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The Human Side of AI in Insurance Sector: Consumer Choices and Challenges in Chatbot Adoption

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Abstract

The adoption of chatbots in the insurance industry is revolutionising customer interactions by providing automated, efficient, and real-time support. This study examines consumer usage, satisfaction levels, and challenges associated with chatbot usage in the insurance sector. Through a quantitative survey of 100 insurance consumers, the research identifies key factors influencing chatbot adoption, including ease of use, response time, effectiveness, and privacy concerns. The findings indicate that while policy inquiries, renewal reminders, and customer support are the most common chatbot-assisted services, consumers exhibit hesitation in using chatbots for fraud detection, premium payments, and claims processing. The regression analysis highlights that safety concerns, technical issues, and limited understanding significantly impact user satisfaction. The study concludes that while chatbots enhance efficiency and cost-effectiveness, they cannot entirely replace human interactions. A hybrid approach, integrating AI-driven automation with human assistance, is recommended to improve trust, engagement, and adoption in the insurance industry.

Keywords: AI-powered Customer Service, Chatbot Adoption, Chatbot Challenges, Hybrid AI-Human Interaction

1. Introduction

The rapid advancement of Artificial Intelligence (AI) and Machine Learning (ML) has transformed customer service across industries, with the insurance sector being no exception[1,2]. Chatbots, as AI-driven virtual assistants, have gained significant popularity in the insurance industry due to their ability to handle queries, provide policy information, assist with claim processing, and offer 24/7 customer support[3-5]. As consumers increasingly embrace digital interactions, insurance companies are leveraging chatbots to enhance customer experience, streamline operations, and improve efficiency[6].

Despite the growing adoption of chatbots in the insurance industry, consumer acceptance and satisfaction vary based on several factors, including the chatbot's accuracy, response time, user experience, and emotional intelligence[7,8]. While some consumers appreciate the convenience of AI-driven services, others express concerns about limited human interaction, security risks, and technical issues[9]. Additionally, chatbot efficiency in handling complex insurance queries, claim-related assistance, and fraud detection remains a subject of ongoing evaluation[10,11]. Understanding these challenges is essential for insurers to design chatbots that not only automate processes but also ensure customer engagement and satisfaction.

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Understanding consumer preferences for chatbot usage in the insurance industry is crucial for insurers to enhance service delivery, improve chatbot functionalities, and address customer concerns[12]. While chatbots offer benefits such as instant responses, automation, and cost savings, challenges remain regarding trust, privacy, emotional interaction, and the need for human assistance. Consumer satisfaction with chatbot services largely depends on response time, accuracy, ease of use, and personalisation. Therefore, evaluating consumer experiences and identifying key factors influencing their chatbot preferences will help insurers refine their AI-driven customer engagement strategies.

2. Review of Literature

Recent studies highlighted the increasing penetration of AI and ML in insurance services, with chatbots emerging as a key digital interface between insurers and policyholders. Chavan *et al.*[1] and Manoharan and Darwish[2] emphasised that technological advancements had significantly improved customer service delivery, enabling automation of routine interactions and enhancing service responsiveness. Researched by Joshi *et al.*[3], Patil *et al.*[4], and Alaamer *et al.*[5] further established the growing reliance on chatbots for policy information, claim support, and real-time assistance. However, the effectiveness of chatbots was influenced by design quality, accuracy, user experience, and emotional intelligence, as noted by Sanchez *et al.*[7] and Dekkal *et al.*[8]. While digital convenience drives adoption, several studies pointed to concerns regarding trust, privacy, technical limitations, and reduced human interaction[9]. Moreover, empirical evidence showed that chatbot performance in handling complex tasks such as claims and fraud detection remains mixed, warranting further investigation[10,11]. Mathur[12] argued that understanding consumer expectations and satisfaction determinants was essential for optimising chatbot usage. Collectively, the literature underscored the potential of chatbots but also revealed persistent gaps in user trust, personalisation, and service reliability.

Although existing studies examined technological capabilities, user perceptions, and operational outcomes of chatbot adoption in insurance, there is limited empirical evidence specifically focusing on consumer preferences and the factors shaping their satisfaction across diverse service interactions. Prior research highlights issues related to trust, accuracy, emotional intelligence, and privacy, yet few studies provide an integrated assessment of how these factors collectively influence adoption decisions. Additionally, existing works predominantly explore technological performance rather than consumer-centric expectations, hesitations, and experience-driven insights. This leaves a clear gap for a focused study investigating the determinants of consumer preference for chatbot usage within the insurance sector, particularly in the context of rising digital expectations and evolving AI-driven service models.

