Current Situation and Development Suggestions of Exercise-Incentivized Life Insurance

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Abstract. The sports and health incentive commercial life insurance, with the "insurance + health management" model, has become a key path to implement the "Healthy China 2030" Planning Outline and an important tool for insurance companies to shift from "post-event compensation" to "pre-event prevention". This article selects three typical products from Ping An Life Insurance, Sunshine Life Insurance and Taikang Life Insurance, systematically sorts out their current development status, focuses on the core pain points such as single assessment standards, unstandardized data management, insufficient incentive effectiveness and consumer cognitive bias, and proposes coordinated optimization suggestions from three aspects: product design, operation system and industry supervision, to help the products upgrade to precision, intelligence and scenario, and support the high-quality transformation of life insurance and the implementation of the Healthy China strategy.

Keywords: Exercise-incentive Commercial Life Insurance, Practical Analysis, Health Management, Collaborative Optimization, Healthy China.

1 Introduction

As the Healthy China 2030 initiative advances, rising health awareness has shifted demand from treatment to proactive care. Traditional life insurance cannot meet personalized, full-cycle health needs. Meanwhile, wearable devices and sports data technology support insurance-health integration, spawning exercise-incentivized life insurance [1]. These products tie premiums, coverage and services to sports data, creating a “better fitness→ lower risk→ better terms” cycle.

Currently, sports-incentivized commercial life insurance is a core carrier for industry transformation, forming a pattern led by major insurers and supplemented by small and medium-sized players, with a diversified product portfolio. Yet it faces prominent flaws: homogeneous design, unbalanced incentives and non-standard operations [2]. This paper takes three typical products (Ping An Fu 2019 Whole Life Insurance, Sunshine Yuedongbao Term Life Insurance, Taikang Xinxiang Shijia Increased Whole Life Insurance) as case studies, using comparative analysis to explore current status, pain points and targeted solutions, providing practical references for product innovation and standardized industry development.

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2 Current Market Status of Exercise-Incentive Life Insurance

Exercise-incentivized commercial life insurance uses policyholders' exercise data (steps, duration, and intensity) to encourage physical activity through incentives including higher coverage, premium discounts and health services, creating a win-win for insurance protection and health. By closely tying insurance benefits to exercise behavior with a low-cost, simple model, it shifts traditional life insurance from post-claim compensation to proactive health intervention, evolving into an integrated system of behavior guidance, risk control and benefit rewards [3].

2.1 Inclusive Health Supplementary Insurance

Based on the incentive logic and rights forms of existing market products and taking the "incentive method" as the core classification standard, combined with the three typical cases, exercise-incentive commercial life insurance can be divided into three categories: coverage increase type, premium discount type, and point exchange/value-added service type. These three types basically cover the mainstream incentive forms in the current market.

1. Coverage Increase Type: Coverage increase products are the most mainstream and mature type in the current market, accounting for more than 70% of the exercise-incentive life insurance market, mainly dominated by large insurance companies and mostly designed based on long-term protection products such as whole life insurance and critical illness insurance. The core feature is that policyholders who meet the established exercise standards within the incentive period specified in the contract can obtain phased or permanent increases in the basic coverage without additional payment.

Such products mostly take daily steps as the exercise assessment indicator, and some are supplemented by monthly exercise duration. The assessment standard is usually 8,000–10,000 steps per day for more than 20 days per month. The incentive range is often 5%–15%, usually with an upper limit. Ping An Fu 2019 is a typical representative.

2. Premium Discount Type. Premium discount products are the scarcest type in the current market, accounting for about 10% of the market share, mostly pilot products launched by small and medium-sized insurers, with few layouts by large companies, mainly in the form of term life insurance. The core feature is that policyholders who continuously meet the contractually agreed exercise standards can obtain premium discounts in subsequent periods, directly reducing the pressure of premium expenditure.

Such products generally grade according to daily exercise steps (5,000–8,000 steps), divided into 2–3 levels, with a monthly or annual evaluation cycle. The premium discount range is usually 10%–25%. Sunshine Yuedongbao Term Life Insurance is a typical representative.

