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Sometimes false positives (incorrectly flagging human-written text as AI-generated), can include lists without a lot of structural variation, text that literally repeats itself, or text that has been paraphrased without developing new ideas. If our indicator shows a higher amount of AI writing in such text, we advise you to take that into consideration when looking at the percentage indicated.

In a longer document with a mix of authentic writing and AI generated text, it can be difficult to exactly determine where the AI writing begins and original writing ends, but our model should give you a reliable guide to start conversations with the submitting student.

3.Literature Review

3.1Acceptance in AI- Based offerings

The business landscape, and recently also the insurance industry, has been significantly shaped by the implementation of artificial intelligence. Its ability to make financial decisions, engage in conversations with humans, and collaborate with humans are the main drivers of this transformation. Modern businesses, including insurance companies, are increasingly embracing a partnership between AI systems and human expertise. Central to this revolution of how businesses work is data – the essential resource that powers AI. As Satya Nadella, CEO of Microsoft, stated, “One of the fundamental things is that there’s no way to create AI if you don’t have data." (*Microsoft’s next act*, 2018). Data enables AI systems to analyze risks, predict trends, and enhance customer interactions. In the insurance field, AI has revolutionized how underwriting, claim processing, and customer interactions occur. By ingesting vast amounts of historical data and real-time information, AI algorithms can make financial decisions that optimize risk assessment and pricing and claim processing. Simultaneously, AI-driven chatbots engage in dynamic conversations, swiftly addressing customer queries and concerns, while freeing up human agents to focus on more complex tasks. According to Soni et al. 2019, there is an artificial intelligence system (AI) or an Intelligent Agent (IA) that works behind real world applications. In their paper Soni (Soni, Sharma, Singh, & Kapoor, (2019)) (Soni, Sharma, Singh, & Kapoor, (2019))et al. 2019, explain that these agents interact in repetitive cycles of 3 actions, such as sense, think, act, as presented in Figure 3. They take information from the environment, meaning input data and past experience, and perform a result impacting the environment. The data that AI models or intelligence agents collect are in the form of images, videos, text or sound records and deliver AI solutions, after performing the analysis on the above collected data through AI algorithms.

This synergy between AI and human expertise highlights the value of both. In essence, data is the cornerstone of AI's success, propelling businesses toward innovation and improved decision-making as well as reshaping customer experience.

Therefore, ensuring successful integration and utilization of AI solutions in the insurance industry requires a study and overview of the user acceptance factors in AI. The existing literature provides a lot of studies that have taken into consideration user acceptance of new

technologies and have investigated the effect of various factors in the acceptance and adoption of digitalization and AI across diverse sectors and businesses. Recently, this research has also extended its focus in the insurance domain. From historical research we aim to identify different variables studied about AI-services adoption and acceptance from the user perspective and integrate them within the aspect of customer perception, which is also the main focus of this study.

Customer perception:

Customer perception refers to how humans perceive and interpret their experiences within an interaction. While gaining customers is a key goal for businesses, the primary aim is to cultivate and strengthen long-lasting customer relationships, thus establishing resilient, long-term connections between the company and their clients (Tulcanaza-Prieto et al., 2023). Therefore, having a deep understanding of customer perception becomes fundamental for any company. According to Tulcanaza-Prieto et al. (2023), customer perception entails comprehending the thoughts and impressions of customers and having knowledge of their needs and demand. In the context of AI offerings in the insurance industry covered in the paper, this study draws from the broader understanding of customer perception. Specifically, this study takes into examination customer satisfaction, perceived usefulness and usage intentions as indicators of how auto insurance customers perceive AI-powered solutions. Even though here the concentration is only on the insurance sector, the findings of the study from Tulcanaza-Prieto et al. (2023), can serve as a valuable theoretical foundation for defining the concept of customer perception. They explore the correlation between customer perception and financial institutions and find that tangibility, trust, service reliability, empathy, customer satisfaction, and customer loyalty all exhibit a substantial and statistically significant positive relationship with customer perception. Their findings provide a valuable insight into the evolving concept of customer perception not only within the banking sector but across industries in general and especially in AI- based services.