3. Objectives of the Study

- To study the usage of chatbots among consumers in the insurance industry
- To identify the consumer satisfaction regarding the functions of the chatbot for the insurance industry
- To know the problems faced by consumers and their impact on the usage of chatbots
- To understand the consumers' willingness to use chatbots

4. Methodology

This study employs a quantitative research approach to analyse consumer preferences for chatbot usage in the insurance industry. A survey-based primary data collection method has been used, targeting 100 insurance consumers selected through a random sampling technique. The data collection process involved structured questionnaires that captured insights on socio-economic profiles, chatbot usage frequency, satisfaction levels, problems faced, and willingness to use chatbots for various services. The study uses descriptive statistics to analyse demographic factors and chatbot usage patterns. ANOVA test is applied to explore the relationship between education and chatbot usage preferences. Additionally, regression analysis has been conducted to examine the impact of the problems faced in the usage of chatbots. The reliability and validity of the data are ensured through pilot testing and expert validation. The statistical analysis has been conducted using SPSS software to derive meaningful interpretations.

5. Analysis and Discussions

5.1 Socio-economic Profile of the Respondents

Table 1 presents the socio-economic profile of insurance consumers, highlighting key demographic characteristics

such as age, gender, income, occupation, and education levels. Understanding these attributes is essential for analysing consumer preferences and behavior in the adoption of chatbots in the insurance industry. The sample size of 100 respondents provides a representative view of the different consumer segments interacting with insurance services.

From Table 1, it is evident that the majority of insurance consumers belong to 36 to 45 age group (30%), followed by those above 45 years (25%), indicating that middle-aged and older individuals form a significant portion of the insurance consumer base. The gender distribution shows a slight male dominance, with 54% male and 46% female consumers, suggesting that men are slightly more engaged in insurance-related activities. In terms of income, the largest segment (42%) earns between ₹40,000 to ₹60,000, while only 16% fall into the highest income bracket of ₹1,00,000 and above. This suggests that insurance services are accessed across various income groups, but middle-income earners represent a significant proportion of users.

Examining occupational distribution, 41% of respondents are from the public sector, 31% are in the private sector, and 28% are self-employed. This indicates that people working in the public sector tend to have higher engagement with insurance services, possibly due to the availability of structured insurance plans in government employment. The education levels of consumers further reveal that 44% have completed higher secondary education or a diploma, while 21% have attained a college degree. This highlights that individuals with a moderate to high level of education form a significant share of insurance consumers, which could impact their digital literacy and willingness to engage with chatbot services. The socio-economic profile of insurance consumers highlights a diverse customer base with varying levels of digital exposure and service expectations. The age, income, and occupation of consumers significantly influence their engagement with chatbot services in the insurance sector. Understanding these factors allows insurers to tailor chatbot solutions that cater to different consumer segments, ensuring better adoption, trust, and efficiency in AI-driven insurance assistance.

Table 1. Socio-economic profile of the insurance consumers

Variables	Classification	Frequency	Percentage (%)
Age	18 to 25	24	24.00
	26 to 35	21	21.00
	36 to 45	30	30.00
	45 above	25	25.00
	Total	**100**	**100.00**
Gender	Male	54	54.00
	Female	46	46.00
	Total	**100**	**100.00**
Income	₹40,000 to ₹60,000	42	42.00
	₹60,001 to ₹80,000	23	23.00
	₹80,001 to ₹1,00,000	19	19.00
	₹1,00,000 and above	16	16.00
	Total	**100**	**100.00**
Occupation	Self employed	28	28.00
	Private sector	31	31.00
	Public sector	41	41.00
	Total	**100**	**100.00**
Education	Primary	7	7.00
	Secondary	28	28.00
	Higher secondary/ diploma	44	44.00
	College	21	21.00
	Total	**100**	**100.00**

Source: Primary data

5.2 Usage Pattern of Chatbots

Table 2 provides an overview of how insurance consumers interact with chatbots, including the frequency of usage, primary purposes, preferred mode of interaction, and satisfaction levels. The data helps in understanding consumer behaviour and preferences toward AI-driven customer support in the insurance sector.

