

Research Update:

# Prosperity Group Operating Subsidiaries 'A-' Ratings Affirmed And Removed From CreditWatch Negative; Outlook Stable

September 24, 2025

## Overview

- On Sept. 5, JAB Holding Co. S.a.r.l. (JAB) acquired Prosperity Group (Prosperity), including nonoperating holding company (NOHC), Prosperity Life Insurance Group, LLC, and its rated operating subsidiaries, S.USA Life Insurance Co. Inc. and National Western Life Insurance Co. (NWLIC). Prosperity Group Holdings, LP was not part of the group of companies acquired by JAB, and Prosperity Group is now held by a new NOHC, JAB Holdings UK Ltd.
- We view Prosperity as of moderately strategic importance to JAB but rate the operating subsidiaries two notches higher than JAB, reflecting their stand-alone credit strength and insulation from the JAB group.
- We withdrew the 'BBB-' long-term issuer credit rating on PGH, assigned a 'BBB-' long-term issuer credit rating to JAB Holdings UK, and affirmed the 'A-' long-term issuer credit and financial strength ratings on S.USA and NWLIC and removed the ratings from CreditWatch negative.
- The outlook on the ratings is stable, indicating that we expect the group's capital will remain redundant under the most severe stress, per our risk-based capital model.

## Rating Action

On Sept. 24, 2025, S&P Global Ratings assigned its 'BBB-' long-term issuer credit rating to the new nonoperating holding company of Prosperity Group, JAB Holdings UK Ltd. The outlook on the rating is stable. At the same time, we withdrew the 'BBB-' long-term issuer credit rating on [Prosperity Group Holdings L.P.](#) We also affirmed our 'A-' long-term issuer credit and financial strength ratings on the group's operating subsidiaries, [S.USA Life Insurance Co. Inc.](#) and [National Western Life Insurance Co.](#) (NWLIC), and removed the ratings from CreditWatch, where we placed them with negative implications on Feb. 5, 2025. The outlook on the ratings is stable.

### Primary Contact

**Katilyn Pulcher, ASA, CERA**  
New York  
1-312-233-7055  
katilyn.pulcher  
@spglobal.com

### Secondary Contact

**Anika Getubig, CFA**  
New York  
1-212-438-3233  
anika.getubig  
@spglobal.com

## Rationale

**Prosperity is a moderately strategic insurance sub-group under JAB Holding Co. S.a.r.l. (JAB)'s ownership, so the ratings are tied to our rating on JAB.** Prosperity now includes ultimate nonoperating holding company (NOHC) JAB Holdings UK, several unrated intermediate NOHCs and operating subsidiaries, and the rated operating subsidiaries S.USA and NWLIC. However, Prosperity is operationally and financially independent from the broader JAB group and answers to different regulators than the rest of the group. As such, we view Prosperity as insulated from JAB, meaning the Prosperity operating subsidiaries may be rated up to two notches higher than JAB, if their stand-alone credit strength supports it.

S.USA and its core operating subsidiary, NWLIC, (collectively, S.USA) are a strategically important sub-group of Prosperity, so the ratings are also capped by the 'a-' sub-group credit profile of Prosperity. The 'A-' ratings on S.USA reflect its stand-alone credit strength ('a-') and insulation from JAB ('BBB').

As an NOHC, JAB Holdings UK is reliant on payments from its operating subsidiaries to meet its financial obligations, so the long-term issuer credit rating is three notches lower than the ratings on its operating subsidiaries. This reflects our standard notching for structurally subordinated NOHCs of U.S.-domiciled operating companies.

**Improving Prosperity's fair competitive position is of the utmost importance to JAB, and executing plans to do so could prove challenging and expensive.** The products Prosperity offers are commoditized, and the markets are fiercely competitive, but we think the planned improvements to distribution compensation could increase sales and improve its competitive position. However, the changes could cause financial strain in the next year or two or even worsen competitive position in the interim due to increased customer surrenders or sales force distraction from changes in leadership.

Recent performance at Prosperity has been bolstered by the sale of Ozark National Life in May 2025. We expect annual net income on a generally accepted accounting principles (GAAP) basis of \$175 million-\$285 million in 2026 and 2027. We also expect S.USA will report a statutory net income of about \$100 million in 2025, maintain profitability in 2026, and report earnings of about \$250 million in 2027.