Transitioning into the analysis of customer perception concerning AI-based services in the auto insurance sector, the focus shifts to the three core factors, such as perceived usefulness, customer satisfaction, and usage intention. Based on the existing literature, the next step in this study is exploring the dimensions of these factors, explaining their importance in comprehending customer perception.

Perceived usefulness:

As already explained in the previous chapter, within the context of AI adoption, TAM emphasizes the concept of perceived usefulness. As per definition, perceived usefulness shows the “degree to which a person believes that using a particular system would enhance his or her job performance” (Davis, 1989). In our case of AI adoption in insurance cases, this definition can be applied as the extent to which an individual believes that using AI will result in benefits and improved outcomes for him. In this context, the perceived usefulness of AI technology becomes a decisive factor influencing an individual's intention to adopt and utilize it. For instance, Rodríguez Cardona (2021) examined the significance of perceived usefulness in the context of insurance chatbot. The chatbots are using for customer service and deliver insurance related information, based on the user´s request. The study revealed that users prefer to use chatbots when the task is performed adequately, because the results arrive faster, and there is the benefit of location, since the user does not need to be in from of the insurance desk to get the proper client service. Therefore, the efficiency is increased and the through perceived usefulness, also the user´s intention to use chatbots (Rodríguez Cardona (2021).

Customer satisfaction

Furthermore, to increase usage intention and receive a positive customer perception of the relationship between AI-based services in the auto insurance industry and customer perception, when in comparison to human-based services, it becomes clear that customer satisfaction assumes a crucial role. It serves as a decisive factor that significantly impacts the overall perception held by the user as part of the entire experience. This concept considers various elements of what the company provides to its consumers, not only the quality and reliability of the service but also how useful it is (Meyer & Schwager, 2007). Finally, the customer experience culminates in concluding whether the user is satisfied or not. Hence, in many ways, customer experience is the foundation upon which customer satisfaction is built or a consequence of the customer experience (Kotler, 1997 cited by Pham & Ahammad, 2017)

Prior studies have distinguished different components to the context of customer experience: emotional (Ladhari et al., 2017) and cognitive (Keiningham et al. (2017). Cognitive elements of customer experience pertain to the functionality, speed, and accessibility of a service. Conversely, emotional elements within the customer experience can result in consumer feelings, ranging from anger due to dissatisfaction to delight and joy in the case of customer satisfaction (Keiningham et al., 2017). Furthermore, extensive research has been done on the factors that exert a direct or indirect influence on customer experience in the context of AI-

based services across various industries, exploring the different ways in which AI can be integrated into solutions offered to customers.

As such, Ameen et al. (2021) have conducted a comprehensive study about the integration of AI in the retail sector and its implications for improving customer experience. Their research reveals that trust and the perceived sacrifice by the customer play mediating effects in the impact of AI on the customer experience in AI-enabled customer services.

Their findings are supported also by Trawnih et al. (2022), who also reinforce the effect of trust, perceived sacrifice and perceived convenience in customer experience and stress the significant influence of relationship commitment in AI-based services. As trust is a crucial factor for customers to be satisfied with the service, customer satisfaction is equally essential for keeping long-term relationships and encouraging customer loyalty. Its significance is also shown by the study conducted by Pham and Ahammad (2017) with regard to online shopping experience. Their findings indicate that customer satisfaction has a positive effect on repurchase intention.

In connection to the above, we list usage intention within the crucial elements of customer perceptions of AI-based services. Based on the original TAM from Davis, (1989) future usage intention is determined from the two fundamental elements; perceived usefulness and perceived ease of use. However, later researchers have studied the acceptance of new technology self-services such as Dabholkar (1996). As one of the first studies, including customer decision making in the service area, it indicates that the implementation of new technologies from the company must not only consist of analyses based on the benefits of the company, but also from the customer perspective. The findings of Dabholkar (1996) show that customers favor the attribute-based model and a cognitive evaluation of characteristics associated with technology based self-service option. That means that the expected service quality of such influences the intention to use that new technology positively. However, the expected service quality of this option will be influenced by the expected speed of the delivery, ease of use, reliability, enjoyment and control.

