

**THE EFFECT OF CASHFLOW TO LIQUIDITY
IN INSURANCE COMPANY
ON PT MAA LIFE ASSURANCE**

ABSTRACT

This research has purposed to proof the influence of cash flow toward liquidity in PT Maa Life Assurance Jakarta. This research use quantitative approach with causal type. This research use contains of four variable, such as cash flow is measured by Operating Activities, Investing Activities as independent variable, liquidity is measured by current ratio as dependent variable.

This research used 48 samples of monthly reports for 2006-2009 on PT Maa Life Assurance. This research utilize secondary data, those are taken from the company. The data which have already collected are processed with classic assumption test before hypotesis test. Hypotesis test in this research use multiple linear regression, with t-test and F-test.

Results showed that partially, Cash Flow is divided into two activities such as operating activities, investing activities, do not significantly influence liquidity. Simultaneously Cash Flows is divided into two activities such as operating activities, investing activities, do not significantly affect the liquidity of the PT Maa Life Assurance Jakarta. Figures R of 0.221 indicates that the correlation or relationship between liquidity very closely with the independent variable that is equal to 22.1%. Numbers or the coefficient of determination R square of 0.049. This figure indicates that 4.9% variation or changes in liquidity can be explained by the variation of variable Operating Activities, Investing Activities. While the remaining 95.1% can be explained by other variables that are not included in the research model.

Keywords: Operating Activities, Investing Activities, Financing Activities and Liquidity (Current Ratio).