**We expect Prosperity will maintain its excellent financial risk profile under JAB's ownership and strategic direction.** Its capital, which was already redundant at the 99.99% confidence level, per our risk-based capital model, has recently improved due to additional debt issuance by JAB on Prosperity's behalf. Including this additional debt, we view Prosperity's financial leverage (about 26%, excluding accumulated other comprehensive income) as neutral to the current ratings. We expect fixed-charge coverage will be slightly above 4x by year-end 2027. S.USA's financial leverage (approx. 23% as of year-end 2024) consists of borrowings from the FHLB and operating leases, and we expect fixed-charge coverage will be well above 4x by year-end 2027.

Prosperity's enterprise risk management (ERM) department prepares detailed quarterly risk dashboards that include an extensive set of limits, tolerances, and appetite statements, which cover both financial and nonfinancial risks. Risk tolerances are set with a variety of stakeholders in mind.

**Prosperity will be governed by an experienced and sufficiently independent (four out of seven members) board under JAB's ownership.** The board is new, so its risk committee and strategic reporting are still being designed. However, we have a favorable view of Prosperity's existing ERM and expect it will continue under new leadership.

**Exceptional liquidity supports the current ratings.** Per our calculations, Prosperity and S.USA both had liquidity ratios over 230% as of year-end 2024.

## Outlook

The stable outlook reflects our expectations that in the next 12-24 months, Prosperity will maintain excellent capital and earnings and generate positive earnings.

### Downside scenario

We could lower the ratings in the next 12-24 months if:

- Prosperity's capital deteriorates to a level we expect will remain below the 99.99% confidence level, which could occur if earnings decline significantly, purchase price accounting leads to deficient capitalization, or asset risk increases substantially;
- We begin to view Prosperity's approach to growth or its investment strategy as more aggressive and outside its tolerance levels;
- We believe Prosperity has become less or not at all insulated from the rest of JAB group; or
- We lower our rating on JAB.

We could also lower the ratings on NWLIC or S.USA if either entity's capital deteriorates to a level we expect will remain below the 99.95% confidence level, whether due to a decline in our confidence that Prosperity and JAB are committed to financially supporting the entity or because of their own business challenges.

### Upside scenario

We could raise our ratings on Prosperity within the next 12-24 months if it substantially improves its competitiveness and profitability, compared with similarly rated peers', but only if we also raise the ratings on JAB. Our ratings on Prosperity are currently capped at two notches higher than our ratings on JAB.

## Rating Component Scores

<b>Business Risk Profile</b>		<b>Fair</b>
Competitive position		Fair
IICRA		Low risk
<b>Financial Risk Profile</b>		<b>Excellent</b>
Capital and earnings		Excellent
Risk exposure		Moderately low
Funding structure		Neutral
<b>Anchor</b>		<b>a-</b>
<b>Modifiers</b>		
Governance		Neutral
Liquidity		Exceptional
Comparable rating analysis		0
<b>Current Credit Rating</b>		
Local currency financial strength rating		A-/Stable/--
Foreign currency financial strength rating		A-/Stable/--
Local currency issuer credit rating		BBB-/Stable/--
Foreign currency issuer credit rating		BBB-/Stable/--

## Related Criteria

- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Ratings List

## Ratings List

<b>JAB Holdings UK Ltd</b>		
<b>New Rating</b>		
<b><a href="#">JAB Holdings UK Ltd</a></b>		
Issuer Credit Rating		
Local Currency	BBB-/Stable/--	
<b>Prosperity Group Holdings, LP</b>		
<b>Ratings Affirmed; Outlook Action</b>		
	<b>To</b>	<b>From</b>
<b><a href="#">National Western Life Insurance Co.</a></b>		
<b><a href="#">S USA Life Insurance Co.</a></b>		
Issuer Credit Rating		

Ratings List

Local Currency	A-/Stable/--	A-/Watch Neg/--
Financial Strength Rating		
Local Currency	A-/Stable/--	A-/Watch Neg/--

Ratings Withdrawn

	To	From
Prosperity Group Holdings, LP		
Issuer Credit Rating	NR/--	BBB-/Watch Neg/--

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