

# News Release

For Immediate Release  
24 August 2020

## COVID-19 fuels health awareness and use of digital in Malaysia – Manulife survey

- *Survey of life insurance customers shows move to healthier living for better physical and mental well-being*
- *COVID-19 fuels Malaysians' appetite for insurance, aided by easy access using digital tools*

**Kuala Lumpur** – Concerns about the impact of the COVID-19 pandemic among life insurance policyholders in Malaysia are prompting many to adopt new habits around a healthier lifestyle and greater use of digital technology, according to a new survey by Manulife.

The Manulife Asia Care Survey targeted 300 insurance customers in Malaysia. Most respondents expressed concern about the pandemic's long-term impact on the local economy and their personal wealth. Less than half of the Malaysians (41%) surveyed perceived COVID-19 to be getting more serious in the next six months in line with the regional average of 41%.

Greater use of digital technology during the pandemic is evident among those surveyed across the region, yet in Malaysia, it was more pronounced. Along with the increased interest in digital, was a move towards more regular management of personal finance. The Malaysians surveyed also show a growing appetite for insurance.

### Focus on healthy body and mind

The Malaysia-based respondents, who are all life insurance policyholders, have adopted new lifestyle habits under COVID-19. Majority of these new habits are geared towards healthier living and increased reliance on e-commerce, online and digital.

In Malaysia, 49% of the respondents found ways to be more physically healthy than before COVID-19 and 32% started tracking their mental health. Health consciousness is clearly on the rise and lifestyle habits are undoubtedly switching to healthier living in both body and mind. In the next 18 months, 37% of respondents will continue to find ways to maintain their physical health and 21% will track their mental health status.

"The level of interest in personal physical and mental health is welcoming news to a life insurance business such as ours. Surveys like this help us to better understand customers' concerns, priorities and aspirations as well as to identify broader trends, which will assist us in developing products that are more tailored to the specific needs of customers," said Lee Sang Hui, Chief Executive Officer, Manulife Insurance Berhad.

This appetite for a healthier and more active lifestyle is important given the rising cost of healthcare in Malaysia and the need for local health services to meet increased demand from a growing middle class and longer life expectancy. Across Asia, healthcare costs have increased significantly over the past 20 years, rising nearly 500% during that period, according to the World Bank. In 2017, the annual healthcare cost in Malaysia per capita was US\$384, or 3.86% of GDP, compared to US\$111 and 2.56% in 2000.<sup>1</sup>

### Growing recognition of the need for insurance

Alongside their desire to get fitter, 52% of respondents in Malaysia said the pandemic had caused them to review and manage personal finance more often than before COVID-19, the highest figure among all other markets surveyed in the region.

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<sup>1</sup> World Bank: <http://datatopics.worldbank.org/health/health>

"It is during times of crises such as the COVID-19 pandemic, where the importance of being financially protected heightens among people. During such uncertainties, insurance coverage is an important financial product to have, thus the life insurance sector is expected to remain resilient in such challenging environment," Lee added.

Life insurance penetration rate in Malaysia is less than 5%, far below the rates in markets such as Hong Kong and Singapore,<sup>2</sup> making Malaysia among the region's under-insured markets. Thus, it is interesting that in Malaysia 63% of those surveyed said they plan to buy new additional insurance in the next 18 months. Hospitalisation (26%), accident (24%), life (23%), health (21%) and critical illness (21%) are the main new insurance products being considered by the Malaysian insurance customers surveyed.

COVID-19 has accelerated trends already in place, notably digitisation in lifestyle. The acceptance and adoption of these trends provide another reason to believe that the changing habits will, in part at least, be permanent. In Malaysia, digitisation and use of smartphones was already enabling greater numbers of Malaysians to get access to financial services and other online tools. COVID-19 has helped to reinforce the value of digital tools and services.

The survey showed greater willingness to switch from offline to shopping online (65%), use online services, such as for payment, shopping and food delivery (76%) and, in particular, use online tools for news and socialising (66% and 58% respectively). In terms for general health and well-being, a willingness to manage insurance via digital channels combined with new-found – or reawakened – interest in being more active means that the respondents in Malaysia would be keen to tap into insurance products that help to make an active lifestyle more rewarding in terms of fun and savings.

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### **About Manulife Malaysia**

Manulife Holdings Berhad is part of Canada-based Manulife Financial Corporation. Through its subsidiary companies, Manulife Malaysia offers an innovative range of financial protection, health and wealth management products and services to meet different customer needs. Manulife Malaysia currently serves the needs of over 270,000 policyholders and wealth management customers. Manulife Holdings Berhad has been listed on the Main Board of Bursa Malaysia since 1984. As at 30 June 2020, its assets under management were over RM11 billion. To learn more about Manulife Malaysia, visit: [www.manulife.com.my](http://www.manulife.com.my).

### **About Manulife**

Manulife Financial Corporation is a leading international financial services group that helps people make their decisions easier and lives better. With our global headquarters in Toronto, Canada, we operate as Manulife across our offices in Canada, Asia, and Europe, and primarily as John Hancock in the United States. We provide financial advice, insurance, and wealth and asset management solutions for individuals, groups and institutions. At the end of 2019, we had more than 35,000 employees, over 98,000 agents, and thousands of distribution partners, serving almost 30 million customers. As of June 30, 2020, we had \$1.2 trillion (US\$0.9 trillion) in assets under management and administration, and in the previous 12 months we made \$30.6 billion in payments to our customers. Our principal operations are in Asia, Canada and the United States where we have served customers for more than 155 years. We trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong.

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<sup>2</sup> Bain & Co.: <https://www.bain.com/insights/making-the-most-of-asia-pacifics-insurance-boom/>