



To cite this article: Dr. Nath M. N. (2025). AN ANALYTICAL STUDY OF LIC CHILD INSURANCE PLANS IN INDIA, International Journal of Research in Commerce and Management Studies (IJRCMS) 7 (5): 180-186 Article No. 496 Sub Id 891

AN ANALYTICAL STUDY OF LIC CHILD INSURANCE PLANS IN INDIA

Dr. Nath M. N.

Associate Professor, Dept. of Commerce
Smt. S.K. Gandhi College Kada. Tal-Ashti, Dist-Beed 414202(MS)

DOI: <https://doi.org/10.38193/IJRCMS.2025.7514>

ABSTRACT

This research paper presents an analytical study of the child insurance plans offered by the Life Insurance Corporation (LIC) of India, with a focus on understanding their structure, benefits, affordability, and effectiveness in securing a child's financial future. Child insurance plans are increasingly recognized as essential tools for long-term financial planning, especially in the context of rising educational and healthcare expenses. The study examines key LIC plans such as LIC Jeevan Tarun, LIC New Children's Money Back Plan, and others, analyzing them on parameters like premium structure, maturity benefits, risk coverage, flexibility, and returns. Both primary and secondary data have been used, including surveys from policyholders and data from LIC's official reports. The study also compares LIC's child plans with those offered by private insurers to evaluate their competitiveness. The findings indicate that while LIC plans are trusted for their stability and government backing, there is a growing need for product innovation and increased awareness among consumers. The paper concludes with suggestions to enhance customer engagement and policy features to make them more aligned with the modern financial needs of Indian families.

KEYWORDS: LIC (Life Insurance Corporation of India), Child Insurance Plans, Jeevan Tarun, New Children's Money Back Plan, Financial Planning, Child Future Security, Insurance Policy Analysis, Education Planning, Investment for Children

INTRODUCTION

In a rapidly evolving economic landscape, financial planning for children's future has become a top priority for Indian families. Rising costs of education, healthcare, and overall child upbringing have led parents to seek reliable financial instruments that offer both protection and savings. Among these, child insurance plans have emerged as a popular option for securing a child's future, ensuring that their financial needs are met even in the absence of the primary breadwinner.

The Life Insurance Corporation (LIC) of India, being the largest and most trusted public sector insurance provider, offers various child-centric insurance policies aimed at addressing long-term goals such as education, marriage, and overall financial security. Plans like **LIC Jeevan Tarun** and **LIC**

New Children's Money Back Plan are specifically designed to combine life insurance coverage with investment returns, tailored to a child's growing needs.

This research paper seeks to analyze these LIC child insurance plans in terms of their structure, benefits, premium patterns, maturity values, and overall effectiveness in meeting policyholders' expectations. The study also explores customer awareness, satisfaction levels, and the competitive standing of LIC plans in comparison to private insurers' offerings in the child insurance segment.

By conducting this analytical study, the research aims to evaluate whether LIC's child plans are well-aligned with the financial aspirations of Indian parents and to provide suggestions for improving these schemes to better serve the target population.

LITERATURE REVIEW

Singh and Sharma (2018), child insurance plans in India serve a dual purpose: they provide financial protection in the event of the death of the parent and simultaneously act as a disciplined savings tool. The study emphasized that LIC, being a government-backed institution, is perceived as more trustworthy among middle-income families in India.

Rao and Iyer (2020) conducted a comparative study between public and private insurance providers and found that while private companies offer more flexible and high-return policies, LIC dominates the market due to its brand credibility, vast network, and customer base. However, the study also highlighted a lack of awareness and understanding of product features among rural consumers.

Kumar (2019) focused on customer satisfaction and concluded that policyholders often choose LIC's child plans out of trust, but many do not fully understand the terms, benefits, and limitations of the plans. The need for **financial literacy** and better **customer communication** was emphasized.

