Medical Xpress

Why life insurance companies want your Fitbit data

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Credit: AI-generated image (disclaimer)

I recently predicted that health data from electronic sources could soon be compiled into a health or wellness report and shared with insurance companies to help them determine who they'll cover.

And now John Hancock, the U.S. division of Canadian insurance giant

Manulife, requires customers to use activity trackers for life insurance policies in their Vitality program if they want to get discounts on their premiums and other perks.

Customers can withhold their fitness data, but that will result in higher premiums, which may put life insurance out of reach for low-income earners. This in turn could have an impact on whether would-be homeowners can take out mortgages, some of which can require a life insurance policy on the principle borrower.

The fact that insurance companies track the physical activities of customers has been making headlines for years, but previous initiatives were pilot projects.

Now, customers who don't want to offer up their health data to John Hancock have two choices: Don't report it and pay higher premiums, or go somewhere else for their insurance.

But what's going to happen if other companies follow suit?

Figuring out when you're having sex?

Your privacy will be infringed upon by apps that pass on to your insurer all of the activities you do while wearing your smartwatch.

That could include steps walked, heart rate, blood pressure – your insurer may even be able to figure out when you're having sex.

This is nothing new. We've long known that wearable technology records "data about you and your condition, activities and day-to-day choices."

And we know that that data collected by these devices and through our internet activities "continually leak." In fact, researchers have discovered that 70 per cent of third-party apps collect data that can then be used to create a profile of buying and spending habits.

So is it really a problem that customers use wearable technology like Fitbit and report their healthy activities, such as workouts and healthy eating, to their insurer?

Well, yes. One problem is that this information is not always correct. Fitbit itself acknowledges that "the algorithm is designed to look for intensity and motion patterns that are most indicative of people walking and running" and that it may not always be accurate in reporting other activities, such as riding a bike or working.

Then there's the question of what happens with your premiums if you stop engaging in these activities. How much time will insurance companies allow women to recover from childbirth before they have to get back to their insurance plan's requirements for physical activity?

What about people recovering from joint replacements or heart surgery? How long will these people have before their premiums go up?

Older adults at risk

Older adults are especially vulnerable to this sort of data-based gatekeeping. The glitches in wearable technology's data collection may be amplified with older people, whose exercise behaviour might not be as strenuous as that of younger adults, and therefore subject to more recording errors.

In addition to the potential under-recording of their fitness activities, many people over 65 years old have at least one illness, which, when combined with data errors, may make them ineligible for discounted insurance programs. This could change the retirement opportunities for many older adults.

And what about the healthy lifestyles that insurance companies reward their customers for living?

Diet, fitness and medication regimes go in and out of favour. Taking "baby aspirin," for example, to prevent heart attacks and stroke has recently been shown to be ineffective for healthy adults.

Another example of the fickleness of health trends involves healthy eating guru Brian Wansink, who's had some academic articles retracted, including those that told us not to go grocery shopping when we're hungry and not to use large bowls when we're eating.

This all suggests that the food and activity choices of insurance companies are linked to scholarly research.

Conflict of interest?

But what happens if a multinational business owns both insurance and manufacturing companies? Is it possible that insurance perks and discounts could be linked to purchases from their subsidiaries, disguised as "health initiatives?"

In other words, the insurer could reward customers for adhering to a health regimen that might be helpful, but could also be bogus or, in the worst-case scenario, harmful or exploitative while financially benefiting the insurance company.

If legislators don't get involved, Big Business could end up literally dictating to us what we can and can't do, or eat, if we want or need insurance.

For those who can't afford healthy food or recreational fitness, and those who refuse to allow their data to be harvested, life insurance premiums, and other products like mortgages, may drift out of reach.

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