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A.M. Best Affirms Ratings of National Western Life Insurance Company

OLDWICK, N.J.--([BUSINESS WIRE](#))--**A.M. Best Co.** has affirmed the financial strength rating (FSR) of A- (Excellent) and issuer credit rating (ICR) of "a-" of **National Western Life Insurance Company** (NWL) (Denver, CO) (NASDAQ: NWLIA). The outlook for both ratings remains positive.

These rating actions reflect NWL's diverse business profile of accepting applications from residents both in the United States and in various international territories, its solid operating results, superior risk-adjusted capitalization and increasing statutory adjusted capital and surplus and GAAP equity trends. Offsetting these strengths are the challenges for NWL to manage its increasing exposure to interest sensitive annuity and universal life liabilities and continuing to grow its domestic and international ordinary life businesses.

In maintaining the positive outlook, A.M. Best recognizes NWL's strong competitive position internationally, which continues to provide diversification of revenue, insurance risk and profitable earnings. The outlook also reflects management's efforts to continue to grow its U.S. domestic ordinary life segment, which A.M. Best believes can provide further diversification of NWL's business and earnings profile, as well as its ongoing efforts to further enhance and refine its asset/liability and enterprise risk management processes.

NWL's net premium and deposit growth has been driven mainly by sales of its fixed-indexed annuity (FIA) products. While NWL's annuity growth has resulted in greater interest rate and equity market risks, the company's strong risk-adjusted capitalization, surrender charge protection and market value adjustment features partially mitigate these risks. In noting NWL's growth in FIAs, A.M. Best recognizes NWL's prudent product design and customer profiles, effective hedging programs and active market conduct and compliance programs. However, A.M. Best remains cautious over the potential declines in the industry's future FIA sales and its impact on earnings given the increasing due diligence demanded to comply with the prevailing heightened regulatory environment.

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

Founded in 1899, A.M. Best Company is a global full-service credit rating organization dedicated to serving the financial and health care service industries, including insurance companies, banks, hospitals and health care system providers. For more information, visit www.ambest.com.

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