



## M PARTNER CARRIER DUE CARE SNAPSHOT



M Financial Group™

### FINANCIAL AND RATINGS SUMMARY (as of 03/23/2020)<sup>21</sup>

#### NATIONWIDE LIFE INSURANCE COMPANY

#### NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

##### FINANCIALS

	Nationwide	NWL&A
Total Admitted Assets excl. Separate Accounts <sup>22, 23</sup>	\$49.5 billion	\$32.2 billion
Total Liabilities excl. Separate Accounts	\$40.7 billion	\$30.0 billion
Total Surplus & Asset Valuation Reserve <sup>24</sup>	\$9.3 billion	\$2.4 billion
Surplus & AVR / Total Admitted Assets	18.8%	7.5%
NAIC Risk-Based Capital (RBC) Ratio <sup>25</sup>	692%	440%
Invested Assets	\$48.0 billion	\$31.7 billion
Bonds	73%	70%
Preferred & Common Stock	5%	0%
Mortgages	16%	18%
Real Estate	0%	0%
Policy Loans	2%	0%
Cash and Short-Term Investments	1%	6%
Other	2%	6%
Quality of Bond Portfolio		
Investment Grade (NAIC Class 1 & 2)	95.4%	95.0%
Non-Investment Grade (NAIC Classes 3-6)	4.6%	5.0%

##### FINANCIAL STRENGTH RATINGS

A.M. Best	A+	Superior
Moody's	A1	Good
Standard & Poor's	A+	Strong
Fitch Ratings	nr	

Source: A.M. Best Statement File, data as of 12/31/2019

### RATINGS COMMENTARY

#### A.M. BEST (12/17/2019)

Affirmed A+ financial strength rating, which reflects Nationwide's extremely strong balance sheet, strong operating performance, favorable business profile, and appropriate enterprise risk management. Described the company's risk-adjusted capitalization as "strongest" and said its investment portfolio is well-diversified and high quality. Commented that Nationwide's operating performance has benefitted from favorable business diversification and strong market positions, which provides consistently strong returns.

#### MOODY'S INVESTORS SERVICE (09/18/2019)

Affirmed A1 financial strength rating based on Nationwide's established market position in U.S. life insurance, retirement, and annuity markets, diversified distribution channels, and strong brand name. Cited the company's solid capitalization as a key to its rating as well as the diversity of its operating earnings. Noted these strengths are offset by the challenges associated with hedging guarantees in the company's growing book of variable annuity liabilities, which exposes capital and earnings to equity market and interest rate risks.

## STANDARD & POOR'S (09/16/2019)

Affirmed Nationwide's A+ financial strength rating based on its strong market presence and leading position in the life insurance market, large diversified revenue base, and strong financial position. Stated its view that the company will sustain its capital adequacy at a very strong level. Noted the benefits of being part of a large, diversified mutual company and observed the life and annuity business exhibited strong performance.

<sup>21</sup> DISCLOSURE: To bring you timely information, M's research team has sifted through currently available data and information from companies, credit rating agencies, news media, and market analysts. The information included in this document may change as the COVID-19 situation progresses and alters marketplace dynamics.

<sup>22</sup> Total Admitted Assets – Company assets allowable in financial statement under state law. Generally these assets are relatively liquid and accessible for paying claims.

<sup>23</sup> Separate Accounts – Funds held outside of the company's general account to support liabilities derived from investments where policy owners accept all the risk, such as variable universal life policies.

<sup>24</sup> Asset Valuation Reserve (AVR) – Listed as a liability on the balance sheet, AVRs are funds required to be placed aside in order to insure against credit related investment losses.

<sup>25</sup> NAIC Risk-Based Capital (RBC) Ratio – Total Adjusted Capital / Company Action Level