

Closing the AI Trust Gap

Why warranty-backed AI can help vendors win enterprise buyers and help adopters move forward with confidence.

Written by Tristan Smith

AI vendors have a proof problem; the technology may be powerful, the demo may be impressive, and the use case may be commercially compelling; but for enterprise buyers, that is no longer enough.

Risk teams, legal departments, procurement leaders, boards, and insurers are asking harder questions: Has the AI product been independently assessed? What performance standard is being promised? What happens if the model misses that standard? Who pays if the buyer suffers loss? And is there insurance behind the promise? That is why AI warranty products matter.

Armillia's warranty model pairs third-party AI assessment with warranty protection for AI products, including evaluation across performance, fairness, robustness, and security. Munich Re's aiSure model takes a similar market signal further by positioning AI-specific insurance around contractual liabilities, AI liabilities, and financial losses for both AI vendors and corporate adopters.

Together, they point to a practical shift in the AI market: buyers do not only want innovation. They want confidence. For AI vendors, a warranty-backed product can help turn performance claims into something more credible. For enterprise adopters, it can create a clearer financial remedy if the AI system does not perform as expected. For both sides, it can reduce uncertainty before the contract is signed, not after a dispute begins.

The commercial question is no longer simply: does the AI work? The better question is: can the vendor stand behind the AI in a way the buyer, insurer, and contract can all recognize?

The Buyer Problem: "Trust Us" Is Not Enough

Enterprise AI adoption is being slowed by uncertainty. Munich Re highlights the tension clearly: many CEOs see immediate business benefits from AI, but many organizations remain hesitant because return on investment is uncertain. Munich Re also notes that performance warranties can help de-risk AI purchase decisions, but they create liability for the technology company offering the guarantee.

That is the gap an AI warranty product is designed to address. A buyer may like the product, but still hesitate because:

- The model is difficult to explain;
- The output may be probabilistic;
- The vendor is promising accuracy, ROI, savings, or better decisions;
- Traditional insurance may not clearly respond to AI underperformance;
- The buyer may have internal governance or procurement concerns; and
- The contract may create financial exposure if the AI fails.

A warranty-backed structure gives the buyer a more practical answer. It says the AI product has been assessed, the performance promise is measurable, and there is a defined remedy if the product misses agreed KPIs.

That can be the difference between an AI product that stays stuck in procurement and one that gets approved.

Best Practice: AI vendors should treat warranty-backed assurance as part of their go-to-market strategy, not only as a risk transfer tool.

If a buyer is asking whether the AI product is reliable, insured, or independently validated, the answer should be structured before the sales process reaches legal review.

What an AI Warranty Product Actually Solves

An AI warranty product does not make a model perfect. That is not the point. The point is to convert an uncertain performance risk into a defined commercial promise. The product should identify the AI system, define the covered use case, set measurable KPIs, establish a threshold, confirm how performance will be tested, and create a financial remedy if the AI fails to meet the agreed standard.

Armillia describes its warranty structure as protecting buyers if an Armilla Verified algorithm does not meet its KPIs, with the buyer receiving protection tied to the license fee. Its model assessment process is intended to create a deeper understanding of the product risk so that risk can be priced.

That matters because most AI disputes do not begin with a simple question like “did the software turn on?” They begin with a more difficult question: did the AI produce the result the buyer was promised?

Examples include:

- A medical coding tool misses its accuracy target;
- A fraud detection model fails to identify expected losses;
- A lending model drifts outside agreed calibration thresholds;
- A customer support AI hallucinates answers above an acceptable rate;
- A valuation model produces results outside an agreed tolerance;
- A cybersecurity prediction tool misses defined threat indicators; or
- An enterprise AI platform fails to deliver a promised operational outcome.

Without a warranty structure, these failures may become contract disputes, E&O claims, customer retention problems, or uninsured financial losses. With a properly structured warranty, the parties have a clearer path: what was promised, how it is measured, and what happens if the promise is not met.

Why Vendors Should Care

For AI vendors, the warranty is not only about paying claims. It is about winning trust.

Enterprise buyers are increasingly cautious. They may want AI, but they also want a defensible reason to approve it. A warranty-backed product can help vendors show that they are not only making claims about performance; they are prepared to stand behind those claims. That can support:

- Enterprise sales;
- Procurement approvals;
- Investor diligence;
- Channel partnerships;
- Regulated-sector adoption;
- Contract negotiations;
- Customer renewals; and
- Competitive differentiation.

This is especially important in sectors where buyers cannot afford vague AI promises: healthcare, financial services, insurance, cybersecurity, manufacturing, legal services, compliance, infrastructure, and other environments where model errors can create real financial consequences.

Armillia’s launch materials include a healthcare AI example where warranty-backed protection was positioned as giving customers comfort around “what if” scenarios and helping cut sales cycles with hospitals.