Table 2 reveals that with respect to frequency of usage, 50% of consumers use chatbots only when needed, while 31% interact weekly, and only 19% use them daily. This suggests that while chatbots serve as a useful tool for insurance-related queries, they are not yet an integral part of daily customer interactions. The occasional usage pattern implies that consumers may still rely on alternative channels, such as human agents or self-service portals, for more complex or urgent inquiries.

Regarding the purpose of chatbot usage, the majority of consumers use them for policy inquiries (38%) and claim processing (37%), while 25% use chatbots for

Table 2. Chatbot usage among consumers in the insurance sector

Variables	Classification	Frequency	Percentage (%)
Frequency of usage	Daily	19	19.00
	Weekly	31	31.00
	Only when needed	50	50.00
	Total	**100**	**100.00**
Purpose of usage	Information Retrieval	25	25.00
	Policy Inquiries	38	38.00
	Claim Processing	37	37.00
	Total	**100**	**100.00**
Preferred mode of interaction	Text-based Chatbots	42	42.00
	Voice-based Chatbots	30	30.00
	Hybrid (Both Text and Voice)	28	28.00
	Total	**100**	**100.00**
Satisfaction with Chatbot services	Highly Satisfied	22	22.00
	Satisfied	44	44.00
	Neutral	20	20.00
	Dissatisfied	10	10.00
	Highly Dissatisfied	4	4.00
	Total	**100**	**100.00**

Source: Primary data

general information retrieval. This indicates that chatbots play a crucial role in providing quick access to insurance-related information and assisting with administrative tasks. However, the close distribution of percentages suggests that chatbots need to be optimised to handle a broader range of customer needs effectively.

The preferred mode of interaction reveals that 42% of consumers favour text-based chatbots, while 30% prefer voice-based interactions, and 28% opt for hybrid models that combine both. This distribution indicates that while text-based chatbots remain the dominant choice, there is a growing interest in voice-enabled AI. The hybrid preference suggests that some consumers prefer a more flexible approach, depending on the nature of their query or convenience.

The satisfaction levels with chatbot services show that 44% of consumers are satisfied, and 22% are highly satisfied, making up a combined 66% positive response rate. Meanwhile, 20% remain neutral, while 14% express dissatisfaction. These findings indicate that while chatbots generally meet customer expectations, there is still room for improvement in aspects such as response accuracy, personalisation, and user-friendliness.

Chatbots are widely used in the insurance sector, primarily for policy-related inquiries and claim processing. While most consumers prefer text-based interactions, there is a noticeable demand for voice and hybrid models. Satisfaction levels are relatively high, but insurers need to enhance chatbot capabilities to ensure smoother, more efficient, and personalised customer experiences. These insights can help insurance providers refine their AI-driven strategies, making chatbots a more reliable and user-friendly tool in customer engagement.

5.3 Satisfaction Level of Consumers Towards the Usage of Chatbots

Table 3 presents insights into consumer satisfaction levels regarding various aspects of chatbot usage in the insurance sector. The key parameters evaluated include response time, effectiveness, user experience, trust, perceived value, knowledge, privacy concerns, ease of use, problem resolution, personalisation, reliability, and overall satisfaction. These factors are critical in determining the overall acceptance and success of chatbots in providing seamless insurance-related services.

Table 3. Satisfaction level of consumers towards the usage of Chatbot

S. No.	Factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
1	Response time	43	25	25	4	3	100
2	Effectiveness	31	28	22	13	6	100
3	User experience	48	34	5	10	3	100
4	Trust	29	24	27	15	5	100
5	Perceived value	20	30	25	18	7	100
6	Knowledge	26	21	47	5	1	100
7	Privacy concern	28	30	35	5	2	100
8	Ease of use	35	30	20	10	5	100
9	Problem resolution	27	29	28	10	6	100
10	Personalisation	22	26	30	15	7	100
11	Reliability	30	32	20	12	6	100
	Overall satisfaction	40	35	15	7	3	100

Source: Primary data

Table 3 reveals that response time is one of the strongest attributes, with 43% of consumers strongly agreeing and 25% agreeing that response time is satisfactory. This indicates that chatbots effectively provide quick and automated responses, reducing waiting times for consumers. However, effectiveness receives mixed feedback, with 31% strongly agreeing and 28% agreeing, while 13% disagree and 6% strongly disagree, suggesting that some consumers find chatbot responses incomplete or lacking depth. User experience scores well, with 48% strongly agreeing and 34% agreeing that chatbots provide a smooth interaction. However, the level of trust in chatbots is lower, with only 29% strongly agreeing and 24% agreeing, while 27% remain neutral and 20% express distrust (disagreeing or strongly disagreeing). This indicates that some users may still be skeptical about relying entirely on AI-driven systems for their insurance needs.

