

News Release

For Immediate Release
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Malaysians Prioritize Effective Health Protection for Long-term Well-being, According to Manulife's Asia Care Survey

- *Manulife survey shows Malaysians more concerned about critical illness than in rest of Asia.*
- *Gap between savings aspirations and actual available funds shows low confidence in achieving financial planning goals.*

Kuala Lumpur, 30 July 2024 — More than anywhere else in Asia, Malaysians worry about the prospect of critical illness, particularly heart disease. They are also among the most concerned about mental well-being, notably stress, according to Manulife Asia Care Survey 2024, an annual research analysis by Manulife. It spotlights the need for better financial and health planning, including purchasing effective medical insurance, and finding savings vehicles to ensure sufficient retirement funds and pensions benefits to secure their financial well-being in old age.

The survey, conducted in March 2024 and drawing responses from 1,038 Malaysians, revealed a clear message: Malaysians lack confidence in achieving their desired level of long-term savings, notably due to rising healthcare costs and the challenge of closing the gap between aspirations and actual savings. These concerns are driven by the high expectations in the region, as inflation and healthcare costs continue to be prominent factors impacting their financial outlook and ability to manage healthcare crises.

When asked to look ahead to the next 10 years, survey respondents said that physical well-being is the most important factor to overall well-being (36%) and a key determinant of financial (34%) and mental (30%) well-being. Good health or at least good health protection is key to overall well-being.

"Healthcare inflation is a perceived and real issue for Malaysians and it contributes to uncertainty about future financial preparedness. That is why Manulife remains committed to ensuring accessibility and affordability for our customers. We proactively engage healthcare providers find ways to address the rise in costs, and we use data analytics to find the best solution for customers," said **Vibha Coburn, CEO of Manulife Malaysia**. "Our innovative value-based design, such as the pioneering No-Claim Discount feature, lets customers manage expenses while receiving quality care, easing healthcare inflation in the long-term. We are dedicated to navigating the complexities of healthcare costs to deliver sustainable solutions for all."

Health worries in Malaysia far higher than Singapore

The MyFuture Readiness Index, new to Asia Care Survey this year, measures how consumers view their current and future physical, mental and financial well-being. On a scale of 1 to 100, the index shows a desired overall well-being score of 87 in Malaysia, but confidence in achieving that future score is 73. Survey respondents indicated as their top three challenges to achieving their financial goals as: the rising cost of living (83%), economic slowdown (83%), and rising healthcare costs (82%).

These financial challenges are compounded by healthcare worries, particularly heart disease (55%), diabetes (48%), cancer (45%) and stroke (41%), the highest in the region. For comparison, the corresponding figures for Singapore are 38%, 32%, 43% and 34% respectively.

To help prepare for greater longevity, retirement and unexpected medical needs, the respondents said their main long-term financial goals are to be completely debt free (39%), have savings for a rainy day (38%), financial freedom (34%) and a passive income in retirement (32%), along with enough savings

for healthcare needs (28%). With lifespans in Malaysia increasing, the need for long-term planning is greater than ever. The average life expectancy in Malaysia is now 77, up from 71 in 1990.¹

In terms of their current financial well-being, on the 1-to-100 MyFuture Readiness Index scale, Malaysia scores 63%, among the lowest in the region – lower than neighbouring Singapore (65%) and Hong Kong SAR (69%). It is notable that married couples (67%) have a greater sense of financial well-being than single people (56%) and, among couples, those with kids feel more comfortable still.

In Malaysia, people who are single tend to have fewer savings products, less insurance coverage and fewer investment products as those who are married. They also have greater concerns about their financial well-being. For most of the single respondents, though, marriage beckons. This may lead to improved financial well-being for them down the line.

For singles and married couples alike, the Manulife Health Saver Benefit (MHSB) plan provides comprehensive cover to the age of 99, no time limits on stays in hospital, a family cover option and a no-claims bonus (NCD) among its numerous features. In short, it provides comprehensive health protection and, by extension, protects savings and thereby helps deliver overall well-being.

Inflation and the rise of medication pricing due to technology and evolution makes medical cost increases inevitable.

"Our commitment to addressing the challenges of rising healthcare costs is strong. Our comprehensive critical illness, medical, and hospitalization plans are designed to meet the diverse needs of our customers. Our award-winning family plan, with up to 40% No-Claim Discount benefit, empowers Malaysians to manage escalating healthcare expenses," said **Vibha Coburn, CEO of Manulife Malaysia**. "Additionally, our affordable medical plans and simplified Critical Illness plan cater to different demographics, ensuring accessibility without compromising coverage. Through our lifestyle assistance program, we aim to alleviate the financial burden of treatment and recovery. We are dedicated to making quality healthcare accessible to all Malaysians."

In Malaysia, medical inflation was estimated at 15% in 2023-2024.² The main causes of this inflation include advancements in medical technology and treatment options, which lead to improved healthcare but also higher costs, and longer life expectancy which, coupled with increasing health risks, can lead to a greater need for long-term medical support.

"The result of this survey helps us understand the needs and concerns of Malaysians and our customers better. We use the results to develop products tailored to meet their concerns and needs," continued Coburn. "An example is our Manulife Health Saver Benefit plan is a testament to that. It offers the health protection needed, while incentivising further savings with its no claims discount of up to 40%. We encourage consumers to discuss their specific needs with their financial advisors so that they can find solutions that are tailored to them. It's hard not to overstate the importance of health protection to avoid the risk of health-related financial expense down the line."

As one of the leading insurers in Malaysia, Manulife is dedicated to using the survey insights to ensure that the best affordable propositions are curated for Malaysians. Through these propositions, Manulife aims to make a meaningful impact on its customers with their concerns addressed.

About the Manulife Asia Care Survey 2024

The Manulife Asia Care Survey 2024 was conducted in March 2024 via online self-completed questionnaires in eight markets. A total of 8,400 people, evenly split between men and women, aged 25 to 60 years old were surveyed: China (1,052), Hong Kong (1,052), Indonesia (1,063), Japan (1,000), Malaysia (1,038), Philippines (1,050), Singapore (1,038) and Vietnam (1,107). Each respondent either owns insurance or intends to buy insurance.

¹ <https://www.macrotrends.net/global-metrics/countries/MYS/malaysia/life-expectancy>

² Source: Aon Global Medical Trends Report