That is the commercial value: a warranty product can turn AI assurance into a sales advantage.

Best Practice: Vendors should identify which products have measurable value and repeatable performance. Not every AI feature needs a warranty. The best candidates are products where the vendor can define the use case, measure the outcome, document performance, and show that the customer’s financial concern is real.

Why Buyers Should Care

For enterprise adopters, an AI warranty product can help answer a different question: what protection exists if this AI product does not deliver? Traditional insurance may not provide a clean answer. Cyber coverage may require a security failure. Technology E&O may require a third-party claim or negligence allegation. General liability may not apply at all. A standard vendor promise may be limited by liability caps, exclusions, disclaimers, or vague service language.

A warranty-backed structure can give buyers a more direct commercial remedy tied to the performance of the AI product itself.

That does not replace due diligence. Buyers still need to review governance, data controls, model monitoring, security, contractual limitations, and vendor insurance. But a warranty can add an important layer of confidence where the AI product is material to business operations.

For buyers, the question should be simple: if the AI product misses the performance standard we are relying on, do we have a defined recovery path?

Best Practice: Enterprise buyers should ask AI vendors whether warranty-backed assurance is available for material use cases. If the AI product is tied to revenue, compliance, customer outcomes, financial decisions, or operational continuity, the buyer should not rely only on marketing claims or general vendor indemnities.

The Best Candidates for AI Warranty Protection

AI warranty products are most useful where the performance promise can be measured.

Strong candidates include:

1. AI products sold with clear performance claims: accuracy, savings, throughput, fraud reduction, denial reduction, prediction quality, or decision support.
2. AI tools embedded into enterprise workflows: products used in finance, healthcare, insurance, legal, cybersecurity, manufacturing, compliance, or critical operations.
3. AI models relied upon by customers: systems where the buyer uses the output to make decisions, process transactions, price risk, approve claims, route work, or manage customer obligations.
4. AI vendors selling into cautious or regulated buyers: a warranty can help reduce procurement friction where buyers need more than a demo or reference customer.
5. AI products with strong documentation and monitoring: the model version, data assumptions, KPI, test method, and performance history must be clear enough for an insurer to underwrite.

Poor candidates are usually vague, experimental, unmonitored, heavily customized, or dependent on uncontrolled customer behaviour. A warranty should not be used to cover every possible failure. It should be used where the product, use case, and performance promise are specific enough to insure.

What the Warranty Needs to Define

A useful AI warranty should avoid broad language. It should be built around the actual product and the actual buyer concern:

- The covered AI product;
- The model version or covered system;
- The approved use case;
- The KPI being warranted;
- The performance threshold;
- The testing or monitoring method;
- The measurement period;
- The buyer's required operating conditions;
- The financial remedy;
- The cure period, if any;
- The exclusions;
- The evidence required; and
- How the warranty aligns with the insurance policy.

The most important point is alignment. The warranty, customer contract, and insurance policy must work together. A vendor should not promise a remedy that the insurance program does not support.

Where Axis Can Help

AI warranty products are not generic. They need to be matched to the vendor's product, the buyer's concern, the contract language, and the insurance market's appetite.

Axis can help clients assess whether warranty-backed AI protection is appropriate and how it should be positioned. This includes helping companies:

1. Identify AI products or use cases that may be suitable for warranty-backed protection;
2. Review customer contracts, MSAs, SaaS terms, warranties, indemnities, and liability caps;
3. Clarify which performance claims are measurable and insurable;
4. Prepare underwriting information for insurers;
5. Review how the warranty interacts with Technology E&O, Cyber, Professional Liability, IP, D&O, and AI-specific coverage;
6. Identify wording gaps between the warranty and the insurance policy;
7. Support conversations with enterprise buyers, investors, and internal risk teams; and
8. Build a practical path from AI assessment to warranty-backed confidence.

The goal is not to slow adoption. The goal is to help AI vendors sell with more credibility and help enterprise buyers adopt with more certainty.

Takeaway

AI vendors are no longer competing only on model capability. They are competing on trust. A warranty-backed AI product helps answer the question every serious buyer is asking: what happens if the AI does not perform as promised?

For vendors, the right warranty structure can reduce procurement friction, support enterprise sales, and create differentiation in a crowded market. For buyers, it can provide a clearer remedy and stronger confidence before deploying AI into important workflows.

The best approach is practical: assess the AI product, define the measurable promise, align the contract, place the right insurance, and monitor performance after deployment.

Do not wait for a stalled deal, failed implementation, customer dispute, or uninsured performance issue to discover that the AI promise was not properly backed.

Contact us to review whether an AI warranty product could help support your AI sales strategy, customer contracts, and insurance program.

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