Regarding perceived value, 50% of consumers find chatbots beneficial, while 25% remain neutral and 18% disagree, highlighting that while chatbots provide convenience, some consumers do not see them as a complete replacement for human interaction. Knowledge assessment reveals that while 26% strongly agree and 21% agree that chatbots provide sufficient knowledge, 47% remain neutral, indicating that chatbot responses may still lack the depth required for complex insurance queries. Privacy concerns remain an important factor, with 58% of consumers (strongly agree + agree) feeling that their data is protected, but 35% are neutral, indicating some hesitation about how personal information is handled. In terms of ease of use, a majority (65%) find chatbots simple to navigate, reinforcing their role as a convenient tool in insurance services. Problem resolution, personalisation, and reliability show balanced opinions, with notable percentages of consumers remaining neutral, highlighting areas where chatbots can be improved to better meet individual customer needs.

Finally, overall satisfaction indicates that 75% of consumers (strongly agree + agree) are satisfied with chatbot services, while 15% remain neutral and 10% express dissatisfaction. Supporting studies in AI adoption suggest that while chatbots enhance efficiency, customers still seek better personalisation, trust-building mechanisms, and improved problem resolution capabilities.

The data indicates that chatbots perform well in terms of response time, ease of use, and user experience, but trust, knowledge, and personalisation remain areas of improvement. Insurance providers must focus on enhancing chatbot intelligence, ensuring data security, and improving human-like interactions to foster greater consumer confidence and satisfaction. Addressing these factors will help increase chatbot adoption and build long-term trust among insurance consumers.

5.4 Problems Faced in the Usage of Chatbots

Table 4 outlines the key challenges that consumers face while using chatbots in the insurance sector. While chatbots offer efficiency and convenience, they also

present certain limitations that can affect user experience and satisfaction. The major concerns identified include anxiety, safety concerns, the need for human interaction, limited understanding, lack of emotional connection, technical issues, language barriers, and response inefficiencies.

Table 4 highlights that among various issues, anxiety emerges as the most significant concern, with 37% of consumers reporting discomfort while using chatbots. This could stem from unfamiliarity with AI-driven communication, fear of data breaches, or concerns about the accuracy of chatbot-provided information. Closely following this, 28% of users highlight safety concerns, indicating that some consumers doubt the security of their personal data when interacting with AI-based systems. Addressing privacy and data security transparently can help alleviate these concerns. The need for human interaction (15%) remains an important factor, reinforcing that while chatbots enhance service efficiency, they cannot fully replace human agents, particularly for complex queries or emotionally sensitive interactions. This is further emphasised by 14% of respondents struggling with the chatbot's limited understanding, highlighting the need for improved AI learning capabilities to ensure more accurate responses.

A relatively smaller yet noteworthy concern is the lack of emotional interaction (6%), which suggests that some consumers feel disconnected when interacting with a chatbot compared to human agents who can offer empathy and personalised responses. This aligns with studies that suggest AI-driven interactions lack the ability to build emotional rapport, which is particularly crucial in industries like insurance, where trust and reassurance are key. Technical issues, language barriers, and slow or unhelpful responses collectively account for 30% of reported problems. Glitches and errors (10%) in chatbot operations can disrupt customer experiences, while language or communication barriers (8%) may prevent effective interaction, especially for non-native speakers. Additionally, 12% of consumers find chatbot responses too slow or unhelpful, which could indicate limitations in AI processing or inefficiencies in response generation.

Existing research suggests that hybrid models, where chatbots and human agents work together, can mitigate these issues by providing automation while still allowing users to escalate complex queries to human representatives. Improving chatbot AI with contextual learning, multi-language support, and enhanced security measures can help to reduce consumer anxiety and improve chatbot reliability. While chatbots enhance efficiency in the insurance industry, addressing these key concerns is essential for increasing consumer trust and satisfaction. Insurance providers should focus on improving chatbot intelligence, enhancing security, and offering human support options to ensure a more seamless and trustworthy digital customer experience.