In recent times AI has emerged as a novelty in technology, particularly in the context of customer services like chatbots or voice assistance as observed in the studies of Xu et al. (2020) and Choung et. al (2022), respectively. They have conducted a comprehensive investigation into the impact of diverse variables on the acceptance of AI services.

Notably, Xu et al. (2020) contribute to the literature, laying a foundation also for this study. Their work identifies the role of problem-solving ability of a service in AI as a driver of AI effectiveness, which results in usage intention of the service. One other element identified as an effector of usage intention is task complexity. Supporting prior results by Kirkpatrick (2017), individuals tend to have increased usage intention of AI services when the task complexity is perceived as low. On the other hand, Choung et al. (2022) have conducted an insightful study focused on the trust customers place in AI services, specifically in voice assistants. Their research extends the TAM by incorporating trust perception and attitude as additional predictors of AI usage intention, alongside the established factors of perceived usefulness and perceived ease of use. This augmentation in the framework signifies the increasing recognition of the fundamental role trust plays in shaping customers' perception and intention to use AI based services.

3.2 Factors that influence user´s trust

As we have already noted before, the role of trust in the adoption and acceptance of technologies is of paramount importance, and this aspect will be further explored in the forthcoming chapter. However, it is equally crucial to delve into the specific factors that underpin and drive trust in AI services. In the subsequent sections, we will dive into a detailed examination of these factors, shedding light on the intricate dynamics that contribute to the establishment of trust in the realm of AI-driven solutions. One of the most recent studies, that of Dekkal et al. (2023) places significant value on investigating the impact of different factors on user trust, particularly in scenarios where organizations seek to integrate chatbots into human-like service experiences. Trust dynamics hold particular significance within the insurance sector (Elia et al. (2023). They note the need for increased focus on insurtech due to its distinctiveness compared to other industries in both its objectives and the nature of the products it offers. Supporting that, Dekkal et al. (2023) shed light in drivers and inhibitors of users trust when interacting with a chatbot in insurtech. The results of their study indicate that the primary factors that significantly and positively influence trust in the above-mentioned scenario are:

1. Practicity, which is a term adopted from Brangier et al. (2015) that refers to combined concept of perceived usefulness and perceived ease of use in the electronic environment of using chatbots.

2. Personalization, which relates to the extent to which a service can be adapted to match a customer's history and preferences, as outlined by Lin and Hsieh (2011). Additionally, it includes the capacity of this technology to offer customized services as articulated by Lionello et al. (2020).
3. Enjoyment, which can be considered a non-utilitarian attribute such as pleasure according to Holbrook and Hirschman (1982). In the context of chatbots, "pleasure" alludes to an enjoyable interaction or content (Kasilingam 2020) that forms a satisfying emotional aspect, adding to the overall gratifying nature of the interactive system (Følstad and Brandtzaeg 2020).

On the other hand, Dekkal et al. 2023, reveal also the inhibitors of trust and adoption intention such as:

1. Creepiness when interaction with a chatbot, which can translate as a feeling of uncertainty and unpredictability in new situations (Langer and König (2018) or some sense of wrongfulness, which is difficult to explain (Shklovski et al. (2014)
2. Privacy concerns, which were believed to have the most negative effect on trust as per Janssen (2022), are proved insignificant in the results of Dekkal et al. (2023) providing a contradicting view.

Moreover, there are studies that analyze factors that impact trust on another dimension. In contrast to Dekkal et al. 2023, that reveal respective factors, which increase or decrease trust during or after an interaction with AI, the study of Bedue and Fritzche (2022) focuses on elements that help build trust in AI interactions. The authors specify factors such as access to knowledge, transparency, explainability and self-imposed standards and guidelines as key elements that enhance the overall level of trust in artificial intelligence.

