



National Life Group®

June 30, 2020 – Financials at a Glance

# OUR FINANCIAL STRENGTH Continues to be Recognized

## A positive outlook despite economic uncertainty

In May 2020, **A.M. Best reaffirmed its financial strength rating of A (Excellent) for the insurance companies of National Life Group.** This was a powerful endorsement of our financial strength, operating performance, business profile, and risk management strategy. This summer, National Life Group launched new products designed to meet a variety of customer needs. We successfully introduced electronic policy delivery and continue to strengthen our ability to conduct business remotely. Now more than ever, we are laser focused on our mission to keep our promises and provide families with stability and financial peace of mind.

**TOTAL ASSETS<sup>1</sup>**  
**\$35 BILLION**



In our bond portfolio, 56% of our fixed income securities are rated NAIC 1, the highest quality category, and 39% are high quality NAIC 2.

**TOTAL LIABILITIES<sup>1</sup>**  
**\$33 BILLION**

**Q2 YTD PREMIUMS  
and DEPOSITS<sup>2</sup>**  
**\$1.6 BILLION**

Provides a foundation  
for strong cash flows.

**Q2 YTD SALES<sup>4</sup>**



Life  
**\$152 MILLION**



Flow Annuity  
**\$70 MILLION**



SPDA Annuity  
**\$331 MILLION**

**STATUTORY CAPITAL<sup>3</sup>**  
**\$2.5 BILLION**

An important measure of  
our financial strength.

### RATINGS<sup>5</sup>

A.M. Best **A/Excellent**  
(Third highest of 16)

Standard & Poor's **A+/Strong**  
(Fifth highest of 12)

Moody's **A2/Good**  
(Sixth highest of 21)

**Q2 YTD CORE EARNINGS<sup>6</sup>**  
**\$99 MILLION**

Focused on growth and  
expense discipline as we navigate  
the current challenges.

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1. Based on the consolidated financial position as of June 30, 2020 stated on the basis of U.S. Generally Accepting Accounting Principles (“GAAP”) of NLV Financial Corporation (“NLVF”) and its subsidiaries and affiliates, including National Life Insurance Company (“NLIC”) and Life Insurance Company of the Southwest (“LSW”). NLVF and its subsidiaries and affiliates operate as a unified organization under the trade name of National Life Group (“NLG”). Total assets exclude bond unrealized gains and losses. Statutory basis financial figures as of June 30, 2020: NLG consolidated admitted assets were \$36.0B and liabilities were \$33.6B. NLIC admitted assets were \$9.8B and liabilities were \$7.6B.
  2. Based on the consolidated financial results of NLVF for the six months ended June 30, 2020, premiums and deposits include premiums on a GAAP basis plus policyholders’ deposits from the GAAP basis statement of cash flows. Premiums on a statutory basis of accounting for the six months ended June 30, 2020 for NLIC were \$173 million.
  3. Statutory total adjusted capital (“TAC”) as of June 30, 2020 for NLIC. TAC is an industry measure used by state regulators to measure a life insurer’s risk-based capital adequacy, and includes statutory capital and surplus adjusted for certain reserves.
  4. Life sales include total weighted new annualized premium (“WNAP”) for NLIC and LSW. Flow annuity and single premium deferred annuity (“SPDA”) sales include total deposits for NLIC and LSW. For the six months ended June 30, 2020, NLIC life insurance WNAP were \$22M, flow annuity total deposits were \$2M, and SPDA total deposits were \$1M.
  5. Financial strength ratings for NLIC and LSW as of July 31, 2020. Ratings are subject to change.
  6. Core Earnings is a group only non-GAAP, pre-tax measure we use to evaluate our financial performance. It excludes capital gains/losses and accounting volatility related to our indexed life and annuity products. We believe Core Earnings is a useful measure to analyze our results and trends because it excludes such short-term volatility and is more consistent with the economics and long-term performance of our indexed products. For additional information, refer to our quarterly financial statements by visiting: <https://www.NationalLife.com/OurStory-Financials>.