Chapter 9
Limitations and Future Scope of Research

9.1. Limitations of the Study

- This study intends to provide a glimpse of the Indian non-life insurance market in the last decade after post-liberalization era. For this purpose, the data-sets have been considered from 1996-97 to 2011-2012 (for GIC), 1999-2000 to 2011-2012 (for 4 public insurance companies) and 2001-2002 to 2011-2012 (for private non-life insurance companies). The present study could have been enriched if data were available from 1996-97 to 2011-2012 consistently for all the non-life insurance companies in India.
- Due to paucity of longer period data-set in the context of Indian non-life insurance sector, better forecasting tools could not be used.
- There were few studies like Gosalia (2008) which provided a partial picture on the Indian non-life insurance industry during the period 2004-2009, however, there was a lack of detailed study to understand the underwriting cycle pattern prevailing in the Indian non-life insurance industry in the last decade in the post-liberalization era (after IRDA Act, 1999).
- There is a need for further studies in the field to enrich information for better decision-making. As it was needed to cover performance of all public non-life insurance companies and major private non-life insurance companies, considering the breadth of the study it was not possible to put the concentration on performance of any individual company through analysing and forecasting future performances using more sophisticated models and using more parameters for more accurate forecasting.

9.2. Future Scope of Research

- As revealed from the study that growth rate of private sector non-life insurance companies as a whole has far surpassed the rate of growth of public non-life insurance companies, though till now public non-life insurance companies are still controlling majority of the non-life insurance market. The factors favouring the rapid growth of the few private insurance companies can be studied which may enable optimization in insurance companies’ operation.
- The study revealed that non-life insurance business is not a profitable one for the most public sector insurance companies if the premium to claims ratio is considered. There is a need to understand the customer profile from where the most claims are generated to get better insight in the business. There is also a need to put suitable underwriting standards in place so that claims amount can be kept below the premium income.
- As mentioned earlier, it was needed to cover performance of all public non-life insurance companies and major private non-life insurance companies,
considering the broadness of the study it was not possible to put the concentration on performance of any individual company through analysing and forecasting future performances using more sophisticated models and using more parameters for more accurate forecasting. In-depth study taking into consideration of one public and one private non-life insurer can be performed to get more accurate forecast on different parameters.

➢ There is a wide scope of study in the Indian non-life insurance sector as it is a dynamically growing market. Only a few areas of probable research on the topics based on the direction given in this study are mentioned in the section. Many works related to non-life insurance in different directions have been performed in many developed countries in general and in Asian countries, like China, Japan etc., in particular and similar types of studies can be performed in the Indian context too.