3. Point Exchange/Value-Added Service Type. Point exchange or value-added service products are supplementary types in the market, accounting for about 20% of the market share. The core feature is that the policyholder's exercise behavior can be

exchanged for corresponding points, which can be used for health value-added services such as physical examination packages, fitness cards, health consultation, chronic disease management, etc., or to deduct part of the premium.

Taikang Xinxiang Shijia Increased Whole Life Insurance is a typical representative, with a conversion standard of 1,000 steps = 1 point and points are inheritable.

2.2 Comparative Analysis of Typical Products

This paper selects three typical products: Ping An Fu 2019 Whole Life Insurance, Sunshine Yuedongbao Term Life Insurance, and Taikang Xinxiang Shijia Increased Whole Life Insurance [4] [5] [6]. A comparative analysis is conducted from five dimensions: sports assessment criteria, incentive intensity and forms, data collection platforms, applicable periods, and supporting services, as detailed in Table 1.

Table 1. Comparative Analysis of Three Typical Products

Dimensions	Ping An Fu	Sunshine Yuedongbao	Taikang Xinxiang Shijia
Exercise Assessment Criteria	Daily steps ≥ 10,000, meeting the target for ≥ 25 days per month; cumulative target achievement for 18/24 months within the first 2 years of policy validity.	Three-tier rating based on daily steps in 30 days:≥8,000 steps (Class I), ≥5,000 steps (Class II), non-qualified (Standard Class). Sustained compliance required.	Daily steps ≥ 7,000, meeting the target for ≥ 20 days per month; no consecutive requirement, with annual cumulative qualification allowed.
Incentive Intensity and Form	Critical illness and death benefit increased by 5% (18-month compliance) and 10% (24-month compliance); minor illness benefit raised by 1%–2% accordingly.	Preferred Class I enjoys a 23% premium discount vs. Standard Class, with corresponding tiered discounts for Preferred Class II.	1,000 steps = 1 point. Points redeemable for physical exams, fitness and other one-stop services, and are inheritable.
Data Collection Platform	Based on Ping An Le Health App; supports sync with WeChat and Alipay Sports.	Based on WeChat Sports; Sunshine Life official APP for data verification only.	Based on Taikang Doctor App; supports data sync with mainstream wearable devices.
Valid Period	Exercise incentives apply only to the first 2 policy years; increased coverage remains valid for life.	Exercise incentives apply for the entire policy term; premium discounts are adjusted annually based on health ratings.	Exercise incentives apply for the entire policy term; points are redeemable and inheritable for life.
Supporting Services	Only basic health consultation is provided.	Premium discounts are only offered upon policy renewal.	Comprehensive supporting services

As shown in the table, the three sports-incentivized commercial life insurance products vary in type but share four core traits: First, they rely solely on daily step count as the key assessment metric, excluding critical factors such as exercise type, intensity

and regularity. Second, assessment standards are one-size-fits-all, with no linkage to policyholders' age, health status or exercise capacity. Third, data is primarily collected via proprietary apps; while cross-channel synchronization is supported, data verification capabilities remain generally inadequate. Fourth, most products only provide standalone incentives or services with low integration, failing to form a full health management loop.

Meanwhile, the three products differ distinctly in incentive orientation: Ping An Fu focuses on sum insured escalation for protection-driven policyholders; Sunshine Yuedongbao leans toward premium discounts for young, cost-sensitive buyers; Taikang Xinxiang Shijia emphasizes value-added services, catering to those prioritizing long-term health management.

3 Pain Points in Product Design and Operation

Exercise-incentivized life insurance is still in its exploratory stage. Even major insurers' mature products encounter problems in design, operation, marketing and regulation. The key issue is the lack of effective coordination among exercise value, health risk and insurance services, making it difficult to balance policyholders' personalized needs, insurers' risk management and industry standardization. Specific problems are analyzed below based on three typical products.

