

CONSUMER TRUST IN DIGITAL INSURANCE PLATFORMS

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Abstract

Digital insurance platforms increasingly support product comparison, policy purchase, premium payment, service requests, claims initiation, and communication through websites, mobile applications, aggregators, and embedded digital channels. Although these services can reduce effort and improve access, insurance decisions require consumers to disclose sensitive personal, financial, and sometimes health-related information while accepting products whose value is often realized only when a loss occurs. Consumer trust is therefore a central condition for adoption, continued use, and recommendation of digital insurance platforms. This paper examines the principal determinants of trust in such platforms, with particular attention to security and identity assurance, policy transparency, data privacy and consent, claims-service reliability, human support, artificial-intelligence fairness, and platform usability. The study adopts a conceptual and secondary-literature-based analytical approach that synthesizes trust theory, technology-acceptance research, electronic-commerce studies, insurance digitalisation literature, and supervisory perspectives on consumer outcomes. A Consumer Trust Framework is proposed to explain how technical safeguards, understandable information, responsive service, and accountable governance jointly influence consumer confidence. The analysis indicates that trust should not be understood as a website-design feature or a security promise alone. It is built when consumers can understand coverage, control the use of their data, receive dependable assistance, obtain clear reasons for material decisions, and experience fair treatment during the claims journey. The paper also presents an illustrative Consumer Trust Scorecard for use by insurers, digital intermediaries, regulators, and researchers. The framework provides a practical basis for future field studies and platform improvements directed toward transparent, inclusive, and trustworthy digital insurance services.

Keywords: Consumer Trust, Digital Insurance, InsurTech, Online Insurance Platforms, Data Privacy, Claims Experience, Artificial Intelligence, Algorithmic Transparency, Financial Services, Consumer Protection.

1. INTRODUCTION

Digitalisation has changed the way insurance products are searched, compared, purchased, serviced, and claimed. Consumers can now access insurer websites, mobile applications, comparison platforms, digital brokers, banking applications, and embedded insurance channels without visiting a branch or meeting an agent. These developments can improve speed, convenience, and access to information. At the same time, insurance is not a simple retail purchase. Policy terms may be technical, exclusions may be difficult to interpret, and the real value of the product is often tested only after an accident, illness, property loss, or other adverse event. The quality of the digital experience must therefore be judged not only at the point of purchase but throughout the customer relationship.

Consumer trust refers to a willingness to accept vulnerability based on positive expectations

about the competence, integrity, and intentions of another party or system. In digital insurance, that vulnerability includes sharing personal information, relying on automated comparisons or recommendations, making recurring payments, and expecting valid claims to be processed fairly. Trust is strengthened when a platform appears competent, secure, understandable, and accountable. It can weaken when information is incomplete, consent is unclear, customer support is difficult to reach, or automated decisions cannot be explained in terms consumers can understand.

Perceived security and privacy are especially important because insurance platforms may collect identification data, payment information, driving details, location data, health information, and records related to claims. Consumers need confidence that these data will be collected for a stated purpose, protected against misuse, and not shared or

reused without appropriate notice and choice. Yet technical protection alone does not guarantee trust. Consumers also evaluate whether policies are described in plain language, whether premium changes are communicated clearly, whether a complaint can be escalated, and whether a human adviser is available when automated interactions are insufficient.

This paper examines consumer trust in digital insurance platforms through an integrated perspective. It reviews key trust and technology-adoption research, identifies the major dimensions that influence confidence, proposes a practical Consumer Trust Framework, and presents an illustrative scorecard for conceptual evaluation. The purpose is to support academic discussion and provide a usable reference for insurers, digital insurance intermediaries, consumer-protection bodies, platform designers, and future researchers.

2. LITERATURE REVIEW

The literature on trust identifies competence, integrity, and benevolence as central bases for a trusting relationship. In online settings, these ideas are translated into beliefs about the reliability of the platform, the security of transactions, the credibility of information, and the willingness of the service provider to protect consumer interests. Research on electronic commerce repeatedly shows that trust and perceived risk are related to purchase

intentions, particularly where consumers cannot fully inspect the product or directly observe the provider.

