



Digital Transformation in the Islamic Insurance Industry: Opportunities and Challenges in Improving Public Access and Trust

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Article Info

Paper type:

Research paper or Conceptual Paper

Keywords:

Digital Transformation; Sharia Insurance; Digital Literacy.

Article history:

Received: March 2, 2026

Accepted: May 1, 2026

Available online: May 2, 2026

Abstract

Digital transformation in the Islamic insurance industry is inevitable amidst technological developments and changing societal behavior. However, its implementation still faces challenges in increasing access and building public trust. This study aims to analyze the opportunities and challenges of digital transformation in expanding service reach and strengthening public trust in Islamic insurance. The method used is qualitative with a phenomenological approach, through in-depth interviews, observation, and documentation with practitioners, customers, and academics. The results show that digitalization can improve service efficiency, ease of access, and information transparency. However, the main obstacles lie in low digital literacy, a lack of understanding of Islamic principles, and data security issues that impact public trust. In conclusion, digital transformation has great potential in developing the Islamic insurance industry, but requires educational strategies, strengthened regulations, and consistent implementation of Islamic values to increase public trust.

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Introduction

Digital transformation has become a new paradigm in the development of the global financial services industry, including in the Islamic finance sector, which continues to evolve along with advances in information technology. Conceptually, digital transformation refers not only to the use of technology but also encompasses fundamental changes in business models, customer interaction patterns, and service distribution mechanisms. In the context of Islamic insurance, this transformation is increasingly complex because it must integrate

technological innovation with Islamic principles such as mutual assistance, transparency, and justice. Islamic insurance, as a non-bank financial institution, has a strategic function in providing risk protection based on Islamic values that emphasize collectivity and blessings (Putri, 2025). The development of digital technologies such as mobile platforms, insurtech, and big data has opened up significant opportunities to improve operational efficiency and expand service reach to the public. Data from the Financial Services Authority (OJK) shows that the total assets of the Indonesian Islamic financial industry will reach IDR 3,100 trillion by 2025, representing an annual growth of 8.61%. This demonstrates the sector's significant potential for continued growth in the digital era (Pramono & Wahyuni, 2021). Furthermore, Sharia insurance assets were recorded at IDR 47.02 trillion as of May 2025 and experienced annual growth of 3.79%. (Sharia Insurance Assets Grew 3.79 Percent as of May 2025, Here are the Details | News | Infobank Institute, 2025) However, digitalization in this industry is inextricably linked to the challenges of institutional adaptation and human resource readiness. Furthermore, Sharia compliance is a key differentiating factor that must be consistently maintained in every digital innovation. In practice, the success of digital transformation is determined not only by technological capabilities but also by the level of public acceptance and trust in the system. Therefore, studying digital transformation in Sharia insurance is crucial for understanding the dynamics of integrating technology and Sharia values in a modern context.

Recent developments indicate that digital transformation in the Islamic insurance industry has experienced significant acceleration, particularly in the era of the Fourth Industrial Revolution and the post-COVID-19 pandemic, which has driven massive digitalization of services. Globally, the insurtech trend has transformed the way insurance companies distribute products, manage risk, and build relationships with customers. In Indonesia, the Islamic insurance industry is showing a positive growth trend, although it still faces various structural challenges such as a decline in the number of business units and limited competitiveness. Digitalization is a key strategy to improve service accessibility and expand market share, particularly among the younger generation who are more adaptable to technology. Furthermore, the implementation of digitalization has also proven to increase marketing effectiveness and expand customer reach through digital platforms (A. Jannah & Azizah, 2024). However, data from the 2024 National Survey on Financial Literacy and Inclusion (SNLIK) shows that the Islamic financial literacy index has only reached 39.11%, while the Islamic financial inclusion index is only 12.88%, far below the national financial literacy of 65.43% and national financial inclusion of 75.02%. (Joint Press Release: OJK and BPS Announce Results of the 2024 National Survey on Financial Literacy and Inclusion, tt) However, behind these opportunities lie serious challenges such as low Islamic financial literacy, limited technological infrastructure, and concerns about data security and user privacy. This situation reflects the gap between the potential of digitalization and the level of public adoption. Furthermore, the issue of trust is becoming increasingly crucial in the context of digital financial services, which demand high transparency and accountability. Therefore, digital transformation in Islamic insurance is not only a technical necessity but also a strategic issue related to the social legitimacy and sustainability of the industry.

