

Northwestern Mutual Reminds Consumers to Insist on Financial Strength When Adding Life Insurance to Their Financial Plan

MILWAUKEE ([BUSINESS WIRE](#)), April 13, 2011 - [Northwestern Mutual](#), the “World’s Most Admired” life insurance company in 2011 according to FORTUNE® magazine, reminds consumers of the critical importance of an insurer’s financial strength when adding permanent life insurance to their financial security plan.

“This recent period of economic instability has deepened consumers’ resolve to reclaim their own financial security. When people choose a financially strong company and include a reliable, predictable and flexible product like permanent life insurance in their plans, they can achieve the peace of mind that they deserve,” said Greg Oberland, executive vice president, Northwestern Mutual.

When considering life insurance, it is critical to choose a company that has the financial strength and flexibility necessary to meet its obligations to policyowners for decades to come, regardless of economic cycles and market stress. At Northwestern Mutual, client relationships often last 40 years or more; without a doubt, it’s a long-term commitment. It is important to look beyond an inexpensive quote or product gimmicks, do your research and be confident that the company you choose to work with can be trusted to pay policy benefits when they are due, no matter how far into the future.

“Northwestern Mutual has been there for our policyowners through the Civil War, the Crash of 1929, the Great Depression, two world wars and numerous recessions. Simply put: we know how to manage financial risk, and our unique business model provides financial security even when the economic winds are howling,” said Oberland.

Oberland offered the following five point checklist for individuals who are considering permanent life insurance as part of their financial security plan:

- 1. Check ratings:** Review the company’s insurance financial strength ratings by the four major agencies: Moody’s Investors Service, A.M. Best, Fitch and Standard & Poor’s. These agencies provide an independent, in-depth quantitative and qualitative analysis of a company’s financial strength, operating performance and prospects for continued success. These ratings are not an assessment of the company’s products but provide consumers with an assessment of a company’s current financial condition, as well as its ability to manage risk and withstand adversity well into the future. Companies are monitored continuously by the rating agencies and their ratings are subject to change, so it is important to look at the most current information. Northwestern Mutual maintains [the best possible insurance financial ratings](#) by all four agencies with a stable outlook, one of very few companies to earn this degree of confidence.
- 2. Emphasize long-term product value:** For products like participating permanent life insurance, consistent execution of the fundamentals is important to long-term product value. When the business is managed prudently (careful underwriting of new insurance risks, diligent expense management and a well-diversified investment portfolio) over long periods of time, policyowners can share in the company’s success in the form of participating dividends. Policyowners can use these dividends to increase policy values, offset future premiums or receive them in cash. Recently, [Northwestern Mutual announced its 2010 financial results](#), and the company currently pays more in ordinary life insurance dividends than the next three highest-paying mutual insurance companies combined.
- 3. Benefit from hindsight:** Learn about the history of the company you are considering. How much have they paid out in policy benefits and dividends over time? Have their ratings been consistently high and their rating outlooks stable? How have they weathered past economic storms? [What do their existing policyowners say about them?](#) The answers can tell you a lot about the experience you are likely to have with the company.
- 4. Understand business strategies and financial fundamentals:** Read the company’s [annual report](#) or [financial results](#) to learn more about its strategic priorities and operating results. These resources will tell you about the firm’s management philosophy, capital strength, investment strategy and diversification, operating fundamentals and other tangible factors that speak to the financial stability of the organization.
- 5. Work with a trusted advisor:** Sound long-term planning is best achieved with a well-trained and knowledgeable professional who will take the time to get to know [you and your unique circumstances](#) to recommend the right solutions for you.

“Economic storms and market stress will come and go, and you need a company and personalized product solutions that can weather market downturns and fluctuations,” said Oberland. “Northwestern Mutual’s permanent life insurance gives you financial control, guaranteed growth and flexibility. It is a lifelong foundation for managing risk and meeting your personal financial goals, backed by a company that has earned its clients’ trust for more than 150 years.”

About Northwestern Mutual

The Northwestern Mutual Life Insurance Company – Milwaukee, WI ([Northwestern Mutual](#)) is the “World’s Most Admired Company” in the life insurance industry. The company has helped clients achieve financial security for more than 154 years. As a mutual company with \$1.2 trillion of life insurance protection in force, Northwestern Mutual has no shareholders. The company focuses solely and directly on its clients and seeks to deliver consistent and dependable value to them over time.

Northwestern Mutual and its subsidiaries offer a holistic approach to financial security solutions including: [life insurance](#), [long-term care insurance](#), [disability insurance](#), [annuities](#), [investment products](#), and [advisory products and services](#). Subsidiaries include Northwestern Mutual Investment Services, LLC, broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company, limited purpose federal savings bank; and Northwestern Long Term Care Insurance Company; and [Russell Investments](#).

¹ Annualized new sales figures reported here count premiums for life insurance policies paid for with a single premium at 10 percent. This is a common industry convention to put sales of single premium policies on a comparable basis to annual premium policies. As reported for statutory accounting purposes, new life insurance premium in 2010 was \$1.7 billion.

² Northwestern Mutual has earned the best possible ratings for insurance financial strength – each with a stable rating outlook – from all four major rating agencies: A.M. Best (A++), Feb. 2011; Fitch Ratings (AAA), Jan. 2011; Moody’s Investors Service (Aaa), Mar. 2010; and Standard & Poor’s (AAA), Mar. 2010.

³ Dividends may be declared and credited, at the Board of Trustees’ discretion, when current experience in investment earnings, mortality, morbidity and expenses is more favorable than the original assumptions used to establish policy premiums. Northwestern Mutual has paid a dividend every year since 1872. Future dividends are not guaranteed.

<https://news.northwesternmutual.com/news-releases?item=122486>