

News Release

For Immediate Release
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Malaysians take control of finances amid COVID-19 worries

- *Three in four people say pandemic has lasted longer than expected, with a quarter saying it will never end*
- *Falling incomes, low savings, and prolonged economic recovery are top concerns for Malaysians*
- *More millennials in Malaysia see insurance and retirement planning as important*

KUALA LUMPUR – The majority of Malaysians have accepted that COVID-19 is here to stay for at least another year or longer, as people in the country place greater focus on their financial planning amid pandemic-related worries, says new research from Manulife.

Among those in Malaysia surveyed as part of Manulife's third Asia Care Survey,¹ three in four (75%) people think it will last another year at least, with an additional 25% saying it will never end. Malaysians also express concern that the local economy will take a long time to recover. Nearly half (46%) say their income has fallen, with more than one in ten (13%) mentioning they lost their jobs because of COVID-19. To cope with the pandemic, around half (44%) say they are more actively managing their finances, which includes cutting back on unnecessary or big-ticket expenses (35%), investing (17%), and tracking income and expenses regularly (13%).

“Given that we're more than two years into the pandemic, it is understandable that Malaysians are concerned about the economy and their finances,” said Vibha Coburn, Group Chief Executive Officer, Manulife Malaysia. “But while concerns about economic recovery and how long COVID-19 will last remain on the minds of Malaysians, the public has learned to adapt and take control of their finances, especially in the face of Omicron and other variants.”

Changing perceptions of physical and mental health

Much of their thinking about finance and in particular insurance ties back to health. One of the standout observations from the survey is a deterioration in how Malaysians feel about their own health. Just under two thirds said they view their physical health and mental health as very good (both 62%), down from 75% a year earlier, though comparatively better than in Hong Kong, Singapore and Japan.

It's noteworthy too that a third (33%) of Malaysians have decreased the amount of exercise they do since the start of the pandemic, with another 30% saying they have exercised more. Among those who exercise, the majority (82%) prefer working out alone, with two in five (40%) favouring home-based physical activities and nearly half (46%) choosing to exercise outdoors. Walking (58%), jogging (43%) and cycling (20%) are among the three most common types of exercise in Malaysia. Interestingly, a majority of Malaysians identified the benefits of regular exercise as a means to improve mental health (67%) and boost immunity (63%).

Regarding their main health concerns, Malaysian respondents cited heart disease (45%), cancer (44%) and stroke (32%), with depression (28%) not far behind. For all of these conditions, they were higher than the regional average. In terms of mental health, 69% of Malaysians say they have experienced mental

¹ This version of the Manulife Asia Care Survey was conducted via online self-completed questionnaires in eight markets, namely mainland China, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore, and Vietnam. A total of 8,276 people, aged 25 to 60 years old, was surveyed in November 2021. In Malaysia, 1,000 people were surveyed. They included insurance owners and those who did not own insurance but intend to buy it.

health issues in the past six months. The main concerns referenced were significant tiredness and sleeping problems (34%), feeling sad (27%), excessive fears or worries (27%) and difficulty concentrating (25%).

Close to two in five (38%) of the Malaysians surveyed said they are familiar with Long Covid. The vast majority (97%) said they worry about it, with nearly all (95%) wanting to learn more about it and over two in five (42%) interested to know how insurance can help them.

Dip in household savings in Malaysia, despite saving more

The financial implications of the pandemic continue to be felt across the country, showing disparities in household savings and savings patterns among Malaysians. While two in five (43%) respondents in Malaysia say they have saved more since the start of the pandemic, a majority (70%) say they have savings that can only support them for a year or less, if they lose their jobs.

The main reason for this is an overall limit on the amount of money that Malaysians can save. Nearly half (46%) of the respondents say they saw a decline in their monthly incomes because of COVID-19. Interestingly, about one in five (17%) people living in Malaysia say they have started their own businesses on top of their full-time or part-time jobs. Among those who say they started their own businesses, close to a quarter of them (23%) are millennial Malaysians.

Strong insurance appetite among millennial Malaysians

Among the emerging market economies covered in the survey, insurance penetration is considerably higher in Malaysia than elsewhere in the region. More than four in five (83%) of those surveyed said they own insurance, with 70% planning to buy more during the next 12 months.

For those who plan to buy insurance, nearly eight in ten (78%) are Malaysians aged between 25 and 34 years old, an indication that younger Malaysians are increasingly savvy when it comes to financial planning. Most Malaysian respondents who regard insurance (75%) and retirement planning (75%) as important since the start of COVID-19 are millennials.

Of the total current insurance ownership among all Malaysians, the products and policies they hold centre on hospitalisation and accident insurance (both 44%), along with life (42%), health and critical illness (both at 35%). For new and additional insurance purchases, the protection Malaysians seek are primarily for accident, hospitalisation (both 26%), critical illness (25%), life (24%) and health (23%).

For Malaysians, the main barriers to purchasing insurance are affordability (67%) and finding products too complicated to understand (31%). Ideally, Malaysians are looking for simple insurance products that can be purchased quickly online (63%).

“What this survey tells us is that there are tremendous opportunities for us to serve Malaysians and make their lives better every day, especially during these challenging times,” added Coburn. “With the aim to provide advice and solutions to drive financial security, we are here to support all Malaysians by empowering them to make healthier choices, while sustaining their health and well-being. We do this by providing simple, affordable and tailored insurance products that also form a strong foundation to build greater resilience.”

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