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**A Life Insurance Illustration**

*Prepared For*  
**Jane Smith**

*Presented By*  
**Ronald Frey Jr., Agent**  
4431 N. Front St.  
Ste. 102  
Harrisburg, PA, 17110  
(717) 724-8982

*November 16, 2012*

Supplemental Life Insurance Illustration  
Term to age 80 with Increasing Premiums

Policy Form Number TT.TERM.IP80.(0105)

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Northwestern Mutual Life - 720 E. Wisconsin Avenue - Milwaukee, Wisconsin 53202  
Illustration No. PA2740-6DPDS-101952  
ILLUS.T80.(0105)

Page 1 of 3

\$185,000 Term 80++  
 For Jane Smith Age 29 Female

Initial Contract Premium \$131.75 # Initial monthly ISA payment \$11.37 #

*This illustration assumes payment of all premiums when due.*

Age (Beg Yr)	<i>Non-Guaranteed Dividends used to reduce premiums</i>								
	1	2	3	4	5	6	7	8	9
	Total Insur- ance	Dividend*	— Contract Premium — Guaranteed Maximum (Beg Yr)	Non-Guar. Scheduled (Beg Yr)++	Annual Premium Outlay (Beg Yr)*	Total Premium Outlay++	Cash Surr. Values		Waiver Premium (Beg Yr)#
							Total*	Guaranteed	
29	185,000	5	132	132	132	132	0	0	13
30	185,000	7	135	135	129*	261	0	0	15
31	185,000	9	136	136	129*	390	0	0	17
32	185,000	9	136	136	127*	517	0	0	17
33	185,000	9	138	138	129*	646	0	0	19
34	185,000	11	358	143	134*	780	0	0	22
35	185,000	11	389	145	134*	914	0	0	24
36	185,000	12	428	151	140*	1,054	0	0	26
37	185,000	12	478	163	150*	1,204	0	0	28
38	185,000	14	532	175	162*	1,365	0	0	31
39	185,000	14	595	189	174*	1,539	0	0	35
40	185,000	16	639	207	192*	1,731	0	0	41
41	185,000	18	689	221	204*	1,935	0	0	44
42	185,000	18	741	238	219*	2,155	0	0	48
43	185,000	20	793	257	238*	2,393	0	0	54
44	185,000	20	844	274	254*	2,647	0	0	59
45	185,000	22	900	292	272*	2,919	0	0	65
46	185,000	24	957	311	289*	3,208	0	0	70
47	185,000	25	1,020	331	307*	3,515	0	0	78
48	185,000	24	1,094	358	332*	3,847	0	0	89
@70	185,000	0	4,728	1,581	1,581	21,522	0	0	
@80	185,000	0	14,118	3,544	3,544	47,373	0	0	
@81	0	0			0	47,373	0	0	

Summary Ages are End of Year Values

# Disability Waiver Premium included in columns 3 and 4.

Points to Consider

1. Term is in force to age 80 as long as premiums are paid.
2. Convertible to age 60 without evidence of insurability.
3. Disability Waiver, if included - If premiums are being waived during Term conversion period, Policyowner may convert to 90 Life or lower premium permanent plan. Premiums are waived on that policy while insured remains disabled. If disability begins after age 60, premiums not waived past age 65.

++The scheduled premiums are based on the company's expectations with regard to such factors as interest rates, expenses, mortality and persistency. These premiums are guaranteed for five years. After five years (with regulatory approval) they may be changed if the company's expectations change. The new premium is not guaranteed beyond one year and may be changed on each subsequent policy anniversary (with regulatory approval) but cannot exceed maximum levels. A change in premium will not result in a change in benefits or cash values. (Policy Form No. TT.TERM.IP80.(0105))

**\*Non-guaranteed illustrated values and benefits include dividends.** Illustrated dividends reflect current (2013 scale) claim, expense and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This illustration does not recognize that, because of interest, a dollar in the future has less value than a dollar today. Premiums and values are different if indexed protection is included.

TT (2010) 0.28 Premier NT UB2

11/16/12

Submitted by Ronald Frey Jr.