3.3Trust in Artificial Intelligence

In the digitalized world we live in today, with AI taking over a good part of previously human-performed services, we need trust. In this study, concurrence is observed with Lukyanenko et al.'s (2022) proposition that trust, in general, is perceived as a psychological mechanism used

to reduce uncertainty and enhance the probability of successful interactions with various environmental factors, encompassing elements like safety, enjoyment, and satisfaction. Since trust is relevant in many aspects of our life, many definitions of trust for different contexts have been introduced. For the purpose of this study, we disregard other definitions and take as relevant the ones that have AI as their objective. Gillath et al. (2021) explain that trust in AI can be seen as the confidence people have in the good intentions of AI systems, based on their emotional connection with the beforementioned. Meanwhile, trust in AI involves taking meaningful risks with a strong belief in positive outcomes Glikson and Woolley (2020). In simpler terms, trust in AI refers to having faith in AI systems, both in terms of their intentions and their ability to yield positive results (Gillath et al., 2021; Glikson and Woolley, 2020). These definitions are aligned with interpersonal trust, or affective, which are based on emotions, intentions and perceptions. On the other hand, Hill and O´Hara (2006) develop a cognitive theory of trust, where they argue that trust is a complex cognitive evaluation of someone's reliability, involving a combination of conscious and subconscious mental processes. So cognitive trust is related to rational assessments of competence and reliability in the actions and performance of the system or individual you are interacting with.

Given the research focus in this paper on AI within the auto insurance sector, we have chosen to center our idea on cognitive trust. This decision is motivated by the understanding that trust in technology and the organization is shaped by users' perceptions of qualitative traits like competence, ability, and integrity as well as on user´s logical reasoning and assessment of potential gains or losses associated with trusting new technology (Yang & Wibowo, 2022).

3.4 Trust as mediator

TAM has served as a fundamental framework for comprehending user acceptance of novel technologies for numerous scholars in the field. Nonetheless, it is crucial to acknowledge that researchers have expanded this framework over the years, recognizing that user acceptance is subject to a variety of influencing factors. A considerable sample of research underscores the important role of trust in the adoption and acceptance of novel technologies, particularly in domains such as e-commerce (Pavlou, 2003; Wu et al., 2011) and e-services (Gefen & Straub, 2003). Furthermore, recent literature has presented empirical evidence establishing trust as a pivotal and direct determinant of users' intention to embrace and use AI-based services,

including chatbots, in diverse industries such as travel, finance, and insurance (Trapero et al., 2020; Moo et al. 2022; Quah et al., 2019; Rodriguez Cardona et al. 2021).

However, the use of chatbots and other AI-driven services in the insurance sector distinguishes itself from other industries due to the complexity of its offerings and the stringent regulatory landscape (Gebert-Persson et al., 2019; Rodríguez Cardona et al., 2019). Therefore, Rodriguez Cardona et al. (2021) conducted an online survey to investigate the impact of trust on perceived usefulness and the intention to use chatbots in the insurance sector. Their findings demonstrate that trust has a positive and motivating role in encouraging users to engage with chatbot systems for insurance-related tasks, aligning with the findings of Kasilingam et al. (2020), but in the context of shopping chatbots. Subsequently, Janssen (2022) also underscores the significance of trust in the intention to use chatbots in the insurance sector, same as Rodriguez Cardona et al. (2021) within the B2C end-customer context. Nevertheless, it is important to note that the most substantial and statistically significant positive impact on usage intention found by Janssen (2022), within this context, is attributed to perceived usefulness, with trust and perceived ease of use also exerting favorable influences on user intention.

In our study, we regard trust as the primary mediator in how customers perceive AI-based services within an auto insurance company, particularly in the context of claim processing and fault determination. In addition to trust, we have selected perceived usefulness, customer satisfaction, and usage intention as key variables for our investigation on customer perception.