212988 7755	4.5 %
2011	31286 6985	349263 9479	9.0 %	10168 8014	229682 8989	4.4 %	137986 1438	425907 6244	32.4%	12072 3971	316113 7252	3.8 %	21377 3465	258022 1415	8.3 %
2012	33011 3658	406354 4988	8.1 %	68929 789	298964 6744	2.3 %	125219 2849	820009 7344	15.3%	27653 9009	319212 5201	8.7 %	36929 7668	301970 4544	12.2%
2013	41298 6020	553016 7234	7.5 %	81105 740	288211 8591	2.8 %	127753 6798	945731 9363	13.5%	40747 5586	346468 1446	11.8%	82582 0851	389183 3742	21.2%
2014	44057 0899	537901 2162	8.2 %	23790 2036	278039 9892	8.6 %	459202 065	846657 2806	5.4 %	-157043617	347276 9386	-4.5 %	55109 2238	437601 6831	12.6%
2015	33169 8787	531939 3960	6.2 %	11479 6126	213564 1002	5.4 %	917287 444	952851 8520	9.6 %	-123640151	356806 1716	-3.5 %	43462 4747	452571 9896	9.6 %
2016	18769 6857	485532 3407	3.9 %	11479 7485	215589 6606	5.3 %	529717 139	973486 8000	5.4 %	4909191	365693 8604	0.1 %	25563 1269	442662 4954	5.8 %
2017	12594 5323	434266 6864	2.9 %	28152 4279	289560 0455	9.7 %	698291 150	115937 42614	6.0 %	-71352499	361630 4668	-2.0 %	-29070294	433968 5124	-0.7 %
2018	82692 635	591276 9769	1.4 %	25441 5247	324980 7360	7.8 %	777055 261	118399 22269	6.6 %	-69494534	357574 4757	-1.9 %	15841 6332	433571 8566	3.7 %
2019	21237 4033	840255 8965	2.5 %	62914 590	301517 8436	2.1 %	735770 457	134345 53513	5.5 %	32082 2228	324140 4581	9.9 %	76485 551	439344 1756	1.7 %
2020	21052 2043	866335 6242	2.4 %	68344 604	306709 6874	2.2 %	110688 3126	163862 82951	6.8 %	-55544991	339654 0308	-1.6 %	19352 2837	461299 1037	4.2 %
2021	19744 2636	890652 9573	2.2 %	85344 969	830759 6691	1.0 %	115571 2625	196837 93905	5.9 %	47670 3609	863048 4208	5.5 %	40315 1526	489564 5346	8.2 %

Table 9. Descriptive statistics for (ROA)

Std. Dev.	Min	Max	Mean	Details
3.1	%1.4	%9.1	%5.3	Dar AL-Salam
2.9	%1.0	%9.7	%4.8	Gulf
7.9	%5.4	%32.4	%10.4	AL-Hamraa
1.9	%4.5-	%11.8	%2.9	AL- Ahlia
5.7	%0.7-	%21.2	%7.6	AL- Ameen
5.5	%4.5-	%32.4	%6.2	A1l companies

Table 10 Measuring the impact of insurance service premiums on (ROA)

Significant Result	Regression Model Sig - Level	F	R-squared	Sig - Level	Estimated Parameters	Independents Variables	Sample
Significance	0.00063	6.6497	0.2231	0.0013	-27.46412	C	P R M.
				0.0298	0.773993	Accidents	
				0.1216	0.725754	Cars	
				0.5222	0.326156	Fires	
Significance	0.01128	2.9435	0.1873	0.2410	-18.07466	C	F E M
				0.2592	0.534537	Accidents	
				0.3084	0.572222	Cars	
				0.7771	0.196568	Fires	
Significance	0.00063	6.6497	0.2231	0.0016	-27.46412	C	R E Ml
				0.0335	0.773993	Accidents	
				0.1300	0.725754	Cars	
				0.5315	0.326156	Fires	

Table 11. (LM Test) for Random Effects Test

	Cross _ sectional data	Time series data	Time series data and cross _ sectional data
Breusch - Pagan	1.564551	0.803448	2.367999
Prob	(0.2110)	(0.3701)	(0.1238)

6. Conclusion and Recommendation

There is a relationship between insurance service premiums as a whole, and for accident insurance individually, with the return on assets of the companies sampled in the study. There is no relationship between (car insurance & fire insurance) with the return on assets of the companies in the study sample. Al Hamraa achieved the highest percentage of ROA (32.4%) in 2011, while Al Ahlai achieved the lowest (-4.5%) in 2014. There was a decrease in insurance premiums for the years 2014 and 2015 due to Iraq being exposed to the terrorist attack from ISIS, the cessation of insurance activities, interest in basic goods, and the customer not buying luxury goods. Also, the COVID-19 pandemic in 2021 had a clear impact that caused a decrease in insurance premiums during that period.

Companies must work to diversify their insurance products in accordance with the customer's desires, including that they must keep pace with developments in society, with the aim of achieving a greater financial return and thus increasing their market share. It has become necessary for insurance companies to invest the amounts they receive in investment projects to achieve financial returns, especially in years in which there is a large increase in insurance premiums. The necessity of forming a council of experts in the field of insurance to develop future policies and strategies for the Iraqi insurance sector. Training and developing workers, especially insurance producers and brokers, on modern methods for marketing insurance policies to achieve continuity, stay in the market, and constantly update plans. Working to adopt an electronic marketing project to market insurance documents in the future. The necessity of conducting more research in the field of insurance, as it is an important sector and a basic pillar in financial institutions

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