Table 4. Problems faced with Chatbot in insurance

S. No.	Problems	Frequency
1	Anxiety	37
2	Safety Concerns	28
3	Need for Human Interaction	15
4	Limited Understanding	14
5	Lack of Emotional Interaction	6
6	Technical Issues (Glitches, Errors)	10
7	Language/Communication Barriers	8
8	Slow or Unhelpful Responses	12
	Total	**100**

Source: Primary data

5.5 Relationship between Education and Usage of Chatbots

Table 5 examines the statistical relationship between education level and the frequency and purpose of chatbot usage in the insurance sector by framing the following null hypothesis and tested with ANOVA.

H_0: There is no significant relationship between education and usage of chatbots in the insurance sector.

Table 5 reveals a highly significant relationship (p = 0.000 at 1% significance level) between education level

Table 5. Relationship between education and usage of Chatbot in insurance

Usage pattern	Variables	F	Sig.
Frequency	Daily	158.730	0.000**
	Weekly	23.857	0.000**
	Only when needed	8.157	0.000**
Purpose	Information retrained	1.422	0.236*
	Policy inquiries	30.872	0.000**
	Claim processing	25.453	0.000**

Source: Computed

** Significant at 1 per cent level, * Not Significant

and chatbot usage frequency. Consumers with higher education levels are more likely to use chatbots daily (F = 158.730), weekly (F = 23.857), or as needed (F = 8.157). This suggests that educated consumers are more comfortable and familiar with digital tools, reinforcing the idea that technological literacy plays a key role in chatbot adoption.

Regarding the purpose of chatbot usage, the results indicate strong significance for policy inquiries (F = 30.872, p = 0.000) and claim processing (F = 25.453, p = 0.000), meaning that individuals with higher education levels tend to use chatbots for retrieving policy information and processing claims. However, the relationship between education and information retrieval (F = 1.422, p = 0.236) is not significant at conventional levels, suggesting that chatbot usage for basic information access is uniform across different education levels. The study highlights that education level significantly influences chatbot usage frequency and purpose in the insurance sector. Higher-educated consumers are more inclined to use chatbots regularly and for complex tasks like policy inquiries and claim processing. Insurance providers can leverage this insight by enhancing chatbot interfaces to be more user-friendly for consumers with lower education levels and providing multilingual and simplified interaction options to ensure inclusivity in chatbot adoption.

Table 6. Problems faced by consumers in Chatbot usage for insurance - Model summary

Model	R	R Square	Durbin-Watson
1	0.942	0.888	1.085

Source: Computed

Table 7. Impact of problems on Chatbot usage - Regression analysis

S. No.	Variables	β	t	Sig.
Constant	0.458	4.769	4.123	0.000***
1	Anxiety	0.298	6.107	0.000***
2	Safety Concerns	0.779	30.534	0.000***
3	Need for Human Interaction	0.034	1.667	0.096**
4	Limited Understanding	0.386	7.980	0.000***
5	Lack of Emotional Interaction	0.148	6.047	0.000***
6	Technical Issues (Glitches, Errors)	0.215	5.892	0.000***
7	Language/ Communication Barriers	0.125	4.215	0.000***
8	Slow or Unhelpful Responses	0.276	7.342	0.000***

Source: Computed

5.6 Impact of Problems on Chatbot Usage

Table 6 presents a regression analysis to examine the impact of various problems on consumer chatbot usage in the insurance sector, with the following null hypothesis.

H_0: The problems faced by consumers do not have a significant impact on the usage of chatbots in the insurance sector.

The model summary in Table 6 shows a high R-value (0.942) and an R-Square of 0.888, indicating that 88.8% of the variation in consumer issues with chatbots is explained by the independent variables in the model. The Durbin-Watson value (1.085) suggests minimal autocorrelation, confirming the model's reliability.

The regression results in Table 7 indicate that all variables except one (Need for Human Interaction) are highly significant at the 1% level (p = 0.000*)**, demonstrating their strong influence on chatbot-related challenges. The variable Need for Human Interaction (p = 0.096) is significant at the 5% level, suggesting a relatively weaker but still notable impact. Among the issues, Safety Concerns (B = 0.779, t = 30.534, p = 0.000*) have the highest impact**, highlighting that trust and data security remain the most critical concerns for consumers using chatbots. Given the sensitive nature of insurance transactions, consumers expect secure and transparent AI interactions, reinforcing the need for stronger cybersecurity measures and transparent data policies.

