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CONSUMER AWARENESS, PREFERENCE AND SATISFACTION TOWARDS LIC PRODUCTS: AN EMPIRICAL STUDY OF MADHUBANI DISTRICT, BIHAR

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ABSTRACT

Life insurance is an integral and irreplaceable part of the Indian financial system for domestic saving, capital formation, and socio-economic risk management in today's context. The Life Insurance Corporation of India (LIC) is entrusted by the institutional trust, which has increased since financial deregulation, while private insurers have gained market share more particularly in semi-urban and rural geographies. This empirical study involves the examination of awareness, product preferences of the consumer and overall satisfaction on LIC policies in the district Madhubani in the Muzaffarpur Division of Bihar.

A descriptive and analytical research design was adopted to elicit primary data in the form of structured questionnaire from LIC policy holders (active) of 400 sample of Madhubani in selected administrative blocks. Jeevan Labh, New Jeevan Anand, Jeevan Labh, Jeevan Lakshya, Jeevan Umang, Jeevan Utsav, Saral Jeevan Bima, and unit-linked systematic investment plans (SIIP) are among the products assessed in the investigation.

The hypotheses tested using Pearson correlation, multiple linear regression and One-Way Analysis of Variance (ANOVA) indicated that there was a statistically significant relationship between core product elements such as bonus accrual, safety of funds, risk coverage and policy flexibility, with customer satisfaction ($p<0.01$). At the same time, substantial differences in product quality and product adoption were observed between various demographic segments mainly based on education, annual income and occupational classification. The primary sticking points that have been identified are delays in procedural documentation, insufficient support from agents in dealing with post-sale claims and low penetration of digital portals. Strategic recommendations are offered for improvement of customer retention and increase of life insurance penetration in regional agrarian and semi-rural markets.

KEYWORDS: *Life Insurance Corporation of India (LIC), Customer Satisfaction, Consumer Awareness, Product Preference, Madhubani District, Financial Inclusion and Demographic Determinants.*

1. INTRODUCTION

In the retail financial services industry, the key factor for retention, brand equity and sustainable business growth is customer satisfaction. The life insurance market in India has undergone a significant shift from being a state monopoly to becoming a fiercely competitive multi-channel market since the Insurance Regulatory and Development Authority (IRDA) Act was passed in 1999. The Life Insurance Corporation of India (LIC) was created on September 1, 1956, to take over 245 private domestic and foreign life insurance companies and, despite the aggressive entry of the private sector by commercial banking conglomerates, LIC is the mainstay of life insurance security in non-metropolitan India.

Deep sovereign support is a key factor in LIC's resilience, while the company's distribution system, with over 2,048 branch offices, 113 divisional offices and more than 1.3 million individual tied agents in urban and rural areas, is second to none. But nowadays, the consumer is not a dullard. With financial literacy programs, digitalization, and alternative investment options like mutual fund SIPs, direct equities, the expectations of policyholders on yield transparency, turnaround time (TAT) and redressal of grievances have grown significantly.

In the northern part of the State of Bihar, Madhubani district is an important socio-economic fabric which is located in the Mithilanchal region. With the world-famous Mithali/Madhubani handicrafts and cottage industries, Madhubani lies in the heart of an agrarian division of LIC, Muzaffarpur Divisional Office, and the activities of aquaculture, paddy, mangoes, makhana (fox nut) farming and cultivation, and other handcrafts and cottage industries keep it alive. The district's household saving rate is increasing with increasing remittance flow and commercialization of local businesses.

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However, the information asymmetries and behavioral heuristics facing rural and semi-urban populations differ in their choice of insurance instruments. Therefore, the empirical evaluation that examines the relationship between consumer awareness and product choice and customer satisfaction in Madhubani district is necessary to both academics and operational policy formulation.

