

Press Release

For Immediate Release

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Filipinos view the challenge of health longevity with growing concern – Manulife survey shows

- *Prospect of a poor health span is a rising worry among Filipinos surveyed*
- *Filipinos primarily rely on cash savings, making inflation the biggest threat to their financial goals*
- *Health and economic concerns underscore Filipinos' need for insurance*

MANILA – Health longevity, or the length of a time people think they will remain in good health, is an emerging concern among Filipinos surveyed, especially as they consider the financial costs of critical illnesses amid a backdrop of economic uncertainties, according to a new study by Manulife.

The new Manulife Asia Care Survey 2023 shows that while the surveyed Filipinos on average expect to retire at 59 years of age, they anticipate only remaining healthy for three years post-retirement. Of those surveyed, Filipino millennials aged 25 to 34 are the most pessimistic, believing they will only remain healthy until they are 55, below the average perceived health longevity.

“Filipinos are realizing that personal health issues cannot be isolated from the financial implications of critical illness, along with wider economic uncertainties,” said Rahul Hora, President and Chief Executive Officer, Manulife Philippines. “While it is inevitable that our bodies change as we age and that the state of the global economy may be beyond our control, Filipinos can take proactive steps to strengthen their health and finances and have a more financially secure future.”

Improving health to reduce risks associated with healthcare costs

The Manulife study noted that the financial risk posed by poor health lies in the cost of medical treatment, a significant concern for many Filipinos. Nearly half (49%) of those surveyed said that the expense of treatment was their number one health management worry. Other concerns of those surveyed include loss of income or job because of illness (37%) and not knowing who will take care of them in the event of illness (26%). Almost all of those surveyed are worried about at least one illness, with heart disease, diabetes and cancer being their top three main fears.

The Manulife study also found that around a third of Filipinos surveyed believe they currently enjoy excellent physical and mental health. With concerns about both their current health and health longevity, nearly all Filipinos surveyed claim that they are taking actions to manage their well-being through exercise (65%), better diet (62%), regular body checks (52%), and closer self-

monitoring (50%).

Filipinos are the most worried about inflation in the region

Despite their concerns about the future, especially with regard to health, most of those surveyed (57%) feel confident about their current finances, with more than three quarters (77%) expecting their finances to improve in the coming 12 months. Almost three-quarters expressed confidence in being able to achieve their financial goals (72%), such as saving for retirement (55%), paying for healthcare and medical treatment costs (43%), and emergencies (36%).

This optimism, which may be reflective of a post-COVID euphoria and, to an extent, the mobility of the workforce, is tempered by the threat of inflation (75%), which emerged as the most prominent financial concern among Filipinos surveyed, more than in any of the other markets surveyed in the region. The other main threats cited are an economic slowdown (56%) and rising healthcare costs (38%).

These concerns may have merit given that 81% of Filipinos surveyed said that cash and bank deposits are the primary ways they believe will help achieve their goals.

“Cash is particularly exposed to inflation, which can see it quickly depreciate in real terms in a way that can be very costly to savers,” added Hora.

Filipinos value retirement planning, but majority have no plan

The Manulife study showed that the majority of Filipinos surveyed (80%) view positively the idea of retirement planning, well above the regional average (68%) and, for many, it is their top personal finance goal (55%). Yet, despite that, only a third of them (30%) have such a plan in place. However, including those with plans already in place, 70% said they will have plans set up within three years.

Most are looking at relying on their cash savings or deposits (46%), potential inheritance from family members (18%), government or state subsidy (18%), or support from their children (17%).

“While these sources of financial support may be available to some, they are not guaranteed and can only go so far. They may exact a heavy toll on relationships, as expectations and burdens placed on supporting parties, especially if they are family members or loved ones, are often causes of conflict,” Hora added.

Interest in health insurance on the rise

With their interwoven concerns about their health, finances and the economy, the Filipinos surveyed are clearly interested in insurance (80%), the highest in the region (average 68%), mainly because of the protection it offers against financial risk (54%). However, their current ownership of insurance (59%) is the lowest in the region (average 70%). During the coming 12 months, however, 87% of those surveyed said they intend to buy insurance, with health (36%), life (34%), and hospitalization (33%) insurance topping the list.

“It’s reassuring that Filipinos recognize the value and protection that insurance offers. After all, the insurance premiums will be far less than the cost of critical illness treatment,” Hora said. “The best first step for those unsure how to purchase the right insurance plan for their needs and budget would be to talk to their trusted financial advisor, who would lay out and explain the various options without any obligation.”

To address the heightened need for health protection, Manulife Philippines and Manulife China Bank Life offer HealthFlex, an affordable and customizable health insurance plan that allows customers to choose their critical illness coverage depending on their needs and budget.

Customers may choose which types of illness will be covered by their insurance: cancer only; cancer, heart attack, and stroke (the top three critical illnesses); cancer plus other elderly and

critical illnesses; or the top three illnesses, plus other elderly and critical illnesses. It also provides guaranteed coverage until the age of 100 for more than 112 critical illnesses, and may be further upgraded through protection riders.

The Manulife Asia Care Survey was conducted via online self-completed questionnaires in seven markets: mainland China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, and Vietnam. A total of 7,224 people, aged 25 to 60 years old, were surveyed in late December 2022 and early January 2023. In the Philippines, 1,004 people were surveyed. Each person surveyed either owns insurance or intends to buy insurance.