3.1 Product Design Pain Points

1. Oversimplified Indicators Fail to Reflect Real Health Value: These three products only take steps as the quantitative assessment indicator, without including key dimensions such as exercise type, intensity and duration. The single assessment system cannot accurately match the actual health effects of different exercises, which deviates significantly from the product design goal of "encouraging exercise and promoting health". The current assessment method easily leads to invalid behaviors like fake steps by step-shaking devices and fragmented walking, which fail to improve health and cause insurers to misidentify the insured's actual health status. Meanwhile, those who prefer indoor yoga, strength training and other non-step-counting exercises cannot enjoy benefits due to insufficient steps, reducing product adaptability and coverage, which is inconsistent with the original intention of promoting national health.

2. Poor assessment adaptability mismatches risks and benefits: The three typical products fail to consider individual differences such as the insured's health status and exercise foundation, adopting a "one-size-fits-all" assessment. This cannot effectively match the insured's actual exercise capacity and health needs, violating the design logic of "matching risks and benefits" and impairing user experience. For example, the requirement of 10,000 steps for 25 days per month in Ping An Fu and 8,000 steps per day in Sunshine Yuedongbao is too high for the elderly, chronic disease patients and rehabilitation groups, making them easy to lose confidence and renew insurance. For young people with good exercise ability, the standards are too loose to provide effective

incentives. Meanwhile, it leads to inaccurate screening of low-risk insured individuals by insurers, posing potential operational risks.

3. Lack of Dynamic Standards for Policyholder Needs: The three typical products fail to consider the dynamic changes in the insured's exercise capacity and health status, and lack a dynamic adjustment mechanism for assessment standards, making it difficult to encourage long-term participation in physical activities. The standards are not adjusted dynamically according to changes in the insured's exercise performance, failing to guide further improvement or maintain motivation. Nor are they adjusted with age and health changes, so the long-term effect of health incentives cannot be effectively realized.

4. Low Product Differentiation and Homogenization: Three typical exercise-incentive life insurance products exhibit severe homogenization and fail to reflect the differentiated features of whole life, term life, and increased whole life insurance. First, customer positioning is undifferentiated, covering only the general public without targeting the elderly, chronic disease patients, sports enthusiasts, or other segmented groups. Second, assessment and benefit designs are highly similar: most rely on daily steps with weak adaptability to cycling, swimming, and indoor fitness, while benefits are mostly shallow services with low customer stickiness. Third, the incentive mechanism lacks flexibility, using only step-counting for grading without considering health status, exercise type, or intensity. This results in poor personalization and low-level industry competition.

3.2 Operation Pain Points

1. Poor data management raises fraud and privacy risks: The three products all have obvious deficiencies in exercise data management. First, their data platforms are independent and cannot be interconnected, forcing the insured to switch frequently and resulting in poor user experience. Second, the data verification mechanism is imperfect, making it difficult to ensure the authenticity of steps and check-ins, which may lead to fraud risks and increase insurers' operating costs. Third, there are loopholes in the privacy protection of sensitive information such as health and activity trajectory. The imperfect data security system brings privacy leakage risks and increases regulatory pressure.

2. Low customer persistence, retention and conversion efficiency: According to People's Daily Online, by the end of 2024, Taikang Life's "Tai Vitality Program" had over 800,000 members. While 100,000 customers built long-term exercise habits, most others only participated for 3–6 months after policy purchase, showing that incentives last less than six months and renewal rates are lower than traditional life insurance. Thus, building products with long-term incentives and good user experience is key to reducing customer churn. Pingan Fu has strict, rigid exercise standards without dynamic adjustment, causing low sustained participation. Sunshine Joy Insurance offers simple, non-interactive incentives that fail to support long-term exercise.

3. Deficiencies in Health Management Service Precision and Quality: All three products follow the "insurance + health management" model but lack personalized design in basic health services, thus failing to satisfy customers' personalized needs

and resulting in poor service implementation. Specifically, Ping An Fu and Sunshine Yuedong only offer basic health education and discounted physical examinations without targeted services for chronic diseases or exercise preferences. They also lack a closed-loop system of exercise guidance, health monitoring, risk intervention, and rehabilitation services, making health services merely optional add-ons unable to support exercise incentives. Taikang Xinxiang Shijia provides basic health services through its medical and elderly care resources but insufficiently covers personalized guidance and injury rehabilitation for exercise populations..