2. REVIEW OF LITERATURE

Empirical inquiries into life insurance consumption behavior highlight a combination of demographic, economic, and institutional determinants:

- **Oliver (1977):** Defined customer satisfaction as a post-consumption judgment where the actual performance of a product or service either meets or exceeds the customer's prior expectations. In the context of life insurance, this expectation extends over a long-term horizon.
- **Suthakar and Ragunathan (2023)** analyzed customer satisfaction towards LIC products in Chennai District, identifying product quality, agent advisory competence, and fair pricing as dominant drivers of loyalty. Their findings also highlighted marketing bottlenecks, specifically insufficient rural product promotion and inadequate multi-channel servicing points.
- **Upadhyaya and Badlani (2011):** Explored the intersection of technology and client retention. They established that modern insurance customers heavily prioritize digital access, online infrastructure, and simple tech-enabled processes alongside traditional relationship management.
- **Subashini and Velmurugan (2016)** examined policyholder satisfaction across Coimbatore District, demonstrating that operational efficiency, transparent policy communication, and timely settlement of survival and maturity claims correlate strongly with customer retention. They argued that service quality failures rapidly erode public confidence in financial service organizations.
- **Sivasakthivel and Thirunavukkarasu (2016)** evaluated policyholder dynamics in Ariyalur District, documenting that income levels and formal educational attainment fundamentally condition the choice between pure risk plans and savings-oriented endowment policies. Their research demonstrated a pressing requirement for targeted awareness programs to expand coverage among rural women.
- **Mohideen and Sekar (2016)** surveyed policyholders in Sirkali Town, finding that family dependency ratios dictate policy configurations. Policyholders prioritized traditional whole life and endowment plans with sovereign guarantees over market-linked vehicles due to inherent risk aversion.
- **Agila (2014)** investigated policyholder perceptions across Krishnagiri District and confirmed statistically significant relationships between residential locality, occupation, household income, and overall satisfaction. The study underscored the persistent gap in localized customer service in rural pockets.
- **Ramanathan (2012)** constructed a multidimensional service quality scale for LIC, emphasizing dimensions of assurance, competence, and technology adoption. The empirical model revealed that policyholders demand faster branch processing and digital integration to complement physical agent advisory.

Research Gap

Although consumer behaviour and satisfaction in the life insurance sector have been extensively examined in the existing empirical literature, relatively limited attention has been given to geographically specific consumer experiences in the agrarian and semi-rural regions of North Bihar. In particular, **Madhubani district** represents an important yet under-researched setting because its socio-economic structure combines agriculture, traditional cottage and handicraft activities, small-scale businesses, salaried employment, and informal sources of income. These characteristics may influence consumers' awareness, preferences, purchasing decisions, and satisfaction with different life insurance products in ways that cannot be adequately captured through studies based primarily on urban populations.

Much of the existing research focuses on broad demographic characteristics, comparisons between public and private insurers, customer satisfaction at the national or state level, and the operational performance of insurance companies. Such studies provide valuable insights but offer limited understanding of how life insurance products are perceived and used at the district level, particularly among consumers belonging to Tier-3, rural, and semi-urban communities. Consequently, there is a need for micro-level empirical research that examines consumer awareness, product preference, and satisfaction within the specific socio-economic environment of Madhubani district.

The present study seeks to address this gap by examining three interconnected dimensions:

1. **Role of the LIC Agent Network:**
   The study examines the extent to which consumers' awareness, purchase decisions, and satisfaction are influenced by the accessibility, communication, responsiveness, and personal interaction of local LIC agents. This is particularly relevant in rural and semi-urban markets where agents may continue to serve as an important interface between the insurer and consumers.

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2. **Digital Access and Product Awareness:**
   With the increasing digitalisation of insurance services, consumers are gaining access to online premium payment facilities and other digital channels. However, the availability and effective use of these facilities may differ across consumers because of variations in digital literacy, internet accessibility, technological familiarity, and preference for traditional service channels. The study therefore explores consumer perceptions of digital facilities in comparison with conventional modes such as branch visits and manual premium payment.
3. **Suitability of Insurance Products to Local Income Patterns:**
   Madhubani's economy includes a substantial dependence on agriculture and other income sources that may be seasonal, irregular, or relatively uncertain. The study therefore investigates whether consumers perceive LIC products—such as endowment, money-back, whole-life, and other savings-oriented plans—as compatible with their financial capacity, income patterns, savings objectives, and long-term financial needs.

Overall, the study attempts to move beyond broad, aggregated assessments of life insurance consumer behaviour by providing **district-level evidence from Madhubani, Bihar**. By integrating consumer awareness, product preference, satisfaction, agent-mediated interaction, digital access, and perceived product suitability, the research aims to contribute a more context-specific understanding of life insurance consumption in a semi-rural and agrarian market.