Technology-acceptance research adds perceived usefulness and perceived ease of use to the explanation of digital-service adoption. For insurance platforms, usefulness may include convenient policy comparison, faster documentation, digital payments, claim-status tracking, and immediate access to policy records. Ease of use may increase willingness to engage, but it does not remove concerns related to policy complexity, personal-data processing, or the fairness of underwriting and claims decisions. The most credible digital experience combines accessible design with clear disclosures, meaningful choices, and service recovery when a consumer encounters a problem.

Insurance-specific research and supervisory publications also emphasize consumer-outcome risks associated with digitalisation and artificial intelligence. Automated pricing, profiling, recommendation, and claims processes may improve efficiency but can create concerns about opacity, discrimination, inappropriate data use, digital exclusion, and the absence of effective human review. The emerging literature therefore supports a broader approach to trust that integrates technical safeguards with transparency, service quality, governance, and redress mechanisms.

2.1 SUMMARY OF PREVIOUS STUDIES

Author(s)	Method / Technique	Major Findings	Research Gap
Mayer, Davis & Schoorman (1995)	Integrative trust model	Explains trust through ability, benevolence, and integrity.	Does not focus on digital insurance or platform-enabled service journeys.
McKnight, Choudhury & Kacmar (2002)	E-commerce trust measures	Develops measures for trusting beliefs and trusting intentions in online environments.	Limited attention to complex financial products, claims, and regulated disclosure.
Pavlou (2003)	TAM with trust and risk	Shows that trust and perceived risk shape electronic-commerce acceptance.	Does not address insurance-specific policy understanding or claim settlement.
Kim, Ferrin & Rao (2008)	Trust-based consumer decision model	Links trust and perceived risk with online purchase decisions.	Focuses on general e-commerce rather than long-term insurance relationships.
Eckert & Osterrieder (2020)	Digital insurance review	Maps key digital technologies and use cases in insurance.	Provides limited consumer-level indicators for evaluating trust.

Hassan et al. (2024)	Insurance FinTech adoption study	Finds that trust has a moderating role in users' acceptance of FinTech services in insurance.	Context-specific evidence requires broader comparative validation.
EIOPA (2025)	Consumer trends assessment	Highlights the growing effect of digitalisation and AI on consumer experience.	Regulatory analysis does not provide a platform-level trust scorecard.
IAIS (2024)	Global market and supervisory report	Identifies opportunities and conduct risks arising from digitalisation and AI.	Focuses on market-level oversight rather than individual trust formation.

3. OBJECTIVES OF THE STUDY

The central purpose of this study is to develop a structured understanding of the conditions that strengthen consumer trust in digital insurance platforms. The paper combines trust theory, consumer-protection principles, technology-adoption research, and insurance digitalisation literature to identify platform practices that can support informed, confident, and sustainable consumer engagement.

3.1 PRIMARY OBJECTIVE

The primary objective of this study is to examine the determinants of consumer trust in digital insurance platforms and to propose a practical framework for assessing consumer confidence, responsible platform design, and long-term digital-service acceptance.

- To identify the platform, information, service, and governance factors that influence consumer trust in digital insurance.
- To examine the role of security, privacy, policy transparency, claims reliability, and human support in consumer confidence.
- To explain how automated decision-making, data practices, and accountability mechanisms may affect trust and perceived fairness.
- To develop a conceptual Consumer Trust Framework and an illustrative assessment scorecard for digital insurance platforms.

3.2 SECONDARY OBJECTIVES

The secondary objectives focus on the operational, regulatory, and customer-experience conditions that can strengthen trust across the digital insurance journey.

- To review prior research on online trust, perceived risk, technology acceptance, and digital financial-services adoption.

- To assess the relevance of plain-language information, comparison clarity, disclosures, and consent management for informed decisions.
- To identify the contribution of secure authentication, data minimisation, and privacy controls to trustworthy platform design.
- To examine the importance of claim tracking, complaint handling, and human escalation channels in service recovery.
- To outline indicator-based measures for security, transparency, privacy, claims reliability, AI accountability, and accessibility.
- To provide practical recommendations for insurers, intermediaries, regulators, and platform developers.