Illustration No. PA2740-6DPDS-101952 9480 The Northwestern Mutual Life - Milwaukee

**See current Basic Illustration for guaranteed elements and other information.**

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\$185,000 Term 80  
For Jane Smith Age 29 Female

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*Interest-adjusted Indices (calculated at 5%)*

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	Basic Policy	
	10 Years	20 Years
Surrender Cost Index*	0.67	0.83
Net Payment Cost Index*	0.67	0.83
Equivalent Dividend Index*	0.00	0.00

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Adjusting for interest takes into account what is called the "time value" of money. "Time value" is the most fundamental aspect of the use of money. Stated simply, it means that because of interest, \$1 in the future has less value than \$1 today.

The Surrender Cost Index and Net Payment Cost Index are measures of the relative cost of similar plans of insurance. For these indices, a low index number represents a lower cost than a higher index number.

Surrender Cost Index: The average annual cost of insurance upon surrender, adjusted for the time value of money.

Net Payment Cost Index: The average annual net payment (premium minus the equivalent annual dividend), adjusted for the time value of money.

Equivalent Dividend Index: A component used in determining a policy's interest-adjusted cost or payment index. It is the average annual dividend, adjusted for the time value of money. It should not be used for comparison purposes.

\*The above indices are based on non-guaranteed dividends. Actual dividends may be larger or smaller than those illustrated. Dividends, which are subject to change by Northwestern Mutual, are based on the Company's current (2013) claim, expense, and investment experience. This illustration assumes no policy loans; loans will reduce dividends and likewise the non-guaranteed benefits and values.

**See current Basic Illustration for guaranteed elements and other information.**

## Modal Premium Calculator

\$185,000 Term 80  
For age 29, Female

Included in the Illustration:

	Annual	Semi-annual	Quarterly	Monthly
Initial Contract Premiums				
Insurance	\$ 118.80	\$ 60.54	\$ 30.57	\$ 10.25
Disability Waiver	12.95	6.60	3.33	1.12
<b>Total</b>	<b>\$ 131.75</b>	<b>\$ 67.14</b>	<b>\$ 33.90</b>	<b>\$ 11.37</b>
Amount in Excess of Annual Premium*	\$ 0.00	\$ 2.53	\$ 3.85	\$ 4.69

Additional benefits not illustrated:

	Annual	Semi-annual	Quarterly	Monthly
IPB	5.55	2.83	1.43	0.48
IPB Waiver	11.10	5.66	2.86	0.96

Note: To determine the actual modal premium for a combination of benefits that is different than what is included in the illustration, either rerun the illustration with the new combination of benefits or calculate the modal premium as follows:

$$(\text{Sum of Annual Premium Components}) \times (\text{Modal Factor}) + \text{Policy Factor}$$

*rounded to nearest cent*

<u>Mode</u>	<u>Modal Factor</u>	<u>Non-ISA Policy Factor</u>	<u>ISA Policy Factor</u>
Annual	1.0000	0.00	0.00
Semi-annual	0.5096	1.35	0.00
Quarterly	0.2573	2.00	0.00
Monthly	0.0863	Not Available	0.00

\* Premium amounts for future years, the difference between the annual premium and total payments on other frequencies in future years, and an annual percentage rate (APR) calculation, may be obtained from your Financial Representative. The APR calculation is also available through [www.northwesternmutual.com](http://www.northwesternmutual.com).

11/16/12

Submitted by Ronald Frey Jr.

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(For Field Office Use Only - Consult DSR for actual requirements)

### Life Insurance Underwriting Guidelines

*The requirements displayed are based strictly on the amount of insurance applied for. Any waiver of these requirements and the acceptability of existing medical requirements are also determined by Northwestern Mutual. Additional requirements may be necessary as determined by Northwestern Mutual.*

**For Jane Smith  
\$185,000 T80, Age 29, Female, Premier NT  
Underwriting Amount \$185,000**

Non-Exam      Medical History Questionnaire. All medical questions on application must be fully completed.  
Saliva          Saliva. Financial representative or paramedical examiner may collect saliva.

	<u>Scheduled</u>	<u>Completed</u>	<u>Field Received</u>	<u>Date Ordered</u>
Saliva	_____	_____	_____	

### Basic Financial Requirements/CHI/Inspection Reports

\$1 - \$2,000,000                      Application question #96

The Home Office reserves the right to order current medical studies, exams, physicians' reports, MVRs or any other information necessary for underwriting. (See the LIFE INSURANCE UNDERWRITING GUIDELINES 17-0528, or consult New Business for exact requirements needed.)

