

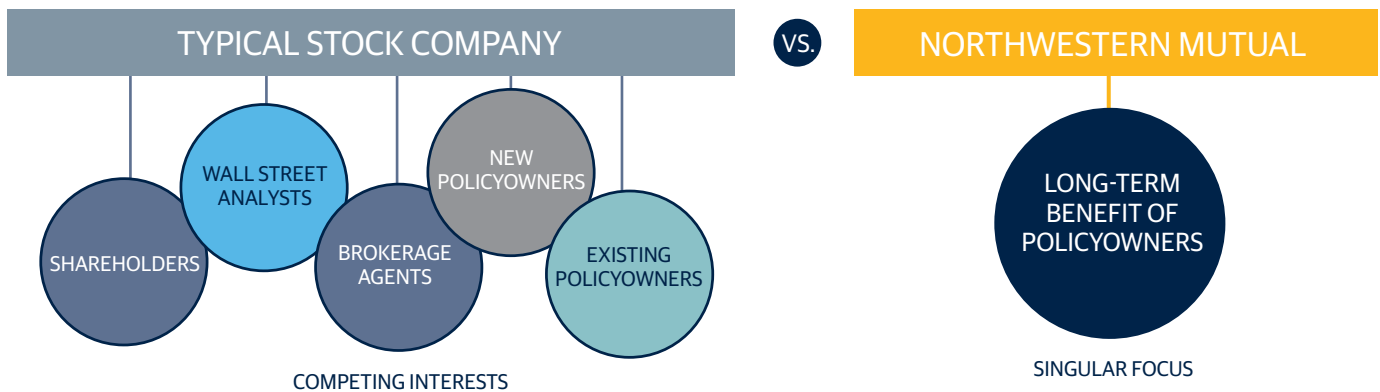
# COMMITMENT TO MUTUALITY

## THE POLICYOWNERS' COMPANY

As a mutual company, Northwestern Mutual is focused on providing long-term value and financial security for our owners—our policyowners. And, we do it by treating all policyowners fairly.

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This stands in sharp contrast to the typical stock company, which is faced with meeting a variety of competing interests: shareholders who demand a return from their investment in the company; Wall Street analysts who expect the company to meet quarterly earnings estimates; independent brokers looking to sell products that will entice new policyowners; new policyowners who are seeking what may seem like the best "deal" and existing policyowners who expect the company to live up to its promises.



## MUTUAL VALUES

Northwestern Mutual helps policyowners achieve long-term value and treats them fairly regardless of when a policy was purchased; it is the primary basis upon which company decisions are made. Our integrity is grounded in our core value of treating all policyowners fairly, and in our refusal to lure new policyowners in at the expense of our existing ones.

## PUTTING POLICYOWNERS FIRST

The company's executive board crafted the following statement in 1888 that continues to define how we run our business today:

"The ambition of Northwestern Mutual has been less to be large than to be safe; its aim is to rank first in benefits to policyowners rather than first in size. Valuing quality above quantity, it has preferred to secure its business under certain salutary restrictions and limitations rather than to write much larger business at the possible sacrifice of those valuable points which have made Northwestern Mutual pre-eminently the policyowners' company."

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## HALLMARKS OF MUTUALITY – THE NORTHWESTERN MUTUAL WAY

### EQUITABLE DISTRIBUTION OF DIVIDENDS<sup>1</sup>

Dividends are paid in proportion to a policy's contribution to the company's divisible surplus. Historical surveys of policy performance demonstrate that Northwestern Mutual delivers consistently superior value over our mutual competitors.<sup>2</sup>

### SELF-SUPPORTING POLICIES

Pricing for new and inforce policies is consistent, and earnings from existing policies aren't used to subsidize new sales for competitive purposes.

### EXISTING POLICYOWNERS

New features and pricing are typically extended to existing policyowners whenever possible.

### POLICYOWNER EXAMINING COMMITTEE

Since 1907, Northwestern Mutual has invited a small group of policyowners, selected for appropriate skill sets and expertise, to evaluate firsthand our operations and business practices—independently and without restrictions.

### CONSISTENT UNDERWRITING

Insureds are placed in an underwriting classification that fairly reflects anticipated claims experience. Special exceptions are not made at the expense of existing policyowners.

<sup>1</sup> Dividends not guaranteed.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI (NM) (life and disability insurance, annuities) and its subsidiaries.

<sup>2</sup> Source: Blease Research Full Disclosure, 2003-2013