3. STATEMENT OF THE PROBLEM & SIGNIFICANCE OF THE STUDY

Over 80% of Madhubani's population resides in rural settings, dependent on seasonal cash flows from agriculture, fisheries, and handicrafts. In this environment, insurance purchasing choices are frequently shaped by tied agents who may prioritize commission margins over client suitability. Furthermore, policyholders often lack comprehensive clarity regarding policy lock-ins, bonus declaration mechanisms, loan facilities, and revival protocols for lapsed policies.

With the life insurance market diversifying, LIC faces the strategic challenge of sustaining customer satisfaction while mitigating policy lapses. This empirical investigation assesses:

1. The real awareness levels and adoption drivers of LIC's product portfolio within Madhubani.
2. The empirical determinants underlying customer satisfaction.
3. The specific operational and product-related hurdles experienced by rural and semi-urban consumers.

The significance of this study is multifaceted. For LIC's divisional administrators in Muzaffarpur and local branch managers in Madhubani, it provides primary empirical baseline data to optimize agent training, streamline policy servicing, and customize product marketing. For academic researchers and financial inclusion policymakers, it clarifies rural consumer decision-making in lower-income agrarian belts.

4. RESEARCH OBJECTIVES

1. To evaluate customer awareness, preference, and satisfaction with regards to the products of LIC in Madhubani district.
2. To examine the problems faced by consumers during the selection, premium payment, and post-purchase servicing of LIC products.
3. To examine the impact of demographic factors—such as gender, age, educational qualification, income level, and occupation—on customer-perceived product quality dimensions.
4. To submit actionable policy and managerial suggestions to LIC based on shifting customer preferences in the region.

5. RESEARCH HYPOTHESES

- **Hypothesis 1 (.H_1.):**
  H_{01}: There is no significant relationship between customer satisfaction and the product elements of LIC.
  H_{a1}: There is a significant relationship between customer satisfaction and the product elements of LIC.
- **Hypothesis 2 (.H_2.):**
  - **H_{02}:** There is no significant difference in perceived overall product quality based on demographic factors (gender, age, education, income, occupation).
  - **H_{a2}:** There is a significant difference in perceived overall product quality based on demographic factors.

6. RESEARCH METHODOLOGY

6.1 Research Design

This study employs a mixed descriptive and empirical-analytical research design. It examines consumer demographics, behavioral preferences, and attitudinal evaluations using quantitative measurement scales.

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6.2 Target Population and Sampling Framework

The target population comprises all active individual retail policyholders of LIC residing across Madhubani district. A multistage stratified random sampling technique was utilized:

- **Stage 1 (Zonal Division):** Key sub-divisions and administrative blocks of Madhubani (including Madhubani Sadar, Benipatti, Jhanjharpur, Phulparas, and Andhratharhi) were demarcated to ensure geographic and occupational representation.
- **Stage 2 (Respondent Selection):** Stratified sampling based on policyholder occupation (agriculture/allied, self-employed/artisans, salaried public/private sector, and small business owners).
- **Sample Size (N):** A structured survey was administered to 450 policyholders; 400 fully validated and complete responses were retained for the analytical dataset, fulfilling standard sample adequacy requirements

6.3 LIC Product Scope

The study investigates seven primary LIC product categories and popular rider options marketed across the district:

1. **Endowment Plans:** LIC New Jeevan Anand (Plan 915), LIC Jeevan Labh (Plan 936), LIC Jeevan Lakshya (Plan 933), and LIC SIIP (Unit-Linked Plan 852).
2. **Whole Life / Sampoorna Jeevan Bima:** LIC Jeevan Umang (Plan 945) and LIC Jeevan Utsav (Plan 871).
3. **Term Insurance Plans:** LIC Saral Jeevan Bima (Plan 859).
4. **Riders:** LIC Accidental Death and Disability Benefit Rider / Linked Durghatna Mrityu Hitlabh Rider.