4. RESEARCH METHODOLOGY

This study uses a conceptual, descriptive, and secondary-literature-based methodology. The analysis draws on foundational theories of trust, peer-reviewed research on electronic commerce and digital financial services, literature on insurance digitalisation, and publications from insurance-supervisory and consumer-protection bodies. The objective is not to report survey findings; rather, it is to organise established ideas into a coherent Consumer Trust Framework that can guide future empirical testing.

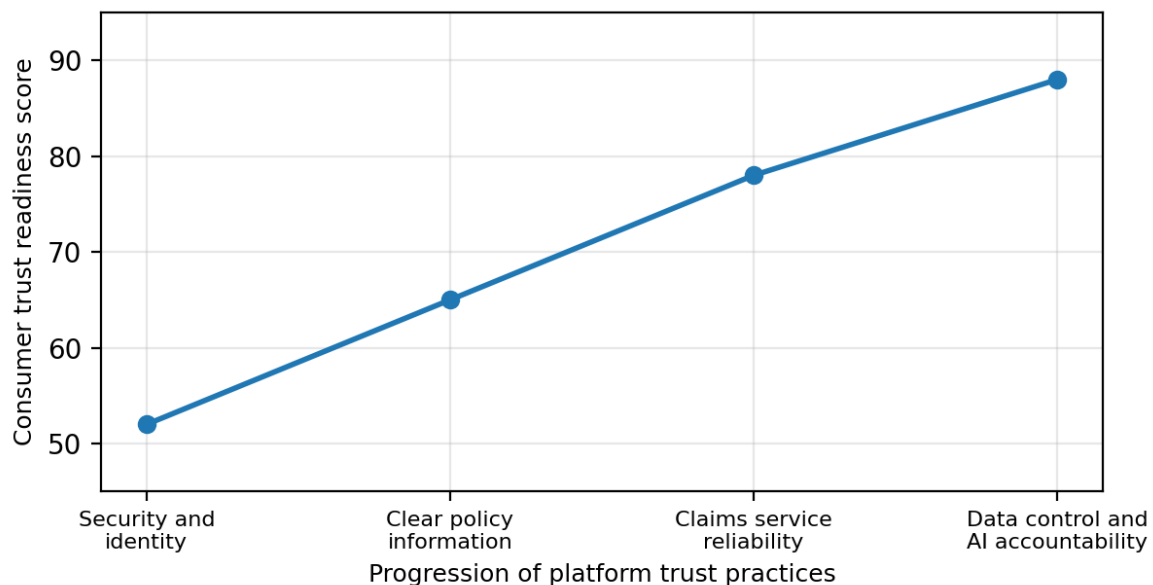
The proposed framework groups consumer trust into seven related dimensions: security and identity assurance, policy transparency, data privacy and consent, claims-service reliability, human support and redress, AI fairness and explanation, and platform usability and accessibility. Each dimension can be evaluated through observable practices such as multi-factor authentication, clear disclosure of

exclusions, granular consent controls, claim-status updates, complaint-resolution timelines, availability of human review, and accessible design across devices and languages. These indicators are intended to make trust visible as an operational quality rather than an abstract communication claim.

For explanatory purposes, the paper uses a weighted Consumer Trust Index: $CTI = 0.20(\text{Security and Identity Assurance}) + 0.20(\text{Policy Transparency}) + 0.15(\text{Data Privacy and Consent}) + 0.15(\text{Claims-Service}$

$\text{Reliability}) + 0.10(\text{Human Support and Redress}) + 0.10(\text{AI Fairness and Explanation}) + 0.10(\text{Usability and Accessibility})$. The weights are illustrative and should be refined through consumer surveys, sector-specific data, expert review, and empirical validation. A higher score represents stronger readiness to earn and sustain consumer confidence across the digital insurance journey.

Figure 4.1: Conceptual Progression in Consumer Trust Practices



Note: The chart is a conceptual illustration of the proposed framework and does not report a field survey.

5. DATA ANALYSIS

The data-analysis component operationalizes the proposed framework through an indicator-based scorecard. Because this manuscript is conceptual, the values in Table 5.1 are illustrative benchmark values designed to demonstrate how a platform operator, researcher, or consumer-protection team may compare current practices with a trustworthy target condition. The scorecard is not a substitute for consumer research, security testing, legal compliance review, or claims-performance data; it is a transparent template for diagnosis and future empirical measurement.