## A Basic Life Insurance Illustration

*Prepared For:*  
Jane Smith

*Prepared By:*  
Ronald Frey Jr., Agent  
4431 N. Front St.  
Ste. 102  
Harrisburg, PA, 17110  
(717) 724-8982  
November 16, 2012

### Narrative Summary

<i>Insured:</i>	Jane Smith Female, Age 29	<i>Initial Insurance Amount:</i>	\$185,000
<i>Underwriting Class:</i>	Premier.	<i>Initial Contract Premium:</i>	\$131.75 Annually (see Premium Summary for other premium frequencies)
<i>Dividend Option:</i>	Either reduce premium or cash options	<i>Premium Payable:</i>	To policy anniversary nearest insured's 80th birthday
<i>Conversion Period:</i>	To policy anniversary nearest insured's 60th birthday		
<i>Policy Type:</i>	Term 80		

**T80** - This is an increasing premium term life insurance policy with a level insurance amount. It terminates on the policy anniversary nearest the insured's 80th birthday. It has no cash surrender value.

**Guaranteed Amounts** - These numbers are based on the assumption that no dividends are paid and that Northwestern Mutual Life is charging the maximum premiums allowed in the contract. The scheduled premiums are guaranteed for 5 years.

**Non-Guaranteed Amounts** - These numbers are based on the assumption that the non-guaranteed amounts currently illustrated will continue unchanged for all years shown. Northwestern Mutual Life is required to state that this is not likely to occur and that actual results may be more or less favorable. The scheduled premiums are guaranteed for 5 years.

Illustrated Dividends are based on the assumption that the non-guaranteed dividends currently illustrated will continue unchanged under the assumed dividend scale for all years shown. This is not likely to occur; actual results may be more or less favorable.

Future dividends may be larger or smaller than illustrated as a result of changes in the dividend scale and/or any policy changes you make, which includes changing the face amount and adding or dropping additional benefits.

**Conversion Rights** - During the conversion period, this policy may be converted to a single life permanent policy with the same Additional Benefits without providing further evidence of insurability. The insurance amount on the resulting permanent policy can be equal to or less than this policy's insurance amount, and is subject to established Northwestern Mutual Life minimums.

**Conversion Rights if Disabled** - Inclusion of the Disability Waiver of Premium benefit requires premiums to be paid by Northwestern Mutual Life in the event of the insured's total disability. If total disability occurs when the policy is within the conversion

period, this term policy may be converted to a single life permanent policy where the premiums for the permanent policy will also be covered by Northwestern Mutual Life. The premium for the resulting permanent policy may not be more than Northwestern Mutual Life's Whole Life Paid-up at Age 90 premium.

### Explanation of Terms

**Cash Surrender Value** - The policy has no cash surrender value.

**Contract Premium** - The amount required to be paid to keep a life insurance policy in full force. Premium amounts for future years, the difference between the annual premium and total payments on other frequencies in future years, and an annual percentage rate (APR) calculation, may be obtained from your Financial Representative. The APR calculation is also available through [www.northwesternmutual.com](http://www.northwesternmutual.com).

**Disability Waiver of Premium** - Under this optional benefit, premiums are paid by Northwestern Mutual during the insured's total disability as defined in the provision. The Premium Summary indicates whether this benefit is included.

**Dividends** - Although an illustration may show dividends being paid at the end of each year, they are not guaranteed. A dividend represents a return of premium due to

favorable mortality experience, investment results and expense control. Depending on the elements of the policy and personal choice, the dividend may be used to reduce premium payments, be left to accumulate at interest, or be taken in cash.

**Indexed Protection Benefit (IPB)** - This optional benefit provides a compounded increase in insurance amount, based on the Consumer Price Index and subject to a cap of 8% in the second year through 10th year. The Premium Summary indicates whether this benefit is included.

**Insurance** - The amount that the insurance company pays on the death of the insured person. Total Insurance is the face amount of the policy plus any dividend accumulations.

**Supplemental Illustrations** - These may show premium outlays using non-guaranteed dividend values to pay a portion of the premiums. If dividends are smaller than illustrated, additional premium amounts not shown on the illustration may have to be paid in cash.