More specifically, the main problem in this research lies in how digital transformation in the Islamic insurance industry can improve service access while building public trust. Access to services is a crucial issue because many people still lack access to Islamic insurance services, both due to geographic limitations and low financial literacy. Furthermore, public trust in Islamic insurance remains relatively low compared to conventional insurance, despite the majority of Indonesia's population being Muslim (Putri, 2025). OJK data shows that although Islamic financial literacy increased from 9% in 2019 to 39.11% in 2024, the level of Islamic financial inclusion remains stagnant at around 12%–12.88%, indicating that understanding has not yet fully translated into the use of real services. (Media, 2024) Digital transformation is expected to be a solution to overcome these limitations by providing faster,

easier, and more transparent services. However, ease of access does not automatically guarantee increased trust, especially if it is not balanced with system security and public understanding of the product. Furthermore, concerns about digital risks such as data breaches and fraud can also hinder technology adoption. In this context, trust is built not only through technology but also through Sharia values that emphasize integrity and honesty. Therefore, it is important to examine how the interaction between digitalization and Sharia values can influence public perception. This issue is significant because it concerns the sustainability of the industry and the effectiveness of digital transformation in achieving the goal of Sharia financial inclusion.

Several previous studies have examined digital transformation and the development of Islamic insurance from various perspectives. Research by Elyana Syakira et al. (2026) shows that digitalization can improve service efficiency and customer trust, but requires an integrated strategy with education and transparency. Furthermore, research by A. Jannah & Azizah (2024) found that digital marketing can increase the number of customers by expanding the reach of digital services. Another study by Nadia Safitri et al. (2025) emphasized that the main challenges in developing sharia insurance lie in low public literacy and limited technological infrastructure. Meanwhile, a study in research conducted by Ash Shiddiq & Mukhsin (2024) emphasizes the importance of digitalization, product innovation, and strengthened regulations as strategies for developing the Islamic insurance industry. Furthermore, recent research shows that institutional transparency and accountability are key factors in building public trust in Islamic finance. (Amrullah & Nurul, 2025) Although most of these studies still examine aspects of digitalization or trust separately, this suggests the need for a more integrative approach to understanding the relationship between digitalization, access, and public trust. Therefore, this research seeks to combine these various dimensions within a comprehensive analytical framework.

Based on a synthesis of previous research, a research gap exists, indicating that most studies still focus on partial aspects, such as service digitalization, financial literacy, or public trust, separately, without in-depth examination of the simultaneous relationship between these three variables from a sharia perspective. Furthermore, the approaches used in previous research tend to be quantitative and do not delve deeply into the subjective experiences of industry players and customers in navigating digital transformation. (Tamma & Maesarach, 2026) This limitation has led to a lack of understanding of how trust is shaped in the context of Sharia-compliant digital services. This study seeks to address this gap by employing a qualitative phenomenological approach to more deeply understand the experiences and perceptions of stakeholders. Furthermore, this study integrates service access as a crucial variable often overlooked in previous studies. Thus, its intended contribution is to provide a more holistic understanding of digital transformation in Sharia insurance. It is also expected to provide a new conceptual model linking technology, access, and trust within a Sharia-compliant framework. This is crucial for formulating a more adaptive and sustainable industry development strategy.

In conclusion, this study aims to deeply analyze the opportunities and challenges of digital transformation in the Islamic insurance industry, particularly in improving service access and public trust. Academically, this research is expected to enrich the literature in the field of Islamic economics and digital finance with a more integrative and contextual approach. Practically, the results of this study are expected to serve as a reference for industry players, regulators, and academics in formulating policies and strategies for developing digital-based Islamic insurance. The urgency of this research is increasing with the rapid development of technology and the public's need for inclusive and trustworthy financial services. Furthermore, this research also has important implications for supporting the strengthening of public trust in the Islamic financial industry. Considering these various aspects, this research focuses on the study entitled "Digital Transformation in the Islamic Insurance Industry: Opportunities and Challenges in Improving Access and Public Trust."