The evaluation focuses on the extent to which a digital insurance platform protects consumer data, presents understandable policy information, offers dependable service during claims and complaints, and makes automated processes accountable. A movement from fragmented, opaque, or sales-focused interactions toward secure, transparent, consumer-controlled, and human-supported practices is expected to improve confidence and reduce perceived risk. The scorecard also recognises that a consumer may trust a platform at purchase but lose confidence if the claim, renewal, or complaint experience is difficult to understand or resolve.

5.1 ILLUSTRATIVE CONSUMER TRUST SCORECARD

Evaluation Dimension	Indicative Baseline	Trustworthy Target	Interpretation / Improvement Focus
Security and	58%	85%	Multi-factor authentication, secure account

identity assurance			recovery, fraud alerts, and visible security controls.
Policy transparency	54%	82%	Plain-language summaries, clear exclusions, comparison accuracy, and prominent price disclosures.
Data privacy and consent	49%	85%	Granular consent, purpose limitation, accessible privacy controls, and data-sharing explanations.
Claims-service reliability	56%	84%	Trackable claims, status updates, predictable timelines, and clear documentation requests.
Human support and redress	51%	80%	Easy human escalation, complaint channels, service standards, and appeal pathways.
AI fairness and explanation	43%	78%	Human review for material decisions, plain reasons, bias monitoring, and challenge mechanisms.
Usability and accessibility	62%	86%	Simple navigation, mobile compatibility, accessible design, and language-sensitive support.

The illustrative scorecard indicates that the greatest improvement potential may lie in data privacy and consent, human redress, and AI explanation. These dimensions often receive less consumer attention at the time of purchase than convenience or price, yet they become highly important when a platform requests sensitive data, changes an outcome, or manages a claim. In practical application, each indicator should be tailored to the type of insurance, the demographic profile of users, the jurisdiction, the distribution model, and the degree of automation used by the platform.

6. DISCUSSION

The proposed framework demonstrates that consumer trust in digital insurance platforms is multidimensional. Secure login, encryption, and visible security cues are necessary but not sufficient. A consumer may still distrust a platform when benefits are exaggerated, exclusions are hidden, recommendations are not clearly separated from advertising, or the purchase flow makes it difficult to compare products on meaningful terms. Trust is more likely to endure when the platform enables consumers to understand what is covered, what is not covered, what they are paying for, and what practical support is available after purchase.

Claims experience is particularly important because it tests whether a digital insurer or intermediary delivers on its promise at a

moment when the consumer may be under financial or emotional pressure. Digital claims tools can improve convenience through document upload, automated updates, and faster triage. However, they may also create frustration if consumers cannot correct an error, ask for clarification, submit additional context, or reach a person who can take responsibility for the case. Platforms should therefore combine automation with accessible human assistance, documented service standards, and transparent complaint and appeal procedures.

Artificial intelligence and alternative-data practices add a further trust challenge. Consumers need to know when algorithmic tools materially affect eligibility, pricing, claims handling, or communication. Appropriate governance includes data minimisation, testing for unfair outcomes, human oversight for consequential decisions, and explanations that are meaningful rather than merely technical. Insurers, intermediaries, and regulators can strengthen confidence by treating transparency and consumer choice as ongoing design responsibilities rather than one-time disclosure obligations. Future empirical studies should test the proposed framework across different insurance products, age groups, regions, and levels of digital literacy.

7. CONCLUSION

Consumer trust is essential for the adoption, continued use, and legitimacy of digital

insurance platforms. It is not created only by a polished interface or the availability of online transactions. Trust is built through credible security, understandable policy information, meaningful data control, reliable claims and complaint handling, responsive human support, fair automated practices, and accessible service design. Platforms that actively manage these elements are better positioned to reduce perceived risk, support informed choices, and maintain confidence across the customer journey.

This paper proposed a Consumer Trust Framework and an illustrative scorecard that

combine technical safeguards, information quality, service reliability, and accountable governance. The framework can support insurers and intermediaries in identifying improvement priorities, help regulators assess consumer outcomes in a structured way, and assist researchers designing future surveys and comparative studies. To strengthen the evidence base, future research should apply the scorecard to actual consumer data, platform audits, complaint records, and claims-performance measures across different insurance markets.

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