**IMPORTANT: THIS GLOSSARY GIVES ONLY A PARTIAL DESCRIPTION OF POLICY TERMS AND PROVISIONS AND DOES NOT MODIFY POLICY PROVISION IN ANY WAY. THE POLICY CONTRACT MUST BE REFERRED TO FOR EXACT DEFINITIONS.**

## Premium Summary

*Insured:* Jane Smith  
Female, Age 29

*Policy Type:*  
*Initial Insurance:*

Term 80  
\$185,000

Premiums may be paid directly or through an Insurance Service Account (ISA). ISA is Northwestern Mutual's unique billing system, allowing customers to combine payments for up to 15 policies on one bill.

Payments can be made automatically by using electronic funds transfer. You have four premium frequencies to choose from (the monthly frequency is available only through ISA):

	Annual	Semi-Annual*	Quarterly*	Monthly*
<b>Initial Contract Premiums</b>				
Insurance	\$58.80	\$29.97	\$15.14	\$5.07
Disability Waiver	12.95	6.60	3.33	1.12
Policy Fee	60.00	30.57	15.43	5.18
<b>Total*</b>	<b>\$131.75</b>	<b>\$67.14</b>	<b>\$33.90</b>	<b>\$11.37</b>
<b>Total First Year ISA Payments</b>	<b>\$131.75</b>	<b>\$134.28</b>	<b>\$135.60</b>	<b>\$136.44</b>
Amount in Excess of Annual Premium	0.00	2.53	3.85	4.69

Direct billings and payments are also available for non-ISA payments. You have three premium frequencies to choose from:

	Annual	Semi-Annual*	Quarterly*
Total Non-ISA Payments*	\$131.75	\$136.98	\$143.60

### Additional Benefits not included in this illustration:

	Annual	Semi-Annual*	Quarterly*	Monthly*
IPB	\$5.55	\$2.83	\$1.43	\$0.48
IPB Waiver	11.10	5.66	2.86	0.96

\* The total may not be the sum of the initial individual contract premiums because the actual calculation multiplies the total by a factor. The monthly frequency is available only through ISA.

## Numeric Summary

*Insured:* Jane Smith  
Female, Age 29

*Policy Type:*  
*Initial Insurance:*

Term 80  
\$185,000

		————— Non-Guaranteed* —————		
		Guaranteed Maximum Premiums	Avg. Maximum & Scheduled*	Scheduled Premiums*
Year 5:	Total Premiums	\$678	\$678	\$678
	Total Dividends	\$0	\$20	\$41
	Cash Surr Value	\$0	\$0	\$0
	Insurance	\$185,000	\$185,000	\$185,000
Year 10:	Total Premiums	\$2,863	\$2,158	\$1,454
	Total Dividends	\$0	\$52	\$104
	Cash Surr Value	\$0	\$0	\$0
	Insurance	\$185,000	\$185,000	\$185,000
Year 20:	Total Premiums	\$11,135	\$7,633	\$4,132
	Total Dividends	\$0	\$155	\$309
	Cash Surr Value	\$0	\$0	\$0
	Insurance	\$185,000	\$185,000	\$185,000
@Age 70:	Total Premiums	\$63,007	\$42,671	\$22,335
	Total Dividends	\$0	\$406	\$812
	Cash Surr Value	\$0	\$0	\$0
	Insurance	\$185,000	\$185,000	\$185,000

\*The scheduled premiums are based on the Northwestern Mutual Life's expectations with regard to such factors as interest rates, expenses, mortality and persistency. These premiums are guaranteed for five years. After five years (with regulatory approval) they may be changed if the company's expectations change. The new premium is not guaranteed beyond one year and may be changed on each subsequent policy anniversary (with regulatory approval) but cannot exceed maximum levels. A change in premium will not result in a change in benefits or cash values.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated on this or any supplemental illustration shown to me are subject to change and could be either higher or lower. The agent has told me they are not guaranteed. I understand that if the policy is issued other than as illustrated here, the policyowner will receive a revised illustration on or before policy delivery.