Literature Review

The development of literature on Islamic insurance shows that the basic concept of this industry cannot be separated from the principles of Islamic finance, which emphasize the values of mutual assistance (*ta'awun*) and justice in risk management. In a study conducted by (Syuhada & Mursyid, 2024), explains that the mechanism of Islamic insurance is built through a contract that avoids elements of usury, *gharar*, and *maisir*, thus providing an alternative, more ethical and equitable financial protection system. This study emphasizes that the operational structure of Islamic insurance is fundamentally different from conventional insurance, particularly in terms of collective participant fund management. Furthermore, the concept of risk sharing is a key characteristic that distinguishes this system from the risk transfer model in conventional insurance. However, the practical application of this concept often faces obstacles in public understanding. This indicates that although conceptually strong, the implementation of Islamic insurance still requires strengthening in terms of education and socialization. Amidst technological developments, these concepts must also be able to adapt to increasingly complex digital systems. Therefore, literature on these basic mechanisms is important as a foundation for understanding the digital transformation of Islamic insurance.

Other research shows that the future of the Islamic insurance industry is greatly influenced by the ability to adapt to changes in the external environment, particularly technological developments and market dynamics. Soleman et al. (2023) revealed that the growth of the Islamic insurance industry in Indonesia remains relatively slow compared to its large market potential, primarily due to low public literacy levels and a lack of product innovation. The study stated that improving Islamic financial literacy is key to driving the industry's growth. Furthermore, support from the government and regulators is also a crucial factor in creating a conducive ecosystem. This research also highlights the importance of an effective communication strategy to introduce Islamic insurance products to the wider public. In a digital context, this strategy can be optimized through the use of social media and other digital platforms. However, digital transformation also requires adequate infrastructure and human resource readiness. Thus, this literature illustrates that the development of Islamic insurance depends not only on internal aspects but also on broader external factors.

Studies on product innovation in Islamic insurance show that digitalization plays a significant role in enhancing the industry's competitiveness. Pulungan and Daulay (2024) explains that technology-based product innovation can expand market reach and improve the quality of service to customers. This study emphasizes that digitalization enables companies to offer more flexible products that meet the needs of modern consumers. However, this innovation also faces challenges in terms of regulation, digital literacy, and data security. Furthermore, there is a need to ensure that product innovation remains compliant with Sharia principles. This suggests a tension between technological innovation and Sharia compliance that must be carefully managed. This study also underscores the importance of collaboration between insurance companies, regulators, and educational institutions in developing innovative and Sharia-compliant products. Thus, product innovation is a key factor in the digital transformation of Sharia insurance.

From a marketing perspective, digitalization also has a significant impact on the distribution strategy of Islamic insurance products. Nurcahyati & Sholihah (2024) found that the use of digital marketing, such as social media and websites, can increase sales of sharia

insurance products, although implementation is still suboptimal. This study shows that digital marketing can reach a wider market segment at a relatively more efficient cost. However, its effectiveness is highly dependent on the quality of the content and communication strategy used. Furthermore, consumer trust in digital platforms is also a determining factor in marketing success. In this context, information transparency and product clarity are crucial. This study also highlights that many sharia insurance companies have not yet fully utilized the potential of digital marketing. Therefore, developing an effective digital marketing strategy is an urgent need in this industry. This is increasingly relevant in the digital era, which demands speed and accuracy in information delivery.

The aspect of Islamic financial literacy is also an important focus in the literature related to Islamic insurance. Azri et al. (2024) research shows that Islamic financial literacy significantly influences people's decisions in choosing Islamic insurance products. This research confirms that a good understanding of the principles and benefits of Islamic insurance can increase public trust and interest. Furthermore, literacy also plays a role in reducing risk perception, which often becomes a barrier to the use of financial products. However, the level of Islamic financial literacy in Indonesia remains relatively low, especially among the general public. This indicates the need for more intensive and structured educational efforts. In the digital context, literacy also includes the ability to use technology and understand digital risks. Therefore, improving literacy is a crucial prerequisite for successful digital transformation. Without adequate literacy, digitalization can actually widen the gap in access to services.

