
Jefferson National strengthened by its new owner, Nationwide

By Editorial Staff Thu, Mar 9, 2017

A.M. Best said it expects Jefferson National's management to remain in place, but the insurer 'will be transitioning to the Nationwide brand.'

A.M. Best has removed Jefferson National Life Insurance Company from “under review with positive implications” and upgraded its financial strength rating to A (Excellent) from B+ (Good) and its long-term issuer credit rating to “a” from “bbb-.”

The outlook assigned to the insurer’s credit ratings is stable, A.M. Best said in release.

Nationwide Life Insurance Company’s (Nationwide) completed its acquisition of Jefferson National early this month. A.M. Best determined that Jefferson National “will benefit from Nationwide’s substantial financial resources and brand name to support growth within the registered investment advisor (RIA) and fee-based advisor marketplaces. Similarly, the transaction will provide Nationwide access to Jefferson National’s RIAs and fee-based advisors, as well as access to the clients they serve.”

In its release, A.M. Best said it expects Jefferson National’s management to remain in place, and the companies expect no changes in Jefferson National’s approach to sales and service. A.M. Best also notes that Jefferson National will be transitioning to the Nationwide brand.

“Jefferson National’s stand-alone credit profile currently benefits from improved profitability, a lower-risk business profile focusing on investment-only variable annuities, increasing assets under management and adequate risk-adjusted capitalization. Offsetting these positive factors are Jefferson National’s current mono-line product portfolio and an inconsistent earnings history,” A.M. Best said.

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