

Fitch affirms Northwestern Mutual's AAA rating, ability to withstand low interest rates

MILWAUKEE, Aug. 8, 2013 /PRNewswire/ -- Fitch Ratings has affirmed the AAA insurance financial strength rating for Northwestern Mutual and Northwestern Long Term Care Insurance Company. AAA is the highest possible rating from Fitch.

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"Fitch's ratings reflect Northwestern's leading competitive position in the U.S. individual life insurance market, extremely strong balance sheet fundamentals and stable earnings profile," the rating agency said in its Aug. 1 press release.

Northwestern Mutual continues to have the highest financial strength ratings awarded to any life insurer by all four of the major credit rating agencies: A.M. Best Company A++ (highest), April 2013; Fitch Ratings AAA (highest), August 2013; Moody's Investors Service Aaa (highest), July 2013; and Standard & Poor's AA+ (second highest), June 2013. Ratings are subject to change.

Competitive advantages

Fitch called the company's distribution system, block of traditional life insurance and expense management "key competitive advantages."

"Northwestern's business concentration in the sale of traditional cash value life insurance through a strong career distribution system gives the company very favorable credit characteristics (e.g., long-duration liabilities, limited guarantees, predictable earnings performance) that enhance NM's risk profile and earnings," said Fitch.

The rating agency also highlighted Northwestern Mutual's strong capital position.

"Northwestern's extremely strong balance sheet fundamentals reflect the company's extremely strong risk-based capital position, modest financial leverage, excellent liquidity and relatively low-risk liability profile," said Fitch.

Resilient business model

While the low interest rate environment is challenging for insurers, Fitch noted Northwestern Mutual's ability to endure low rates.

"Overall, Fitch believes Northwestern's stable, long-duration participating liabilities, very strong statutory capital position and flexibility in adjusting policyowner dividend rates provide cushion to withstand the current interest rate environment and unexpected losses in its investment portfolio," said Fitch.

For more information, see the [Financial Strength Ratings page](#) in the About Northwestern Mutual section of northwesternmutual.com.

About Northwestern Mutual

Northwestern Mutual is among the "World's Most Admired" life insurance companies in 2013 according to FORTUNE® magazine and has helped clients achieve financial security for more than 156 years. As a mutual company with \$1.4 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 is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI, and its subsidiaries. Northwestern Mutual and its subsidiaries offer a holistic approach to financial security solutions including: life insurance, long-term care insurance, disability income 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; Northwestern Long Term Care Insurance Company; and Russell Investments.

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