\_\_\_\_\_  
(Applicant's Signature)

\_\_\_\_\_  
(Date)

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

\_\_\_\_\_  
(Agent's Signature)

\_\_\_\_\_  
(Date)

11/16/2012

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## Tabular Detail

*Insured:* Jane Smith  
Female, Age 29

*Policy Type:*  
*Initial Insurance:*

Term 80  
\$185,000

Beginning of Year	Total Insurance	Guaranteed Maximum Contract Premium (Beg Yr)	Non-Guaranteed Scheduled Contract Premium (Beg Yr)++	End of Yr Non-Guaranteed Dividend*	Cash Surr. Value	Waiver Premium (Beg Yr)#
1	185,000	132	132	5	0	13
2	185,000	135	135	7	0	15
3	185,000	136	136	9	0	17
4	185,000	136	136	9	0	17
5	185,000	138	138	9	0	19
6	185,000	358	143	11	0	22
7	185,000	389	145	11	0	24
8	185,000	428	151	12	0	26
9	185,000	478	163	12	0	28
10	185,000	532	175	14	0	31
11	185,000	595	189	14	0	35
12	185,000	639	207	16	0	41
13	185,000	689	221	18	0	44
14	185,000	741	238	18	0	48
15	185,000	793	257	20	0	54
16	185,000	844	274	20	0	59
17	185,000	900	292	22	0	65
18	185,000	957	311	24	0	70
19	185,000	1,020	331	25	0	78
20	185,000	1,094	358	24	0	89
25	185,000	1,520	512	16	0	155
30	185,000	2,119	794	0	0	257
35	185,000	2,922	1,124	79	0	215
37	185,000	3,320	1,105	0	0	
40	185,000	4,356	1,438	0	0	
45	185,000	7,088	2,258	0	0	
50	185,000	12,694	3,305	0	0	
51	185,000	14,118	3,544	0	0	

**\*Non-guaranteed benefits and values include dividends that are not guaranteed and are subject to change by Northwestern Mutual. Dividends are based on the Company's current (2013) claim, expense, and investment experience. Actual results may be more or less favorable. See Narrative Summary and Explanation of Terms.**

**++The scheduled premiums are based on Northwestern Mutual Life's expectations with regard to such factors as interest rates, expenses, mortality and persistency. These premiums are guaranteed for five years. After five years (with regulatory approval) they may be changed if the company's expectations change. The new premium is not guaranteed beyond one year and may be changed on each subsequent policy anniversary (with regulatory approval) but cannot exceed maximum levels. A change in premium will not result in a change in benefits or cash values.**

#Included in Contract Premiums

11/16/2012

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### Tabular Detail

*Insured:* Jane Smith  
Female, Age 29

*Policy Type:*  
*Initial Insurance:*

Term 80  
\$185,000

Beginning of Year	Total Insurance	Guaranteed Maximum Contract Premium (Beg Yr)	Non-Guaranteed Scheduled Contract Premium (Beg Yr)++	End of Yr Non-Guaranteed Dividend*	Cash Surr. Value	Waiver Premium (Beg Yr)#
52	0			0	0	

**\*Non-guaranteed benefits and values include dividends that are not guaranteed and are subject to change by Northwestern Mutual. Dividends are based on the Company's current (2013) claim, expense, and investment experience. Actual results may be more or less favorable. See Narrative Summary and Explanation of Terms.**

**++The scheduled premiums are based on Northwestern Mutual Life's expectations with regard to such factors as interest rates, expenses, mortality and persistency. These premiums are guaranteed for five years. After five years (with regulatory approval) they may be changed if the company's expectations change. The new premium is not guaranteed beyond one year and may be changed on each subsequent policy anniversary (with regulatory approval) but cannot exceed maximum levels. A change in premium will not result in a change in benefits or cash values.**

**#Included in Contract Premiums**

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\$185,000 Term 80  
For Jane Smith Age 29 Female

*Interest-adjusted Indices (calculated at 5%)*

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	Basic Policy	
	10 Years	20 Years
Surrender Cost Index*	0.67	0.83
Net Payment Cost Index*	0.67	0.83
Equivalent Dividend Index*	0.00	0.00

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Adjusting for interest takes into account what is called the "time value" of money. "Time value" is the most fundamental aspect of the use of money. Stated simply, it means that because of interest, \$1 in the future has less value than \$1 today.

The Surrender Cost Index and Net Payment Cost Index are measures of the relative cost of similar plans of insurance. For these indices, a low index number represents a lower cost than a higher index number.

Surrender Cost Index: The average annual cost of insurance upon surrender, adjusted for the time value of money.

Net Payment Cost Index: The average annual net payment (premium minus the equivalent annual dividend), adjusted for the time value of money.

Equivalent Dividend Index: A component used in determining a policy's interest-adjusted cost or payment index. It is the average annual dividend, adjusted for the time value of money. It should not be used for comparison purposes.

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