

News Release

For Immediate Release
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COVID-19 worries in the Philippines prompt healthier lifestyle habits among Filipinos – Manulife survey

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

MANILA – Concern about the impact of the COVID-19 pandemic among insurance customers runs deeper in the Philippines than in most of Asia,¹ prompting many Filipinos 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, conducted in late May, targeted 300 insurance owners in the Philippines. Most respondents expressed concern about the pandemic's long-term impact on the local economy and their day-to-day living. The pessimism of Filipinos about the likelihood of COVID-19 slowing down in the next six months was second to that of Indonesians, among those across the eight markets surveyed. More than half (58%) of the Filipino respondents said they thought COVID-19 would get more serious during the second half of 2020, above the regional average of 41%.

Greater use of digital technology during the pandemic is also evident among those surveyed across the region, yet in the Philippines it was more pronounced. Along with the increased interest in digital was a move towards more regular management of personal finance. And an extension of this is that Filipinos have a growing appetite for insurance.

Filipinos adopt healthier lifestyles and digital services

Nearly all of the Philippines-based respondents, who are all insurance policyholders, have adopted new lifestyle habits under the COVID-19 pandemic (98%). Majority of these new habits are geared towards healthier living and increased reliance on e-commerce, online and digital services.

In the Philippines, 64% of the respondents found ways to be more physically healthy than before COVID-19, the highest percentage than all of the other markets surveyed. Yet, in terms of tracking their mental health status, only 27% had adopted this new habit since the outbreak started in the Philippines. Despite that, health consciousness is on the rise and lifestyle habits are undoubtedly becoming healthier in both body and mind. Of the respondents, 33% said they have already started to monitor their health KPIs closely. During the next 18 months this is set to grow, with 52% looking to find ways to be more physically healthy, 20% tracking their mental health and 25% watching their health indicators, such as blood pressure and blood sugar level, more closely.

"We support Filipinos in their heightened desire to make better lifestyle choices every day, whether on their health or finances," said Melissa Henson, Senior Vice President and Chief Marketing Officer, Manulife Philippines. "Through this study, we are able to identify their concerns, priorities, and goals so we can provide the necessary solutions to help address our customers' financial and health needs and help them live every day better."

This appetite for a healthier and more active lifestyle is important, given the rising cost of healthcare and the need for local health services to meet increased demand from a growing middle class and longer life expectancy.

¹ The Manulife Asia Care Survey covered eight markets in Asia: Mainland China, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore and Vietnam. A total of 2,400 insurance customers across the eight markets were surveyed, including 300 from the Philippines.



In the Philippines and 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 per capita in the Philippines was USD133, or 4.45% of GDP.²

Greater focus on personal finance and insurance

Along with their desire to get fitter, 46% of respondents in the Philippines said the pandemic had caused them to review and manage personal finance more often than before COVID-19. Much of this is likely done online. The survey showed greater willingness to switch to using online services, such as online chats and online payment (79%) and using online tools for news and socialization (both 63%) since the start of the pandemic. Switching shopping from offline to online is quite substantial (46% of the respondents have done so) since COVID-19 started.

COVID-19 has accelerated trends already in place, notably digitization 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 the Philippines, digitization and use of smartphones is enabling greater numbers of Filipinos to get access to financial services and other online tools. COVID-19 has helped to reinforce the value of digital tools and services.

The Philippines is one of the region's most under-insured countries. One measure of insurance penetration is gross written premiums as a percentage of per-capita GDP. In the Philippines, along with a few other markets in the region, penetration rate is less than 1%,³ far below the rates in markets such as Hong Kong and Singapore.

As such, it is interesting that 77% of those surveyed in the Philippines intend to buy new additional insurance in the next 18 months, which is the most robust level among all the markets surveyed and well above the regional average of 62%. Life (33%), health (29%) and hospitalization (31%), accident (28%) and critical illness (27%) are the main new insurance products being considered by insurance owners in the Philippines.

"In the Philippines, we see people increasingly recognize the risks around critical illness. As well, there's a consciousness about the likelihood of unforeseen accidents. Besides being health issues, these are extremely stressful for the patient and his or her family, not least because the rising cost of healthcare and hospitalization can be a tremendous financial burden," Henson added. "More and more, with the use of digital tools now available, we see people seeking out the best protection option for their needs."

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 the Philippines can tap into insurer products that help to make an active lifestyle more rewarding in terms of being fun and engaging.

About Manulife Philippines

The Manufacturers Life Insurance Company opened its doors for business in the Philippines in 1907. Since then, Manulife's Philippine Branch and later The Manufacturers Life Insurance Co. (Phils.), Inc. (Manulife Philippines) has grown to become one of the leading life insurance companies in the country. Manulife Philippines is a wholly-owned domestic subsidiary of Manulife Financial Corporation, among the world's largest life insurance companies by market capitalization. Learn more about Manulife Philippines by visiting our website www.manulife.com.ph and following us on Facebook (www.facebook.com/ManulifePH), Twitter (@ManulifePH), and Instagram (@manulifePH).

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

² World Bank: <http://datatopics.worldbank.org/health/health>

³ Reuters: <https://www.reuters.com/article/us-global-insurance-disaster-idUSKCN1MV10J>



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.

Media Contacts

Katherine Wong
Manulife Philippines
Katherine.Wong@manulife.com

Dessa Virtusio
Virtusio PR International, Inc.
(+632) 631-9479
dessa@virtusio.com