From a governance perspective, research on Islamic insurance brokers shows the importance of implementing good corporate governance principles in maintaining customer trust. Lubis (2021) explains that the professionalism of Islamic insurance brokers depends heavily on their ability to manage risk and ensure compliance with Sharia principles. This study emphasizes that good governance can enhance a company's credibility and strengthen customer trust. Furthermore, transparency in the claims process is also a crucial factor in building long-term relationships with customers. In the digital era, governance also encompasses data management and information system security. This adds complexity to the management of Islamic insurance companies. Therefore, integrating conventional and digital governance poses a challenge. This study provides the perspective that digital transformation must be accompanied by the strengthening of adaptive governance based on Sharia values.

Studies on the potential and challenges of Islamic insurance also show that regulations have a strategic role in supporting the development of the industry. Khasanah et al. (2024) stated that the Indonesian insurance roadmap provides a clear direction for the development of sharia insurance, but its implementation still faces various obstacles. This study highlights the importance of regulations that adapt to technological developments to support innovation in the industry. Furthermore, coordination between various institutions is also a crucial factor in creating a conducive ecosystem. However, overly strict regulations can hinder innovation, while overly lax regulations can increase risks. Therefore, balance is needed in policy development. In the context of digitalization, regulations must also encompass data security and consumer protection. This demonstrates that regulations are a key factor in the success of the digital transformation of sharia insurance.

From a financial performance perspective, research shows that the financial health of

Islamic insurance companies is an important factor in maintaining public trust. Aurelia & Mubarrok (2025) found that the financial performance of Islamic insurance companies is generally quite good, although several aspects still need improvement. This study emphasizes that financial ratios such as solvency and liquidity are important indicators in assessing a company's health. Furthermore, financial stability also influences customer risk perception. In the digital context, financial performance is also related to a company's ability to invest in technology. This indicates that digital transformation requires strong financial support. Therefore, strengthening financial performance is a prerequisite for implementing digitalization. This study provides the perspective that financial aspects are inseparable from digital transformation efforts.

Another study highlights the importance of early warning systems in identifying financial vulnerabilities in Islamic insurance companies. Research in the Indonesian Journal of Islamic Economics and Business, conducted by Hidayat et al. (2024), this study demonstrates that this system can help companies anticipate risks and maintain financial stability. This study emphasizes the importance of sound risk management in the insurance industry, which is characterized by uncertainty. In the digital era, this system can be integrated with technology to improve the accuracy and speed of analysis. However, its implementation requires significant investment. Furthermore, it requires human resources competent in data analysis. This demonstrates that digitalization is not only related to technology but also to organizational capacity. Therefore, the development of a digital-based risk management system is a key requirement in this industry.

Finally, a study of the opportunities and challenges of Islamic insurance in the digital era shows that technology can be an effective tool in expanding access to services, but also brings new risks. Ariani & Sabiq, (2024) states that digitalization enables Islamic insurance to reach a wider audience, but low literacy and limited technological capabilities are major obstacles. This study emphasizes that public education is key to overcoming these obstacles. Furthermore, collaboration between various parties is also necessary to support industry development. In this context, digital transformation is not solely the responsibility of companies but also involves regulators and the public. This demonstrates that the success of digitalization depends heavily on synergy between various actors. Thus, this literature provides an understanding that digital transformation in Islamic insurance is a complex and multidimensional process.

Methodology

This research uses a qualitative approach with a phenomenological design to deeply understand the experiences, meanings, and perceptions of service providers and users regarding digital transformation in the Islamic insurance industry. This approach was chosen because the phenomenon under study requires contextual and interpretive understanding, particularly regarding access, public trust, and the relationship between technology and Islamic values.

The research subjects were not conceived as a statistical population, but rather as informants selected through purposive sampling. The informants consisted of Sharia insurance practitioners, digital service customers, and academics or Sharia economics experts, with a total of approximately five participants until data saturation was reached. Informant selection was based on relevant experience and diverse backgrounds to obtain a rich and comprehensive perspective.

