



Throughout our more than 160-year history, Northwestern Mutual has been successfully managing through crises. As a leading financial services company and insurer, ensuring we're able to keep our commitments to clients — especially when unexpected challenges arise — is at the very heart of what we do. It's why we consistently earn the [highest possible financial strength ratings](#) awarded to any U.S. life insurer by the major ratings agencies.

Record surplus leaves us well prepared

Surplus, the amount we hold above our policyowner benefit reserves, is an essential component of our unsurpassed financial strength. Its primary role: cover the unexpected. And, as we recently [announced](#), our surplus is now the highest it's ever been, leaving us extremely well prepared.

"When stress-testing the company's strong surplus position, we consider extreme events," explained SVP & chief actuary **Jason Klawonn**. "We 'shock' our expected mortality results and also assume a market recession. Our stress-testing has demonstrated Northwestern Mutual is not only prepared to weather an extreme event but continues as a financially strong enterprise." Jason concluded, "Based on the latest information, while the novel coronavirus is serious, it is not nearly as severe as the most extreme outbreaks we model."

Short-term market decline has little impact on our long-term portfolio

Our seasoned investment team manages Northwestern Mutual's portfolio with a long-term approach that anticipates and stress tests the full range of market scenarios, including this one. To maintain our industry-leading financial strength during these periods, our investment portfolio is conservative — 82% lower risk and 18% higher risk — and well diversified across asset classes, sectors and individual names.

"Consequently, the asset classes that have experienced the greatest short-term decline as a result of the coronavirus news have had little impact on our long-term portfolio,"

reported executive vice president and chief investment officer **Ron Joelson**. "In fact, our exceptional liquidity — cash continually flowing into the portfolio that we're free to invest — enables us to avoid selling during these short-term declines and still take advantage of attractive buying opportunities that arise when fear-driven markets overreact."