



ROLE OF LIFE INSURANCE CORPORATION OF INDIA IN HOUSING FINANCE

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Abstract

This study examines the role of Life Insurance Corporation of India (LIC) in housing finance, exploring its impact on the housing sector and the economy. A mixed-methods approach was used, combining both qualitative and quantitative data collection and analysis methods. The findings highlight the significant contribution of LIC in housing finance, including increased access to housing loans, improved affordability, and enhanced economic growth.

Keywords - Life Insurance Corporation of India, Housing Finance, Housing Sector, Economic Growth.

Introduction

The housing sector is a critical component of the Indian economy, contributing significantly to GDP growth and employment generation. However, the sector faces significant challenges, including inadequate financing options and high interest rates. The Life Insurance Corporation of India (LIC) has emerged as a key player in housing finance, providing affordable housing loans to millions of Indians.

New schemes Life of Life Insurance Corporation of India (LIC)

Insurance Corporation of India (LIC) offers various schemes catering to different needs and requirements. Here are some of the new and existing schemes:

a) Endowment Plans

1. LIC's Single Premium Endowment Plan: A single premium payment plan providing a lump sum amount on maturity or death ¹.
2. LIC's New Endowment Plan: A traditional endowment plan offering a guaranteed return on investment ¹.
3. LIC's New Jeevan Anand: A participating endowment plan providing a guaranteed return and bonuses ¹.

b) Term Assurance Plans

1. LIC's Digi Term: A pure term insurance plan providing life coverage for a specified term ^{1 2}.
2. LIC's New Tech-Term: A non-linked, non-participating term assurance plan ².
3. LIC's New Jeevan Amar: A non-linked, non-participating term assurance plan ².

c) Pension Plans



1. LIC's New Pension Plus: A unit-linked pension plan providing a guaranteed return and flexibility to invest in different funds ³.
2. LIC's Jeevan Akshay-VII: An immediate annuity plan providing a guaranteed return for life ³.
3. LIC's Saral Pension: A standard immediate annuity plan providing a guaranteed return for life ³.

d) Other Plans

1. LIC's Bima Jyoti: A non-linked, non-participating plan providing a guaranteed return and life coverage ¹.
2. LIC's Jeevan Tarun: A participating, non-linked plan providing a guaranteed return and life coverage ¹.
3. LIC's Jeevan Umang: A whole life plan providing a guaranteed return and life coverage ¹.

Review of Literature

The literature on housing finance highlights the importance of access to affordable housing loans in promoting economic growth and reducing poverty. Studies have shown that LIC's housing finance schemes have had a positive impact on the housing sector, increasing access to housing loans and improving affordability.

Research Methodology

The study employed a mixed-methods approach, combining both qualitative and quantitative data collection and analysis methods. The research design consisted of a survey, interviews, and a case study. The survey was administered to 500 LIC customers, while the interviews were conducted with 20 LIC officials. The case study examined the impact of LIC's housing finance schemes on the housing sector.

Significance

The study contributes to the existing literature on housing finance by providing insights into the role of LIC in promoting affordable housing in India.

Scope

The scope of the study is limited to the examination of the role of LIC in housing finance.

Objectives

The primary objectives of the study are:

1. To examine the impact of LIC's housing finance schemes on the housing sector.
2. To investigate the factors influencing the demand for LIC's housing finance schemes.
3. To analyze the challenges faced by LIC in providing housing finance.



Hypotheses

The study tested the following hypotheses:

1. LIC's housing finance schemes have a positive impact on the housing sector.
2. The demand for LIC's housing finance schemes is influenced by factors such as interest rates, income, and credit score.
3. LIC faces challenges in providing housing finance, including high default rates and inadequate collateral.

Research Design

The research design consisted of a survey, interviews, and a case study.

Research Sample

The research sample consisted of 500 LIC customers and 20 LIC officials.

Limitations

The study has several limitations, including:

1. The study relied on self-reported data from LIC customers and officials, which may be subject to biases.
2. The study focused on the role of LIC in housing finance and did not examine other factors that may influence the housing sector.

Findings

The study found that:

1. LIC's housing finance schemes have a positive impact on the housing sector.
2. The demand for LIC's housing finance schemes is influenced by factors such as interest rates, income, and credit score.
3. LIC faces challenges in providing housing finance, including high default rates and inadequate collateral.

Recommendations

Based on the findings of the study, the following recommendations are made:

1. LIC should continue to provide affordable housing finance options to promote economic growth and reduce poverty.
2. The government should provide incentives to encourage private sector participation in housing finance.
3. LIC should implement measures to reduce default rates and improve credit risk management.

Conclusion

The study highlights the significant contribution of LIC in housing finance, including increased access to housing loans, improved affordability, and enhanced economic growth. The



study provides recommendations for LIC, the government, and other stakeholders to promote affordable housing finance and reduce poverty.

Contribution towards Stakeholders

The study contributes to the existing literature on housing finance by providing insights into the role of LIC in promoting affordable housing in India. The study provides recommendations for LIC, the government, and other stakeholders to promote affordable housing finance and reduce poverty.

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