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Alex Zarifis
Loughborough University, alex.e.zarifis@gmail.com

Xusen Cheng
Renmin University of China, xusen.cheng@ruc.edu.cn

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How is trust in Insurtech similar and different to trust in other areas?

Exploring the dimensions of psychology, sociology, technology and insurer

Alex Zarifis, a.zarifis@lboro.ac.uk; Xusen Cheng, xusen.cheng@ruc.edu.cn

Trust is necessary where there is risk and is more important in some context than others. Trust emerges as an ill-defined problem whenever there is a new technological or sociological phenomenon like blockchain technologies, 5G or AI. Insurtech is one such phenomenon that is becoming increasingly important, so trust in Insurtech must be explored. For example, chatbots or virtual assistants that utilize AI are widely used to interact with the person purchasing insurance or making a claim. From the consumer's perspective there are some concerns and it is unclear if they are trusted and how many interactions with the consumer they can replace. This paper outlines the possible constituent factors to trust in Insurtech starting with the psychology and sociology of trust, trust in AI and data technologies and trust in the insurer. There is literature on trust in many areas such as business, collaboration and education, but the foundations are usually psychology and sociology. A specific context such as business or more specifically Insurtech brings with it some idiosyncratic twists on the common themes from psychology and sociology. Each person has a different physiology and experiences that shape their psychological disposition. Therefore, many models of trust start with this variable (McKnight et al. 2002). In most cases, creating a model of trust that ignores the different individual disposition is hard to support with empirical data. The sociological factors influencing trust are not as consistent as the psychological ones because they are influenced by the context to some degree. They are however often similar across similar contexts. These factors can come from the broader society or more specific subsets of society more closely related to the specific context. However, in addition to the psychology and sociology of trust, the consumer engaging in Insurtech already has some experience and beliefs in its constituent technologies. The consumer's trust evolves depending on what technologies they interact with. For example, while purchasing insurance online with a chatbot may be a new experience, they may have interacted with chatbots before. Someone who uses a virtual assistant in their home and experiences that interaction, and how their data is used, will have some beliefs on this technology. Therefore, we must understand the consumer's perspective on the constituent technologies of Insurtech.

The first step to answering the question 'what is trust in Insurtech and is it different to other forms of trust', is to attempt to identify its constituent parts. The starting point is that trust in Insurtech is formed by (1) the individual's psychological disposition to trust, (2) sociological factors influencing trust, (3) trust in the related technologies (e.g. AI) and (4) trust in the insurer. Further research is needed to empirically test and validate this model.

References

McKnight, H., Choudhury, V., and Kacmar, C. 2002. "Developing and Validating Trust Measures for E-Commerce: An Integrative Typology," *Information Systems Research* (13:3), pp. 334–359.