Chatterjee (2021), it was observed that the **LIC Jeevan Tarun** plan was particularly popular among urban families due to its structured payouts aligned with a child's educational milestones. However, the return on investment was found to be relatively modest compared to market-linked child plans offered by private insurers.

Mishra and Gupta (2022) argue that there is a growing demand for more **customized, flexible, and high-yield** plans in the child insurance space. Their research recommends the incorporation of features like premium waivers, inflation-adjusted benefits, and digital policy management tools to increase competitiveness.

Research Methodology

The present study aims to analyze the child insurance plans offered by the Life Insurance Corporation (LIC) of India in terms of their features, benefits, customer awareness, and satisfaction. To achieve the research objectives, both **primary** and **secondary data** were collected and analyzed using a combination of qualitative and quantitative methods.

1. Research Design

This study follows a **descriptive research design**, as it seeks to provide an in-depth analysis of LIC child insurance plans and understand the perceptions and satisfaction levels of policyholders. The design is appropriate for gathering detailed information about features, benefits, and consumer behavior.

2. Data Collection Methods

a) Primary Data

Primary data was collected through a **structured questionnaire** distributed to LIC policyholders who have purchased child insurance plans. The questionnaire included both **close-ended** and **Likert-scale** questions to assess awareness, satisfaction, and reasons for choosing LIC plans.

- **Sample Size:** 100 respondents
- **Sampling Technique: Convenience sampling** was used to collect responses from LIC policyholders in urban and semi-urban areas.
- **Target Group:** Parents/guardians who have purchased LIC child plans such as **Jeevan Tarun** or **New Children's Money Back Plan**.

b) Secondary Data

Secondary data was obtained from:

- LIC official websites and brochures
- Annual reports of LIC
- IRDAI (Insurance Regulatory and Development Authority of India) publications
- Research journals, articles, and previous academic studies
- Financial newspapers and online databases

3. Tools and Techniques for Analysis

- **Descriptive statistics** such as percentages and averages were used to summarize the data.
- **Graphical tools** (bar charts, pie charts) were used to visually represent findings.
- **SWOT analysis** was conducted to understand the strengths, weaknesses, opportunities, and threats of LIC child insurance plans.
- Comparative analysis was performed between LIC plans and similar offerings by private insurers (where applicable).

4. Limitations of the Study

- The study is limited to a small sample size and may not fully represent all LIC policyholders.
- The scope is restricted to LIC's child insurance plans and does not include other financial planning products for children.
- Convenience sampling may introduce bias as it does not ensure a random or representative sample.

RESULTS

The data collected from 100 respondents through structured questionnaires and analysis of LIC documents and plan brochures provided several key insights into the awareness, preferences, and satisfaction levels of customers with LIC's child insurance plans. The following are the summarized results of the study:

1. Awareness of LIC Child Insurance Plans

- **82%** of respondents were aware of at least one child insurance plan offered by LIC.
- Among those, **LIC Jeevan Tarun** was the most recognized plan (identified by **65%** of respondents), followed by **LIC New Children's Money Back Plan (48%)**.
- However, only **40%** of respondents claimed to fully understand the plan details such as maturity benefits, risk coverage, and premium terms.

2. Reasons for Choosing LIC Child Plans

- **Trust in LIC as a government-owned entity** was the top reason (mentioned by **74%** of respondents).
- Other key factors included:
 - Long-term financial security for children – **61%**
 - Easy premium payment options – **47%**
 - Tax benefits under Section 80C – **38%**

3. Customer Satisfaction

- **68%** of respondents expressed satisfaction with the policy terms and returns.
- Only **29%** were highly satisfied, mainly due to guaranteed returns and no market risk.
- Around **15%** were dissatisfied, citing low returns and lack of flexibility in payout options.

DISCUSSION

The results of this study provide valuable insights into the performance, perception, and effectiveness of LIC's child insurance plans in India. The high level of awareness among respondents—especially regarding plans like **LIC Jeevan Tarun** and **New Children's Money Back Plan**—indicates that LIC has maintained its position as a trusted insurer among Indian families. However, the depth of understanding about these plans remains limited, which raises concerns about financial literacy and the effectiveness of LIC's communication strategies.