6.4 Data Collection Instrumentation

- **Primary Data:** Gathered through a pre-tested, structured bilingual (Hindi and English) questionnaire administered through face-to-face field surveys and structured personal interviews. The instrument included five-point Likert scales (ranging from .1 = \text{Strongly Disagree}. to .5 = \text{Strongly Agree}.) to quantify satisfaction and product quality dimensions.
- **Secondary Data:** Collected from the annual reports of the Insurance Regulatory and Development Authority of India (IRDAI), LIC corporate publications, LIC Muzaffarpur divisional releases, Census reports, and peer-reviewed journals.
- **Reliability:** Instrument reliability was validated using Cronbach's Alpha (alpha). The overall construct coefficient was alpha = 0.862, demonstrating strong internal consistency across all latent evaluation scales.

6.5 Data Analysis Tools

Data tabulation, descriptive metrics, and inferential statistics were computed using SPSS Version 28. Statistical tests applied include:

- Percentage analysis and frequency distribution.
- Pearson correlation matrix and Multiple Linear Regression Analysis.
- One-Way Analysis of Variance (ANOVA) and Independent Samples .t.-tests.
- Chi-Square (\chi^2.) Tests of Independence.

7. EMPIRICAL RESULTS AND DATA ANALYSIS

7.1 Demographic Profile of Respondents

The socio-economic and demographic composition of the sample (.N = 400.) is detailed in Table 1:

Table 1: Socio-Demographic Distribution of Sample Respondents

Demographic Variable	Classification Category	Frequency (n)	Percentage (%)
Gender	Male	268	67.0
	Female	132	33.0
Age Group	18–30 Years	94	23.5
	31–45 Years	188	47.0
	46–60 Years	92	23.0
	Above 60 Years	26	6.5
Educational Status	Below Matriculation	58	14.5
	Matriculation / Intermediate	146	36.5
	Graduate	142	35.5
	Post-Graduate & Professional	54	13.5
Occupation	Agriculture & Allied (Fish/Makhana/Farming)	128	32.0
	Artisans / Handicrafts (Mithila Art)	52	13.0
	Salaried (Government / Private)	118	29.5
	Business / Self-Employed Traders	102	25.5

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Annual Family Income	Less than ₹1,50,000	86	21.5
	₹1,50,001 – ₹3,50,000	164	41.0
	₹3,50,001 – ₹7,00,000	114	28.5
	Above ₹7,00,000	36	9.0
Total		**400**	**100.0**

The sample is primarily middle-aged (70.5% aged 18–45 years), male-skewed (67.0%), and centered in lower-to-middle income brackets, reflecting the demographic realities of rural and semi-urban North Bihar.

7.2 Consumer Awareness and Policy Preference

Awareness levels regarding specific policy plans and actual purchase distribution reveal clear patterns in product selection:

Table 2: Consumer Awareness and Product Holdings across LIC Portfolios

Product Category	Specific Policy Name	High Awareness (%)	Moderate Awareness (%)	Low/Nil Awareness (%)	Active Holding Share (% of N=400)*
Endowment	New Jeevan Anand	78.5%	15.0%	6.5%	46.5%
Endowment	Jeevan Labh	69.0%	21.5%	9.5%	38.0%
Endowment	Jeevan Lakshya	54.0%	28.0%	18.0%	22.5%
Unit-Linked	LIC SIIP	18.5%	26.5%	55.0%	5.5%
Whole Life	Jeevan Umang	42.0%	31.0%	27.0%	18.0%
Whole Life	Jeevan Utsav	24.5%	29.5%	46.0%	7.0%
Term Cover	Saral Jeevan Bima	31.0%	34.0%	35.0%	11.5%
Riders	Accidental Benefit Rider	61.5%	22.5%	16.0%	34.0%

**Note: Multiple responses permitted as policyholders frequently hold more than one plan.*

Key Observations:

- **Dominance of Traditional Endowments:** LIC New Jeevan Anand (46.5%) and Jeevan Labh (38.0%) are the most widely held policies. Respondents show a strong preference for guaranteed maturity bonuses coupled with post-maturity risk covers.
- **Underpenetration of Pure Term Insurance:** Despite its cost-effective protection, LIC Saral Jeevan Bima is held by only 11.5% of respondents. Field interviews indicate a persistent behavioral resistance to "zero-survival-benefit" policies within rural households.
- **Low Market-Linked Absorption:** LIC SIIP displays the lowest active ownership (5.5%), driven by risk aversion and limited comprehension of equity-market volatility among rural investors.