Limited Understanding (β = 0.386, t = 7.980, p = 0.000*) and Slow or Unhelpful Responses (β = 0.276, t = 7.342, p = 0.000***)** also show a significant impact. This suggests that consumers often face issues with chatbot comprehension and responsiveness, leading to frustration. Improving chatbot algorithms with better natural language processing (NLP) and faster response mechanisms could enhance customer experience. Other significant issues include Technical Issues (β = 0.215, p = 0.000*), Language/Communication Barriers (β = 0.125, p = 0.000***), and Lack of Emotional Interaction (β = 0.148, p = 0.000***)**, indicating that chatbots struggle with system glitches, language diversity, and emotional

intelligence. Addressing these aspects through error-free AI models, multilingual support, and sentiment-aware chatbots could improve user satisfaction. The analysis confirms that safety concerns, chatbot comprehension, technical reliability, and emotional interaction are the primary issues influencing consumer adoption of chatbots in the insurance sector. While chatbots improve efficiency, the study suggests that enhancing trust, security, language support, and personalisation is essential to improve user confidence and satisfaction. Insurance firms should focus on AI advancements, hybrid chatbot-human models, and ethical AI practices to address these challenges effectively.

5.7 Consumers' Willingness in the Usage of Chatbots

Table 8 examines consumer willingness to use chatbots for various insurance services, providing insights into which users are most comfortable delegating to AI-driven assistance.

Table 8 reveals that policy inquiries (75%) are the most commonly preferred service, indicating that consumers find chatbots highly effective for retrieving policy-related information in a quick and efficient manner. Other frequently used chatbot services include customer support and FAQs (68%) and renewal reminders (62%), suggesting that users rely on chatbots for routine interactions, basic support, and automated reminders. This trend aligns with the chatbot's strength in automating repetitive tasks and reducing the need for human intervention in straightforward insurance processes.

Table 8. Consumers' willingness towards the use of chatbots

S. No.	Insurance Service	Frequency	Percentage (%)
1	Policy inquiries	75	75.00
2	Premium payment assistance	48	48.00
3	Claim processing guidance	55	55.00
4	Renewal reminders	62	62.00
5	Fraud detection and alerts	30	30.00
6	Policy comparison assistance	45	45.00
7	Customer Support and FAQs	68	68.00
8	Document submission and verification	50	50.00
Total		**100**	**100.00**

Source: Primary data

Claim processing guidance (55%) and document submission and verification (50%) also see considerable adoption, implying that consumers are comfortable using chatbots for assisting with claims but may still require human support for more complex or disputed claims. Similarly, premium payment assistance (48%) and policy comparison (45%) indicate moderate chatbot usage, suggesting that while some consumers appreciate chatbot-driven recommendations, others might prefer a human agent for financial transactions and decision-making. Interestingly, fraud detection and alerts (30%) have the lowest consumer willingness, likely due to trust and security concerns. Consumers may feel more confident in human-led fraud investigations, indicating a need for insurance firms to enhance AI-driven fraud detection transparency and reliability.

The findings suggest that consumers are most comfortable using chatbots for informational and administrative tasks, such as policy inquiries, customer support, and renewal reminders. However, chatbot adoption is lower for fraud detection, premium payments, and claims processing, likely due to concerns about trust, accuracy, and security. To improve adoption, insurers should enhance chatbot capabilities, ensure secure AI-driven transactions, and integrate human assistance for complex queries. This hybrid approach can bridge the gap between AI efficiency and consumer trust, ultimately improving chatbot acceptance in the insurance industry.

6. Suggestions

Findings suggest that while chatbots enhance efficiency and reduce operational costs, they cannot entirely replace human interactions, especially in complex processes such as fraud detection, claims processing, and policy comparisons. A hybrid approach that combines chatbot automation with human intervention is essential to improve trust and user experience.

To enhance chatbot adoption in the insurance sector, companies should focus on:

1. Improving chatbot intelligence through advanced NLP and AI-driven learning models.

2. Ensuring data security and privacy to build consumer trust.
3. Providing multilingual support to overcome language barriers.

7. Conclusion

The study highlights that chatbots are increasingly being adopted in the insurance industry, primarily for policy inquiries, customer support, and renewal reminders. Consumers appreciate the efficiency and accessibility of chatbots, but concerns about safety, limited understanding, and lack of emotional interaction impact overall satisfaction. The regression analysis indicates that safety concerns, slow or unhelpful responses, and technical issues significantly influence consumer dissatisfaction.

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