The data reflects that **trust in LIC's brand** is the dominant factor influencing purchase decisions. This aligns with previous studies suggesting that LIC's government backing, long-standing market presence, and wide distribution network contribute significantly to its consumer appeal. However, reliance solely on brand trust can be risky in a market where financial products require careful evaluation of long-term returns and suitability.

The analysis of policy features reveals that while LIC child plans offer **guaranteed returns** and **protection-oriented benefits**, they lag behind private insurers in terms of **return on investment** and **plan flexibility**. Many respondents expressed satisfaction with the stability and low-risk nature of LIC plans, but a significant portion also voiced concerns about **low returns**, especially when compared to market-linked child plans.

The **SWOT analysis** clearly highlights this trade-off. LIC's **strengths** lie in its reliability, simplicity, and reach. Its **weaknesses**, however, include limited innovation, lower yield, and minimal digital engagement. **Opportunities** exist in the form of an expanding middle class, rising education costs, and increasing demand for child-specific financial solutions. But LIC faces **threats** from private players offering more attractive returns and user-friendly policy management platforms.

Customer feedback also revealed a lack of flexibility in payout structures and premium terms. In today's dynamic environment, where educational expenses and family goals vary significantly, the need for **customized child plans** is growing. LIC must consider **product diversification**, **greater transparency**, and **digital engagement** to meet evolving consumer expectations.

Overall, the study emphasizes that while LIC's child insurance plans serve as a **safe and dependable financial tool**, there is a strong need for modernization and innovation to remain competitive and relevant in the changing landscape of personal financial planning.

CONCLUSION

The study titled "*An Analytical Study of LIC Child Insurance Plans in India*" aimed to examine the structure, benefits, and customer perception of LIC's child-focused insurance policies. Based on both primary and secondary data, the research provides a comprehensive understanding of how LIC's child insurance plans are positioned in the Indian insurance market and how effectively they address the financial planning needs of parents for their children's future.

The findings indicate that LIC continues to enjoy a **strong brand reputation**, particularly due to its government ownership, wide network, and trust built over decades. Plans like **LIC Jeevan Tarun** and **LIC New Children's Money Back Plan** are recognized for their **guaranteed returns**, **simple structure**, and **life coverage benefits**. These features make them attractive to risk-averse customers, especially in semi-urban and rural areas.

However, the study also highlights several **areas of concern**, including **low return on investment**, **limited flexibility**, and **low financial awareness** among policyholders. Many customers invest in these plans based on trust rather than a clear understanding of their long-term benefits or comparisons with private sector offerings.

In conclusion, LIC's child insurance plans are effective as **safe and secure savings instruments**, but they require **modernization**, **increased customer education**, and **product innovation** to remain competitive in the evolving Indian insurance market. With the rising costs of education and healthcare, there is a growing demand for child insurance plans that are **more flexible**, **high-yielding**, and **digitally accessible**. LIC must adapt to these expectations to continue being the preferred choice for child insurance in India.



REFERENCES

- Chatterjee, R. (2021). *A Comparative Study of Child Insurance Plans in India*. Journal of Finance & Insurance Research, 8(3), 45–54.
- Insurance Regulatory and Development Authority of India (IRDAI). (2023). *Annual Report 2022–2023*. Retrieved from <https://www.irdai.gov.in>
- Kumar, S. (2019). *Customer Awareness and Satisfaction towards LIC Insurance Plans*. Indian Journal of Marketing, 49(6), 32–40.
- Life Insurance Corporation of India (LIC). (2024). *LIC Jeevan Tarun – Product Brochure*. Retrieved from <https://www.licindia.in>
- Life Insurance Corporation of India (LIC). (2024). *New Children's Money Back Plan – Product Details*. Retrieved from <https://www.licindia.in>