3.3 Market and Regulatory Pain Points

1. Lack of Industry Standards and Homogeneous Competition: As an innovative product, exercise-incentivized life insurance is widely promoted by major insurers. However, due to its novelty, there are no unified norms for assessment criteria, health adaptation, and dynamic adjustment, resulting in inconsistent standards. Inconsistent data collection and verification hinder data sharing and unified risk assessment, while uneven service quality and unfulfilled commitments undermine industry credibility. Inadequate planning has led to market disorder, blind imitation, and low-level competition, restricting industrial innovation and development.

2. Vague data boundaries hinder compliance-value balance: Although insurers have built data compliance systems in line with data security laws, the lack of unified industry standards creates a dilemma. Some over collect customer data to improve pricing, raising compliance and privacy risks. Others underuse sensitive data to avoid violations, wasting data value. This limits data-driven optimization, product adaptability, and targeted health services.

3. Insufficient Regulation Hinders Industrial Innovation: In response to the 2025 Notice on Further Deepening the Reform of the Individual Marketing System in the Life Insurance Industry (National Administration of Financial Regulation), the industry has made current regulatory policies based on traditional life insurance rules. However, these policies insufficiently accommodate exercise-incentivized life insurance's ("exercise + insurance") innovative features and fail to resolve key operational pain points (assessment criteria, data verification, privacy protection, and service implementation), creating compliance uncertainties for insurers' product and operational innovation. Dedicated regulatory guidelines will promote product iteration and efficiency, boost innovation enthusiasm, help exercise-incentivized life insurance meet policyholders' diversified needs, and support sound industrial development.

4 Optimization and Development Suggestions

Based on the core pain points, combined with big data, AI and block chain trends, practical experience of three typical products, and localized foreign models (South Africa's Discovery Vitality Program, U.S. John Hancock Life Insurance), this paper proposes targeted optimization suggestions from product design, operation management and industry-supervision collaboration to promote the industry's high-quality

development, exert "insurance protection + health intervention" dual value, and support the Healthy China 2030 strategy.

4.1 Optimize Product Design to Improve Accuracy and Attractiveness

1. Construction of a Multi-Dimensional Exercise Assessment System: To address three typical products' single assessment indicator flaw, refer to South Africa's Discovery Vitality Program, integrate exercise behavioral (duration, intensity, type) and quantitative data (heart rate, calories, trajectory) to build a health exercise assessment system. Insurance Association of China-led differentiated standards by age/physical condition/exercise type: elderly (low-intensity: Tai Chi, square dance, fewer steps); young & middle-aged (moderate-intensity: jogging, swimming, high-intensity bonus); indoor fitness (duration, calories) to reflect "exercise for benefits" and expand adaptability.

2. Improve Dynamic Adaptation Mechanism for Health Resilience: To address rigid "one-size-fits-all" standards, a personalized dynamic pricing mechanism is adopted. Personalized initial standards are set at underwriting, with semi-annual automatic adjustments to match health status and improve customer retention.

3. Design of a Tiered Long-Term Incentive System: To address weak long-term incentives and low retention among the three products, insurers should adopt combined incentives: higher coverage, premium discounts, and value-added services, using a tiered structure. Monthly compliance of 80%+ earns an 8% premium discount, 60%–80% 5% and 40%–60% 3%. Long-term rewards include free checkups, coverage increases, and premium refunds. More redemption options (health consultation, fitness guidance, equipment) will better meet diverse needs and boost sustained participation.

4. Strengthen product differentiation to solve homogeneous competition: To address product homogenization, insurers should adopt differentiated positioning based on customer segmentation. Whole life insurance targets healthy young and middle-aged clients with fitness-linked coverage growth; term life provides premium discounts for the mass market including sub-healthy and chronically ill groups; high-end whole life offers exclusive medical and elderly care for affluent customers. Specialized products for niche groups will further optimize the product structure.

