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Given the unusual activity in financial markets over the weekend, we wanted to provide you with information you can use to reassure clients about Nationwide's financial strength and claims-paying abilities. Below are answers to questions your clients may have:

[How can I help clients continue to be confident in Nationwide?](#)

[How do I answer questions from clients who have investments in Lehman Brothers' subaccounts or mutual funds?](#)

[What is Nationwide's perspective on the current situation?](#)

Contact your Nationwide wholesaler or our sales desks for more information and support.

Independent Dealers 1-800-321-6064

Financial Institutions 1-800-893-5399

Wirehouse/Regionals 1-800-720-1511

Remember, no matter how volatile the market may be, we want you to feel confident when recommending Nationwide® to your clients. Nationwide stands ready to support you with a strong combination of products and features your clients want from a company that's well positioned to deliver on our guarantees. All guarantees are subject to the claims-paying ability of Nationwide Life Insurance Company. Here are three facts to share that can help boost your clients' confidence:

1. Standard & Poors recently rated our enterprise risk management as "strong," a rating only 8% of insurers share with us.

2. Nationwide's capital position is strong and compares favorably with our peer group; here are our ratings:

- Moody's: Aa3 11-9-00
- S&P: AA- 7-25-03
- AM: Best A+ 10-17-02

3. At Nationwide Financial, our subprime mortgage exposure is approximately \$766 million, which accounts for just over 2% of our \$35.8 billion portfolio. For more details on our financial strength, please refer to the client-approved [brochure](#) and [insert](#).

[Nationwide Sales & Service Center](#)

[Nationwide.com](#)

Three things to remember about Nationwide:

1. Nationwide credit ratings are strong (all ratings affirmed in June 2008):

Moody's	Aa3
A.M. Best	A+
Standard & Poor's	AA-

2. Standard & Poors recently rated our enterprise risk management as "strong," a rating only 8% of insurers share with us.

3. Nationwide's subprime mortgage exposure is just 2% of our overall investment portfolio.

Use these client-approved pieces to help clients understand our financial strengths; [brochure](#) and [insert](#).

For clients with investments in Lehman Brothers or Neuberger Berman (a Lehman Brothers company) subaccounts, here's some important information:

Lehman Brothers has filed for bankruptcy. However, clients with investments in subaccounts managed by Lehman or Neuberger Berman are not affected. Please keep these details in mind:

- Lehman Brothers and Neuberger Berman **do not own** the assets of any mutual funds or subaccounts they manage. Like all subaccounts, these funds are segregated and held in custody for the benefit of the investors
- Neuberger Berman and Lehman Brothers Asset Management (LBAM) are **not** subject to the bankruptcy proceedings and continue to do business as usual
- An investment in a subaccount or mutual fund managed by Lehman Brothers or Neuberger Berman is **not the same** as investing in Lehman Brothers' stock or bonds

Nationwide's perspective on the current situation

It is true that there are substantial near-term risks to the financial system. The Fannie/Freddie bailout and Lehman bankruptcy illustrate just how fragile bad debts and a lack of credit availability have made the financial system. The markets are going to remain on edge for the foreseeable future.

That said, the policy response to the crisis has been massive. The Fannie/Freddie rescue has already driven mortgage rates substantially lower and aggressive Fed action has normalized the yield curve; don't be shocked if the Fed lowers rates again tomorrow.

There are also some hopeful signs in the macro data. Even before the Fannie/Freddie announcement, there were already faint signs of stabilization in the housing market. Existing home sales have actually risen a bit this year and the pace of home price declines has slowed; in addition, inflationary pressures are dwindling quickly - commodity prices have plunged and the dollar has rebounded. There are still big macro risks, especially with the labor market still deteriorating, but some of the bigger problems of the past year are starting to diminish.

To us, this all points to a slow and shaky but sustainable recovery taking hold within the next few quarters; long and deep recessions tend to occur only when the Fed is either unable or unwilling to pursue an accommodative monetary policy. In many ways, this recovery looks as though it will mirror that of the early 1990s, when a real estate bust and credit crisis continued to pressure employment and consumer spending growth long after the recession came to an end.

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These ratings and rankings are intended to reflect the financial strength and claims-paying ability of Nationwide Life Insurance Company and are not intended to reflect the investment experience or financial strength of any variable account, which is subject to market risk. Because the dates are only updated when there's a change in the rating, the dates above reflect the most recent ratings we've received as of June 2008.

Nationwide Investment Services Corporation, member FINRA. In MI Only: Nationwide Investment Svcs. Corporation.

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