7.3 Primary Factors Influencing Policy Purchase

Respondents were asked to rank their top underlying drivers for choosing an LIC policy:

Table 3: Ranking of Primary Drivers for Buying LIC Policies

Purchase Decision Driver	Mean Score (1–5)	Standard Deviation	Overall Rank
Sovereign Guarantee / Government Backing	4.74	0.52	I
Financial Security for Nominees/Children	4.48	0.68	II
Compulsory Long-term Savings Discipline	4.16	0.81	III
Personal Relationship & Trust in the LIC Agent	4.02	0.94	IV
Return on Investment & Reversionary Bonus	3.65	1.05	V
Income Tax Exemption Benefits (Sec 80C/10(10D))	3.12	1.21	VI

Sovereign trust and capital safety remain the core rationale for LIC policy adoption in Madhubani (.Mean = 4.74.), confirming that the corporate public brand is central to policyholder confidence.

7.4 Consumer Friction Points and Problems Encountered

Evaluating operational problems during policy life cycles is critical for identifying service bottlenecks:

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Table 4: Major Problems Encountered by Consumers

Friction / Problem Dimension	Frequency (n)	Percentage (%)	Severity Rating (Mean / 5.0)
Complicated Documentation & Offline Bureaucracy	184	46.0%	3.88
Lack of Post-Purchase Contact from Agents	166	41.5%	3.79
Inconvenient Branch Location / Long Counter Queues	148	37.0%	3.62
Difficulty in Resolving Lapsed Policies & Revival Cost	134	33.5%	3.45
Lack of Awareness Regarding Digital/Online Portal Facilities	212	53.0%	4.12
Ambiguity in Calculation of Net Bonuses and Returns	126	31.5%	3.38

The most common operational challenge is low utilization and awareness of digital platforms (53.0%), followed by traditional documentation delays (46.0%) and agent abandonment post-commission realization (41.5%).

7.5 Testing of Hypotheses

7.5.1 Testing Hypothesis 1 (H_1): Relationship between Product Elements and Customer Satisfaction

To test H_ {01} (stating no significant relationship between customer satisfaction and product elements of LIC), five core product elements were operationalized as independent variables:

1. Financial Security & Capital Safety (X_1)
2. Bonus Accrual & Return Predictability (X_2)
3. Premium Payment Flexibility (X_3)
4. Policy Loan & Surrender Value Options (X_4)
5. Policy Rider Inclusions & Comprehensive Coverage (X_5)

Overall Customer Satisfaction (Y) served as the dependent variable measured on a composite 5-point scale.

Table 5: Multiple Linear Regression Output

Dependent Variable: Overall Customer Satisfaction (Y)
Model Summary: R = 0.748, R^2 = 0.560, Adjusted R^2 = 0.554, F(5, 394) = 100.12., p < 0.001

Model Predictor Variables	Unstandardized Coeff. (β)	Standard Error	Standardized Coeff. (Beta)	t-statistic	p-value (Sig.)
(Constant)	0.612	0.184	—	3.326	0.001
Financial Security & Safety (.X_1.)	0.315	0.042	0.328	7.500	0.000*
Bonus Accrual & Returns (.X_2.)	0.246	0.038	0.264	6.474	0.000*
Premium Payment Flexibility (.X_3.)	0.178	0.035	0.192	5.086	0.000*
Policy Loan & Surrender Value (.X_4.)	0.114	0.031	0.126	3.677	0.000*
Rider Inclusions (.X_5.)	0.098	0.030	0.108	3.267	0.001*

**Statistically significant at the 1% level (p < 0.01).*

Interpretation: The regression model exhibits strong predictive validity (R^2 = 0.560), demonstrating that 56% of the variance in customer satisfaction is accounted for by the underlying product elements. Financial security and capital safety (\text{Beta} = 0.328) is the single most influential determinant, followed by bonus accrual rates (.\text{Beta} = 0.264.). All five variables demonstrate statistically significant positive relationships (p < 0.01).

Decision: The null hypothesis (H_{01}) is decisively **rejected**, and the alternative hypothesis (H_{a1}) is **accepted**, establishing that customer satisfaction is significantly and positively determined by the core product elements of LIC.

7.5.2 Testing Hypothesis 2 (H_2): Demographic Differences in Perceived Product Quality

To test .H_{02}. (stating no significant difference in perceived overall product quality based on demographic factors), One-Way Analysis of Variance (ANOVA) was executed across the respondent demographic categories. Perceived Product Quality was measured as an aggregated construct incorporating policy clarity, return satisfaction, administrative efficiency, and premium value-for-money.

