

ABSTRACT

The purpose of this study was to examine the effect of applying good corporate governance on firm value. Proxy of corporate governance, namely internal mechanism (board of commissioners, and audit committee) and external mechanism (institutional ownership) the research sample is insurance companies listed on the Indonesia Stock Exchange in 2016-2018. The purposive sampling method is used in sample selection so as to obtain a sample of 11 insurance companies with a total observation of observational data for 3 years. Technical analysis of data using panel data regression analysis. Firm value measured using the price book value (PBV). Based on the result of hypothesis testing the results show that board of commissioners variable has a negative effect on firm value, institutional ownership variable has a positive effect on firm value and for audit committee variables the results show no effect on firm value.

Keywords: *good corporate governance, firm value*