4.2 Improve the Operation System to Reduce Costs and Risks

1. Build Industry Collaboration Platform for Data Integration: China's insurance industry can learn from South Africa's Discovery Vitality plan. Led by the Insurance Association of China, insurers, fitness apps and wearable device providers can form a cross-sector data collaboration platform for unified data sharing and verification. This helps small and medium insurers lower costs and focus on innovation. Industry standards will be set to ensure data authenticity, accuracy and compliance, supporting the implementation of a multi-dimensional assessment system.

2. Strengthen Data Verification and Privacy Protection: Exercise data authenticity determines life insurance vitality, and policyholders' privacy security determines industry sustainability, serving as the foundation for the healthy development of exercise-motivated life insurance. To address insufficient data authenticity and prominent

privacy risks, AI enables multi-dimensional data cross-verification to identify fraudulent exercise and penalize violations for fairness; block chain realizes encrypted storage and de-identification, building a compliant data security system to protect privacy and support industry development.

3. Deepen Health Service Integration for Closed-Loop Ecosystem: Health management services are critical to realizing the core value of "insurance protection + health intervention" in exercise-motivated life insurance, and their quality directly affects product viability. To address inaccurate and poorly implemented services, we can learn from the closed-loop ecosystem of South Africa's Discovery Vitality and establish a full-chain health service system through long-term cooperation between insurers, top-tier hospitals, professional health management firms, and sports rehabilitation institutions. High-end products will offer customized value-added services such as medical resources, personalized exercise guidance, injury rehabilitation, and chronic disease intervention, while mass products will provide basic services like discounted physical examinations and fast-track medical access. A data-driven personalized service mechanism based on age, health status, and exercise preferences will be developed to deliver tailored plans, forming a virtuous cycle of "exercise incentives – health improvement – risk reduction".

4. Optimize Customer Strategies for Long-Term Retention: Customer retention is critical for the long-term profitability of exercise-incentivized life insurance. To improve low sustained engagement, a tiered incentive system, interactive services, and an exercise social platform can boost participation and loyalty. A customer feedback mechanism will further enhance satisfaction.

4.3 Improve the Operation System to Reduce Costs and Risks

1. Improve industry standards and enhance self-regulation: Currently, unified industry standards for exercise-motivated life insurance are absent, leading to fragmented development, homogeneous competition and uneven service quality. Drawing on foreign experience, the industry association should collaborate with major insurers to formulate three key standards: product design standards to avoid homogeneity; data standards to regulate full-cycle data management; and service quality standards to enhance service levels. An industry self-regulatory committee should also be established to supervise operations.

2. Innovative Marketing for Customer Acquisition: Data is core to exercise-motivated life insurance. Regulators and industry associations should clarify rules for data collection, use and sharing under laws, balancing compliance and value.

Collection follows the minimum necessary principle, use requires authorized consent, sharing adopts encryption and de-identification. Insurers are encouraged to leverage compliant data to enhance products and services.

3. Optimize Regulation for Adaptability and Guidance: Regulatory policies for traditional life insurance cannot fully accommodate the innovative “sports + insurance” feature of exercise-motivated life insurance. Based on the 2025 Notice issued by the National Administration of Financial Regulation, regulatory policies should be optimized: introduce special regulatory requirements for core links to eliminate compliance

uncertainty, simplify the filing process for innovative products to support product development for segmented groups and scenarios, and establish a normalized supervision mechanism to regulate sales practices, protect consumer rights, and crack down on violations such as false publicity and data fraud.

4. Regulate Market Promotion and Consumer Education: Poor consumer awareness and misleading sales are common industry issues. The industry association should issue unified promotion guidelines to regulate sales behavior, expand diversified promotion channels to reach target customers accurately, and strengthen consumer education through various media to improve product recognition and industry credibility.

5 Conclusion

As a core carrier of the Healthy China 2030 Initiative, exercise-incentive commercial life insurance has broad market prospects. However, the industry is still in the initial stage, facing problems such as single assessment criteria, non-standard data management, insufficient incentives, and low consumer awareness.

This paper puts forward development suggestions from the product, operation and policy dimensions. With the implementation of various measures and continuous iteration, exercise-incentive life insurance will gradually become precise, intelligent and scenario-based, realize the deep integration of health management and risk protection, and help implement the Healthy China 2030 Initiative.

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