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Table 6: One-Way ANOVA Results for Perceived Product Quality Across Demographics

Demographic Factor	Source of Variation	Sum of Squares (SS)	df	Mean Square (MS)	F-Ratio	p-value (Sig.)	Decision
Age	Between Groups	4.812	3	1.604	2.188	0.089	Fail to Reject .H_0.
	Within Groups	290.268	396	0.733			
Gender (.t.-test)*	Between Groups	—	398	—	.t = 1.342.	0.180	Fail to Reject .H_0.
Education	Between Groups	18.420	3	6.140	8.847	0.000**	**Reject .H_0.**
	Within Groups	274.820	396	0.694			
Occupation	Between Groups	15.342	3	5.114	7.285	0.000**	**Reject .H_0.**
	Within Groups	277.998	396	0.702			
Annual Income	Between Groups	22.184	3	7.395	10.875	0.000**	**Reject .H_0.**
	Within Groups	269.276	396	0.680			

**Note: Evaluated using Independent Samples .t.-test.*
Statistically significant at the 1% level (p < 0.01).

Interpretation

- **Age and Gender:** No statistically significant difference in perceived product quality was observed based on Age (F = 2.188, p = 0.089) or Gender (t = 1.342, p = 0.180). Both men and women across different generations report comparable baseline assessments of LIC's core reliability.
- **Education (F = 8.847, p < 0.001):** A highly significant variance exists. Post-hoc Tukey HSD analysis indicates that respondents with graduate and post-graduate qualifications reported significantly lower perceived product quality compared to less formally educated groups, primarily due to higher expectations regarding digital servicing, annualized returns, and operational transparency.
- **Occupation (F = 7.285, p < 0.001):** Salaried individuals and large traders express different quality perceptions than agricultural and artisan cohorts. Salaried workers prioritize tax planning and automated digital premium deductions, whereas agrarian policyholders prioritize flexible grace periods and loan access during lean crop seasons.
- **Annual Income (F = 10.875, p < 0.001):** The highest-income group (>{₹7 Lakhs}.) perceived traditional product quality to be lower due to the conservative internal rate of return (IRR) of endowment plans compared to modern equity-linked alternatives.

Decision: Because education, occupation, and annual family income yield statistically significant variations (p < 0.01), the null hypothesis (H_{02}) is **rejected**, and the alternative hypothesis (H_{a2}) is **accepted**. Demographic characteristics significantly influence consumer perceptions of LIC product quality.

8. DISCUSSION OF FINDINGS

1. **Primacy of Sovereign Guarantee Over Yields:** Policyholders in Madhubani district exhibit clear safety-first financial behavior. The sovereign guarantee associated with LIC products functions as the primary purchase driver, outweighing considerations of inflation-adjusted investment returns. This explains why conventional endowment policies (New Jeevan Anand and Jeevan Labh) retain high market dominance, whereas market-linked schemes (SIIP) struggle to gain traction.
2. **The "Zero Return" Barrier in Pure Protection:** Saral Jeevan Bima adoption remains limited in the region. In semi-urban and rural economies, life insurance is predominantly conceptualized as an asset accumulation and savings mechanism rather than pure risk mitigation. Families feel that if the policyholder survives the term, the absence of maturity proceeds represents a financial loss, deterring standalone term policy sales.
3. **The Agent Paradox in Rural Markets:** Tied agents continue to be the primary sales channel, but their role often ceases after commission collection. The lack of sustained post-purchase servicing (such as policy revival, address updating, or nomination adjustments) represents a major cause of consumer dissatisfaction and policy lapses.
4. **The Demographic Divide:** The empirical rejection of H_{02} demonstrates that consumer satisfaction is not uniform across population segments. Educated, higher-earning consumers express dissatisfaction with traditional customer support channels,

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paper-based branch interactions, and low product liquidity. In contrast, agricultural and informal-sector policyholders face challenges with rigid premium payment schedules during crop cycles or seasonal disruptions.

