Independent study title	THE IMPACT OF FINANCIAL RATIOS ON THE FINANCIAL PERFORMANCE OF NON-LIFE INSURANCE FIRMS: EVIDENCE IN ASEAN,2004-2024
Author	Naratip Sripavaporn
Degree	Master of Science (Finance)
Major field	Master of Science Program in Finance (International Program)
Faculty	Faculty of Commerce and Accountancy Thammasat
University	University
Independent study advisor	Associate Professor Anutchanat Jaroenjitrkam, Ph.D.
Academic year	2025

ABSTRACT

This study investigates the relationship between financial ratios and the performance of non-life insurance firms in ASEAN over the 2004–2024 period. Underwriting, market, liquidity, and operational risks are represented by four financial ratios, while firm performance is assessed using Return on Assets (ROA) and Tobin's Q, which capture accounting-based and market-based perspectives, respectively. Using a panel of 25 insurers with 376 firm-year observations, the study estimates pooled OLS alongside two-way fixed-effects models, with a COVID-19 moderating analysis based on firm fixed effects. The results show that financial ratios affect ROA more consistently than Tobin's Q. Market risk significantly reduces both measures, while underwriting and liquidity risks lower ROA but not Tobin's Q. Underwriting risk is positively associated with Tobin's Q, consistent with the risk-return trade-off principle, as the market appears to value aggressive underwriting as a pursuit of future growth despite its negative effect on current profit. Operational risk is negative but insignificant, and the COVID-19 interaction terms are insignificant throughout, indicating that the risk-performance relationships remained stable through the pandemic. The findings offer practical guidance for prioritizing investment efficiency and underwriting discipline in ASEAN insurance markets.

Keywords: non-life insurance, financial ratio, firm performance, ROA, Tobin's Q, COVID-19, ASEAN