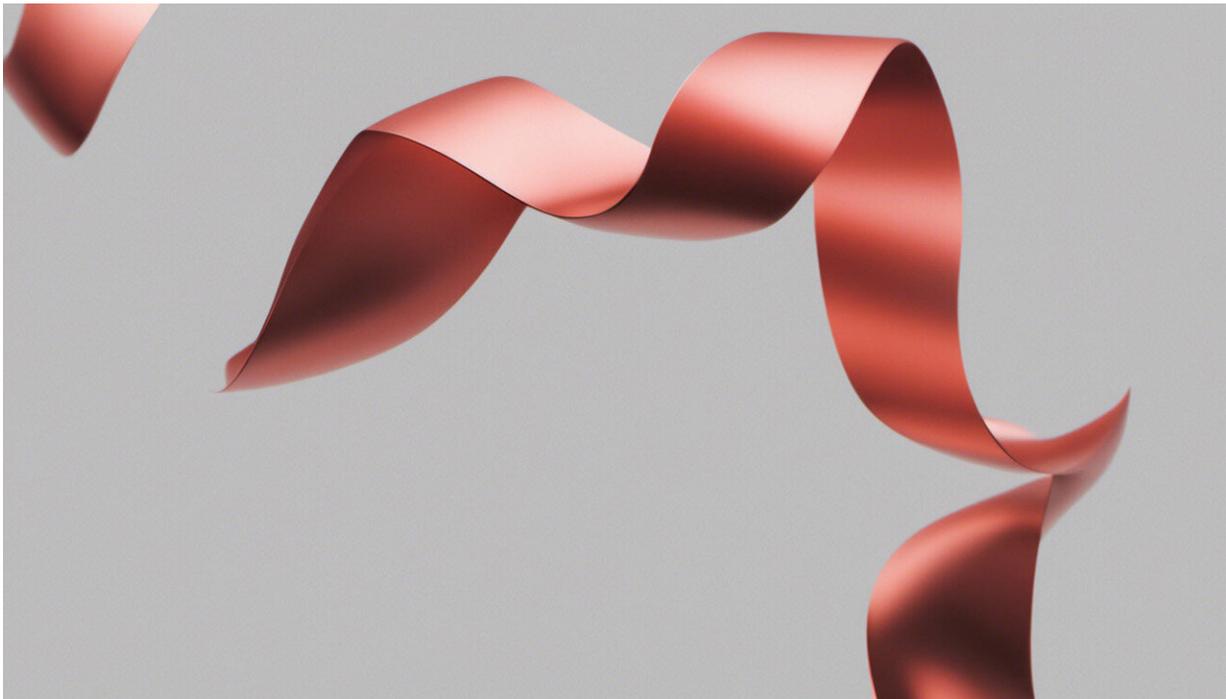


An insurance discount for your fitness data is a bad deal in the long run

October 4 2018, by Victoria J Palmer



Credit: AI-generated image ([disclaimer](#))

John Hancock Insurance, the US division of Canadian insurance company Manulife, came under [scrutiny](#) last month for offering lower premiums to individuals who agreed to share their fitness tracking data with the company.

It's another example of the new era of [information](#) capital, in which companies commercially benefit from users' data. Aside from health data, companies around the world currently [make money](#) from tracking location information, purchasing patterns, sleep data, and social interests.

According to French sociologist Pierre Bourdieu, those in society who hold capital [can grow advantage and pass it on](#). But it doesn't always follow that accumulated advantage is put to ethical use, or that the benefits are passed on to serve the greater good.

When it comes to information capital, often the result is the [opposite](#). And often advantage is gained in the first place by what can only be deemed as perverse incentives.

What is a perverse incentive?

A perverse incentive refers to the unintended consequences, or harms, of a reward that's on offer.

For example, a company might suggest that the adoption of a fitness tracking program is positive because it will produce health benefits for the individual and the community. But, in the long term, these incentives could create economic inequities, or serve to frame some groups negatively.

Consider if a fitness tracking program offered by an insurer was linked with an employer. If data about who adopted the fitness tracking program and who didn't was made public, employers might offer additional rewards and benefits to those who take part. One consequence of this could be that people who choose not to participate in the program are stigmatised, or portrayed as social deviants through noncompliance. A culture of competition for rewards could emerge.

In the brave new world of information capital, sharing data collected from wearables and other technologies could be a slippery slope towards the kind of social hierarchy evident in China's much-criticised [social credit system](#).

These kinds of incentives could also lead to loss of personal autonomy, particularly in cases where companies prescribe the devices and the brands that support their programs. When a person's right to choose is impinged upon, these devices start to shape our private and social lives.

Is this happening in Australia?

Similar incentives to those offered by John Hancock Insurance are already available from [Australian insurance firms](#).

To be eligible for premium discounts and rewards, you need only to complete regular online health assessments, join partnered gyms, use a prescribed fitness tracker and the associated health program, or show a body mass index of lower than, or equivalent to, 28. Some insurers also request a complete blood test to be stored on their files.

Aside from being used to determine premium costs, what other uses this data is put to is unknown.

Genetic discrimination by insurers has previously been identified in Australia. This means that people with identifiable health conditions, or predispositions to future risk, are charged increased premiums, excluded from certain covers or refused insurance outright.

In 2017, an Australian parliamentary enquiry was held into discrimination by insurers regarding predictive genetic information and the use of medical information. A [moratorium](#) was imposed on the use of predictive genetic information by life insurers. Other

recommendations included the development of standards and protocols around storage of medical files and access by insurers, and disclosure to consumers about any requests made for medical information.

Where is the consumer advantage?

In the new era of information capital, it's essential that we better understand what data government and companies are collecting, how it's being used and who it might be shared with.

This can be a lot of work. Look at what's happening with My Health Record: you must [explicitly opt out](#) to prevent your data from being used for secondary purposes, such as to inform research, policy and planning. The new [Data Sharing and Release Legislation](#) will play help determine how data can be shared and and consumer data rights.

Like all forms of capital, information capital has the ability to shape advantage. In this case, those in the top tier receive the economic and social benefits, while those in the bottom tier are punished with higher costs, possible exclusion and maybe even less access to [treatments in the future](#). So, information capital is creating an advantage that almost certainly will not be passed on here.

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