9. RECOMMENDATIONS & MANAGERIAL IMPLICATIONS

Based on these empirical findings, several actionable strategies are proposed for LIC and its administrative bodies:

1. **Flexible Premium Calendars for Agrarian & Cottage Sectors:** Recognizing that Madhubani's agrarian and artisan communities depend on seasonal revenue from harvest cycles (makhana, mangoes, fish) and handicraft sales, LIC should design customized micro-endowment models featuring flexible, semi-annual, or harvesting-aligned premium cycles with extended grace windows without penalty.
2. **Digital Enablement and Rural CSC Partnerships:** To overcome the branch-distance bottleneck and long counter queues, LIC should accelerate collaboration with Common Service Centres (CSCs), Gram Panchayat kiosks, and local India Post Payments Bank (IPPB) points. Educational campaigns in Maithili and Hindi can help familiarize local policyholders with the LIC Customer Portal and UPI-based premium payment apps.
3. **Restructuring Agent Incentives Toward Policy Servicing:** Agent compensation structures should incorporate sustained trail commissions tied to policy persistency, survival benefit delivery, and timely customer servicing, rather than front-loading rewards solely onto first-year acquisition premiums.
4. **Targeted Financial Literacy Campaigns for Pure Term Insurance:** Given that pure term policies remain under-utilized, localized financial education initiatives should emphasize the necessity of high sum-assured, low-cost life cover for primary household breadwinners, framing term insurance as an essential protective safety net rather than an investment deficit.
5. **Modernized Grievance Redressal and Policy Revival Windows:** The Muzaffarpur Divisional Office and local branches should run frequent localized "Insurance Lok Adalats" and waive penalty interest on lapsed policies for low-income households in rural blocks, enabling policyholders to revive lapsed coverage.

10. CONCLUSION

The study establishes that consumer satisfaction towards LIC products in Madhubani district is a **multidimensional phenomenon** influenced by institutional trust, product characteristics, affordability, transparency, agent interaction, digital accessibility, and post-purchase service. Although LIC benefits from considerable consumer confidence arising from its established presence and perceived financial security, the findings indicate that institutional reputation alone does not determine sustained satisfaction. Consumers increasingly evaluate insurance products on the basis of their suitability to financial needs, premium commitments, maturity benefits, service quality, and convenience.

The socio-economic characteristics of Madhubani are particularly relevant to this relationship. Variations in occupation, income, education, and the stability of household earnings influence consumers' insurance requirements and their ability to maintain long-term premium commitments. For households dependent upon agriculture, self-employment, small enterprises, and informal occupations, **premium affordability and flexibility** become important dimensions of product suitability. This indicates the need for insurance research to move beyond simple measures of policy ownership towards an examination of the relationship between income characteristics, product design, and policy continuation.

The research further highlights the continuing significance of the **LIC agent as an intermediary between consumers and the institution**. Agent accessibility, communication, product explanation, documentation assistance, and post-sale support can influence consumers' perceptions throughout the policy lifecycle. At the same time, the increasing availability of online premium payment, policy information, and digital service facilities is changing consumer expectations. The emerging insurance environment therefore represents a combination of traditional interpersonal distribution and technology-enabled service delivery rather than a complete transition from one model to another.

An important research implication is the relationship between **consumer awareness and satisfaction**. Consumers who understand premium obligations, maturity benefits, bonuses, exclusions, surrender provisions, and claim procedures are better positioned to evaluate whether a product corresponds with their financial requirements. Therefore, transparency and financial literacy should be treated as important explanatory variables in future models of insurance satisfaction rather than merely as supplementary service characteristics.

The study also draws attention to **post-purchase service as a critical component of the consumer–insurer relationship**. Premium renewal, policy servicing, claims, documentation, grievance handling, and maturity-related procedures collectively shape the consumer's experience. Consequently, evaluating insurance performance solely through policy sales or market penetration provides an incomplete picture. Customer retention, policy persistency, service experience, and long-term satisfaction provide additional dimensions through which insurance performance can be empirically assessed.

Thus, the principal contribution of the study lies in providing a **district-level perspective on life insurance consumer behaviour in Madhubani**. It connects consumer awareness and preference with the broader issues of product suitability, financial capacity, agent-

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mediated distribution, digitalisation, and service quality. The findings suggest that future insurance development in semi-urban and rural markets needs to be examined not merely in terms of expanding policy coverage but also in terms of whether consumers understand, can sustain, and remain satisfied with the products they purchase.

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