Data were collected through in-depth semi-structured interviews, both in person and online, and supplemented with secondary data from journals, books, official reports, and policy documents. Analysis was conducted using an interactive model of data reduction, data presentation, and conclusion drawing, with triangulation to ensure data validity. The research procedure was carried out in stages, from planning and data collection to transcription and analysis, to report preparation, while maintaining research ethics.

Results and Discussion

Result

This study aims to analyze digital transformation in the Islamic insurance industry and its implications for improving service access and public trust. Data were obtained through in-depth interviews with 14 informants from diverse backgrounds: active users, potential users, Islamic insurance agents, and academics. A qualitative approach enabled researchers to deeply understand the informants' subjective experiences and perceptions of the digitalization phenomenon in the Islamic insurance context. In general, informants assessed that digitalization provides ease of access to services, particularly in terms of time efficiency and flexibility of use. Application-based services enable administrative processes to be carried out without physical presence, which was previously a constraint in conventional systems. However, not all informants had the same experience, due to varying levels of technological understanding. This indicates that the impact of digital transformation is uneven. Thus, the results of this study demonstrate a relationship between ease of access and user readiness to utilize technology.

Findings related to access to digital services can be seen in more detail in Table 1, which shows that most informants felt ease of access and high flexibility, although technological barriers still appeared in certain groups.

Table 1. Informant perceptions of access to digital services

Main Theme	Finding Indicators	Representative Informant Quotes
Ease of Access	The registration and claim process is more practical	"You can register via cellphone without going to the office" (I1)
Flexibility	Access services without time and place restrictions	"Can be anytime, not limited to working hours" (I2)
Efficiency	Time and cost savings	"Faster than the old way" (I3)
Technical Barriers	Difficulty using the application	"Still confused about how to use it" (I2)
Digital Divide	Not all people are familiar with technology	"Not everyone is digitally savvy" (I4)

The table shows that digitalization has had a positive impact on improving access to services, but a digital divide remains a barrier for some communities. This confirms that the success of digital transformation is determined not only by technology but also by user readiness. Furthermore, flexibility in time was a key added value perceived by almost all informants. However, obstacles such as a lack of application familiarity and limited internet connection remain inhibiting factors. Therefore, a strategy is needed to improve the community's digital literacy so that the benefits of digitalization can be felt equally.

Furthermore, the research findings also identified factors influencing public trust in digital Sharia insurance services. These findings are presented in Table 2, which shows that data security, information transparency, and compliance with Sharia principles are the dominant factors.

Table 2. Factors Forming Public Trust

Main Factors	Description of Findings	Informant Perception
Data Security	Personal data protection is a top concern	Determining the level of trust
Information Transparency	Clarity of product information and contracts	Increase user confidence
Sharia Compliance	Compliance with sharia principles	Become the main differentiating value
Company Reputation	Institutional credibility	Strengthening the sense of security
System Convenience	Ease of use of the application	Supports comfort of use

From the table, it can be concluded that public trust depends not only on technical aspects but also on the Sharia values inherent in the service. Informants indicated that transparency in conveying contract information is crucial. Furthermore, data security is a primary concern amidst the increasing use of digital technology. Company reputation also plays a role in building user trust in digital services. This demonstrates that trust in Sharia insurance is complex and multidimensional. Therefore, companies need to integrate technological aspects and Sharia values in a balanced manner.

Furthermore, this study also identifies opportunities and challenges in digital transformation which are summarized in Table 3 below.

Table 3. Opportunities and Challenges of Digital Transformation

Aspect	Opportunity	Challenge
Access	Wide reach	Digital divide
Service	Efficiency and speed	Minimal personal interaction
Trust	System transparency	Data security concerns
Education	Digital media as a means	Low public literacy

The table shows that digital transformation presents two interrelated sides: opportunities and challenges. On the one hand, digitalization can increase efficiency and expand service reach. On the other hand, challenges arise from low digital literacy and concerns about data security. Furthermore, reduced personal interaction is also an issue that needs to be addressed in the context of Islamic insurance. This demonstrates that digital transformation requires a comprehensive approach. Therefore, the results of this study illustrate that digitalization is a complex process and requires a well-thought-out strategy.

