

A.M. Best Places Ratings of National Financial Group and National Life Insurance Company Under Review

by Business-Wire

OLDWICK, N.J.--(BUSINESS WIRE)--A.M. Best Co. has placed the financial strength ratings (FSR) of A- (Excellent) and issuer credit ratings (ICR) "a-" of National Financial Group and its members, as well as its sister company, National Life Insurance Company (National Life) (San Juan, Puerto Rico), under review with negative implications. (See below for a detailed list of companies and ratings.)

These rating actions are due to National Financial Group's recent disclosure to A.M. Best regarding a significant miscalculation in the property/casualty company's total risk exposures, which are not commensurate with its risk-adjusted capital. The discovery of this miscalculation raises concerns regarding the group's organizational risk management. These ratings will remain under review pending further meetings with National Financial Group's management and until A.M. Best assesses the impact of the increase in total exposures as well as the corrective actions implemented by management to ensure the rectification of this problem.

The rating actions on National Life reflect similar concerns regarding enterprise risk management. National Life maintains close synergies with its affiliated property/casualty companies, as well as a cross ownership position in the property/casualty companies.

The FSR of A- (Excellent) and the ICRs of "a-" have been placed under review with negative implications for National Financial Group and its following members:

National Insurance Company

National Group Insurance Company

The FSR of A- (Excellent) and the ICR of "a-" have been placed under review with negative implications for National Life Insurance Company.

For Best's Ratings, an overview of the rating process and rating methodologies, please visit www.ambest.com/ratings.

Source: A.M. Best Co.

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