

Northwestern Mutual tops industry in life, DI dividends paid

MILWAUKEE, Oct. 30, 2013 /PRNewswire/ -- Northwestern Mutual expects to distribute \$5.2 billion to its millions of participating policyowners in 2014 as it pays industry-leading total dividends for life and disability income (DI) insurance.

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The expected 2014 payout is a record for the perennial industry leader, exceeding its estimated 2013 payout by nearly \$200 million.

"Lots of companies make promises when they sell an insurance policy. We deliver, year after year and decade after decade," said **John Schlifske**, Northwestern Mutual chairman, president and chief executive officer.

"I'm most proud of how much we return to the people who own our policies compared to other mutual companies," said Schlifske. "Our three closest mutual competitors have almost triple our annual revenue, but last year we paid 40 percent more in dividends than all three of them combined."

"There is nothing theoretical about our dividend payout," he continued. "Our policyowners could take it as cash, but nearly 80 percent of our payout is used by policyowners to buy even more coverage. They know value when they see it."

While nearly 90 percent of the \$5.2 billion dividend will be paid on traditional whole life insurance policies, the company is one of a few to also pay dividends on term insurance and disability income. Its \$300 million payout to DI policyowners is expected to be more than 10 times the nearest competitor's payout.

The company's annuity product line, including its new suite of portfolio income annuities, is expected to pay \$37 million in dividends.

In 2014, the company's dividend payout will include a dividend scale interest rate on unborrowed funds for most traditional permanent life insurance products of 5.60 percent.

Company strong and growing

Through the continued challenging economy, Northwestern Mutual has remained strong and growing. No company has higher financial strength ratings.¹ The company has:

The nation's largest market share for individually owned life insurance policies.²

Consistently paid the highest total life insurance dividends in the industry.³

Provided the best rate of return on whole life cash values over the past 20 years.⁴

Capital and surplus of \$20 billion to protect policyowners and provide the company with strength and flexibility to manage in an uncertain economy.⁵

About Northwestern Mutual

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI, and its subsidiaries. Northwestern Mutual is among the "World's Most Admired" life insurance companies in 2013 according to FORTUNE® magazine and has helped clients achieve financial security for more than 156 years. As a mutual company with \$1.4 trillion of life insurance protection in force, Northwestern Mutual has no shareholders. The company focuses solely and directly on its clients and seeks to deliver consistent and dependable value to them over time.

Northwestern Mutual and its subsidiaries offer a holistic approach to financial security solutions including: life insurance, long-term care insurance, disability income insurance, annuities, investment products, and advisory products and services. Subsidiaries include Northwestern Mutual Investment Services, LLC, broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company, limited purpose federal savings bank; Northwestern Long Term Care Insurance Company; and Russell Investments.

¹ Northwestern Mutual has the highest financial strength ratings awarded to any life insurer by all four of the major credit rating agencies: A.M. Best Company A++ (highest), 4/2013; Fitch Ratings AAA (highest), 8/2013;

Moody's Investors Service Aaa (highest), 7/2013; Standard & Poor's AA+ (second highest), 6/2013.

² *Northwestern Mutual U.S. market share rankings based on most current sales data provided by Life Insurance Market Research Association (LIMRA). For the 12 months ended Sept. 30, 2012: first in individual life insurance; second in individual disability income insurance; second in individual long-term care insurance.*

³ *Dividends may be declared and credited, at the Board of Trustees' discretion, when current experience in investment earnings, mortality, morbidity and expenses is more favorable than the original assumptions used to establish policy premiums. Northwestern Mutual has paid a dividend every year since 1872. Future dividends are not guaranteed.*

⁴ *Blease Research Full Disclosure 2013 Whole Life Edition (www.full-disclosure.com). Policy results are based on \$250,000 whole life policies issued in 1993 to 45 year old males (best underwriting class unless noted otherwise). Premiums vary by company. Cash value internal rates of return (IRRs) are based on actual dividends used to purchase additions. The IRR is the level annual return needed on premium to produce the respective value or benefit. A higher IRR is more favorable.*

⁵ *Statutory financial results of The Northwestern Mutual Life Insurance Company through June 30, 2013.*

SOURCE Northwestern Mutual

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