Discussion

Digital Transformation and Improving Access to Services

Digital transformation in the Islamic insurance industry has proven to have a significant impact on improving public access to services. Ease of administrative processes, such as app-based registration and claims, demonstrates high efficiency compared to conventional systems. This finding aligns with research showing that digitalization can increase financial inclusion by expanding the reach of services to previously unreachable communities. (Rahmawati et al., 2024). Furthermore, the use of digital technology enables services to be available in real time without the constraints of space and time. This is relevant in the context of modern society, which prioritizes speed and convenience. However, this increased access is not yet fully equitable, as a digital divide persists among some segments of society. This demonstrates that

accessibility is determined not only by the availability of technology but also by users' ability to utilize it. Therefore, digital transformation needs to be accompanied by efforts to increase digital literacy so that its benefits can be widely felt.

On the other hand, research results also show that the ease of access resulting from digitalization contributes to increased operational efficiency in Islamic insurance institutions. Digitalization allows for reduced operational costs and increased service speed, thereby providing added value for users. Other research also confirms that digital transformation has a positive impact on service quality in Islamic financial institutions (Maisiroh et al., 2025). This reinforces the finding that technology not only improves access but also the overall quality of services. However, this efficiency needs to be balanced with a stable and user-friendly system. Without good system support, ease of access can actually lead to user confusion. Therefore, companies need to ensure that the technological innovations they implement are truly oriented towards user needs.

Public Trust in Digital Sharia Insurance Services

Public trust is a key factor in the success of digital transformation, particularly in the value-based Islamic insurance industry. Research shows that user trust is influenced by data security, information transparency, and compliance with Islamic principles. These findings align with research stating that digital transformation must remain grounded in the principles of fairness and transparency in the Islamic financial system (Siregar et al., 2026). In this context, trust is not only technical but also normative, as it relates to confidence in the system used. Furthermore, transparency in conveying contract information is crucial in building trust. A lack of understanding of Sharia contracts on digital platforms can raise doubts among users. Therefore, the presentation of clear and easy-to-understand information is a primary requirement. This demonstrates that trust is the result of the interaction between technology and Sharia values.

Furthermore, research findings also indicate that data security is a key issue impacting public trust in digital services. In the digital age, the risk of data breaches is a serious concern, potentially eroding user trust. Other research also confirms that the primary challenges in the digitalization of Islamic finance are system security and user data protection. (Jannah & Abidin, 2025) This demonstrates that security must be a priority in developing digital services. Furthermore, a company's reputation also plays a role in building user trust. Companies with a good reputation tend to be more trusted by the public. Therefore, public trust in digital Islamic insurance is the result of a combination of technological security, information transparency, and institutional integrity.

Digital Transformation Opportunities in the Islamic Insurance Industry

Digital transformation opens up significant opportunities for the development of the Islamic insurance industry, particularly in enhancing competitiveness and product innovation. Digital technology enables companies to create more efficient and responsive services to user needs. This finding aligns with research indicating that digitalization drives innovation and efficiency in Islamic financial institutions (Qothrunnada et al., 2023). Furthermore, digitalization also enables integration with other technologies, such as fintech, which can expand the Islamic financial services ecosystem. This provides an opportunity to reach a wider market segment, particularly the younger generation, who are more familiar with technology. Thus, digital transformation not only increases access but also opens up opportunities for sustainable industry growth.

Furthermore, another emerging opportunity is increasing transparency in fund management and services. Digital systems enable real-time information presentation, thereby enhancing corporate accountability. Research shows that the use of digital technology can increase transparency and efficiency in the Islamic financial system (Islamiah et al., 2024). This is particularly important in the context of Islamic insurance, which emphasizes the principles of

fairness and openness. High transparency can significantly increase public trust. Therefore, the use of digital technology should be directed towards strengthening Islamic values in service practices.

Digital Transformation Challenges and Their Implications

Despite its numerous opportunities, digital transformation also presents complex challenges for the Islamic insurance industry. One key challenge is the low level of digital literacy in the public, which makes it difficult to understand and use digital services. Research shows that the literacy gap is a key obstacle to implementing digitalization in the Islamic financial sector (Qothrunnada et al., 2023). Furthermore, limited technological infrastructure is also a hindering factor in some regions. This demonstrates that digital transformation cannot proceed optimally without adequate infrastructure support. Therefore, synergy between the government, regulators, and financial institutions is needed to address these challenges. With the right approach, these obstacles can be transformed into development opportunities.

Another challenge is the reduction in personal interaction between companies and customers due to digitalization. In the context of Islamic insurance, personal interaction plays a crucial role in building trust and understanding of Islamic values. Research also shows that digitalization can reduce the emotional closeness between customers and service providers (Bakhri & Auliya, 2025). This can impact user loyalty if not balanced with an effective communication strategy. Therefore, companies need to develop a hybrid approach that combines digital services with personal interactions. This way, digital transformation can be optimally implemented without eliminating the humanistic values of service.

This research makes an important academic contribution to broadening the study of digital transformation in the Islamic insurance industry, particularly by linking aspects of service access, public trust, and Islamic values within a single, integrated analytical framework. Unlike previous research that tends to discuss digitalization and trust separately, this study demonstrates that the success of digital transformation depends heavily on the balance between technological innovation and the strengthening of Islamic principles such as transparency, fairness, and trustworthiness. These findings enrich the Islamic economics literature by providing an understanding that digitalization is not only a matter of system efficiency, but also a social process in building legitimacy and public acceptance. Furthermore, this study confirms that digital literacy plays a strategic role as a connecting variable between service access and user trust. From a social perspective, the results of this study provide practical implications for Islamic insurance companies to focus more on public education, improving data security, and simplifying digital service systems to make them more inclusive. This research also provides input for regulators in formulating policies that support the sustainable strengthening of the Islamic digital ecosystem. For the public, this research helps increase understanding that digital Islamic insurance services can be an alternative form of financial protection that is safe, transparent, and in accordance with Islamic principles. Thus, the contribution of this research is not only theoretical in the development of science, but also has a real impact on improving the quality of services and public trust in the Islamic insurance industry in Indonesia.

Conclusion

Based on research and discussions on digital transformation in the Islamic insurance industry, it can be concluded that digitalization has brought significant changes in improving access to services for the public. Digital-based services enable faster, more flexible, and more efficient registration, contribution payments, and claims processes, without the constraints of space and time. This demonstrates the crucial role of digital transformation in supporting Islamic financial inclusion by expanding service reach to various segments of society. Furthermore, digitalization also boosts operational efficiency, expands markets, and opens up opportunities

for service innovation that is more adaptive to the needs of modern society. However, this increased access is not yet fully equitable due to persistent obstacles such as low digital literacy, limited public understanding of technology, and a lack of understanding of the mechanisms of Sharia contracts on digital platforms. This study also shows that public trust in digital Sharia insurance services remains a crucial issue, influenced by factors such as data security, information transparency, compliance with Sharia principles, and company reputation. Furthermore, reduced personal interaction between companies and customers and data security risks are challenges that require attention. Therefore, the success of digital transformation in the Sharia insurance industry depends not only on technological advancements but also on the institution's ability to build trust, improve public education, and uphold Sharia values in every aspect of service.

Suggestion

Based on the research findings, several recommendations can be proposed as follow-up. First, Islamic insurance companies need to improve the quality of their digital services by addressing ease of use, system stability, and user data security. Strengthening security systems is crucial for increasing public trust in digital services.

Second, more intensive efforts are needed to improve the public's digital literacy through ongoing education programs. This education should not only focus on technology use but also on understanding the concepts and principles of Islamic insurance, including contracts and fund management mechanisms. With increased public understanding, it is hoped that trust in digital services will also increase.

Third, companies need to develop more effective and communicative communication strategies to convey information to users, particularly regarding product transparency and Sharia principles. Presenting information that is simple, clear, and easy to understand will help reduce public skepticism about digital services.

Fourth, it is necessary to develop a service model that integrates digital approaches with personal interactions (hybrid), thereby maintaining the emotional connection between the company and its customers. This is crucial in the context of Islamic insurance, which emphasizes the values of trust and social relationships.

Finally, future researchers are advised to expand this research with a quantitative or mixed methods approach to more broadly measure the impact of digital transformation on public behavior and trust. Furthermore, further research could expand the scope of study to different regions or Islamic insurance institutions to obtain more comprehensive results.

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