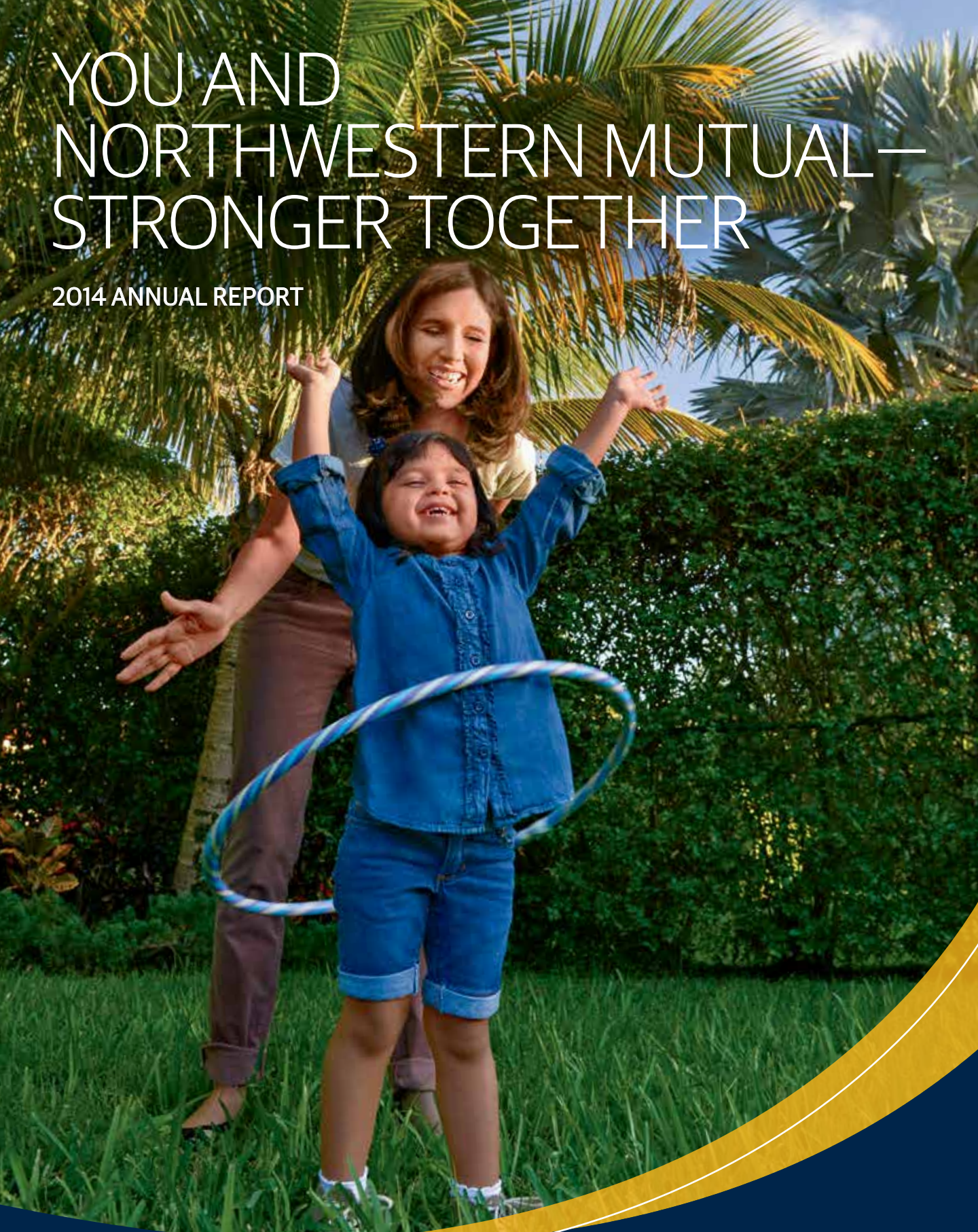



# YOU AND NORTHWESTERN MUTUAL— STRONGER TOGETHER

2014 ANNUAL REPORT





A full-length portrait of John Schlifske, Chairman and CEO, standing in a modern office. He is wearing a dark navy blue suit, a white shirt, and a red tie with a small white pattern. He is smiling and looking directly at the camera. His right hand is resting on the back of a light-colored, patterned armchair. The background features a large, white, geometric sculpture with circular cutouts and a framed abstract painting on the left.

"ONE THEME  
RESONATES  
THROUGHOUT  
OUR RESULTS:  
WE ARE STRONGER  
TOGETHER."

- John Schlifske, Chairman and CEO

# STRONG RESULTS

As we close the books on 2014, one theme resonates throughout our results: We are stronger together.

You are stronger because of the planning you've done with your Northwestern Mutual financial representative, and we are stronger as a company because of the confidence you've placed in your representative and us.

But don't just take my word for it. This Annual Report is full of real-life examples. Learn how planning made all the difference for several clients (pages 4-11). Review our strong financials (pages 12-16). And see the progress we've made in our fight against childhood cancer (back page).

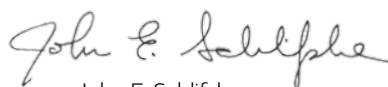
## SECURING YOUR FUTURE ON TWO FRONTS

What makes Northwestern Mutual such a strong partner? Here's my take: No other company approaches financial security the way we do. That's because we offer a more comprehensive approach to meeting your financial security needs. We help people secure their future on two fronts: by reducing financial vulnerability and building wealth for short- and long-term goals. And we do it through a robust planning process that integrates both insurance *and* investment solutions.

## SETTING COMPANY RECORDS

Our year-end results show that you value this distinctive approach to financial security. In 2014, we set company records across the board in *revenue*, \$26.7 billion; *total assets*, \$230 billion; *operating gain before dividends and taxes*, \$6.1 billion; and *total surplus*, \$22.6 billion – to name a few. Most important of all, we expect to pay policyowners an industry-leading total dividend of \$5.5 billion in 2015 (also a company record). We also maintained the highest financial strength ratings awarded to any U.S. life insurer.<sup>1</sup>

All of this signals your company is healthy and growing, giving us the ability to provide you with the best product value. As we begin a new year, we look forward to the possibilities ahead for you and your company as we continue to grow stronger together.



John E. Schlifske  
Chairman and Chief Executive Officer

RESULTS IN BRIEF (in millions)	2014	2013	Change
Policyowner dividends	\$5,511	\$5,212	+6%
Policyowner benefits paid	\$8,396	\$7,898	+6%
Individual life insurance in force	\$1,533,000	\$1,462,000	+5%
Total revenue	\$26,707	\$25,858	+3%
Total assets	\$229,933	\$217,106	+6%
Surplus & asset valuation reserve (consolidated statutory basis)	\$22,598	\$20,557	+10%

<sup>1</sup> A.M. Best Co. A++ (highest), 4/2014; Fitch Ratings AAA (highest), 11/2014; Moody's Investors Service Aaa (highest), 12/2014; and Standard & Poor's AA+ (second highest), 7/2014. Ratings are subject to change.



# STRONG FOUNDATION



**"The most rewarding aspect of planning is the comfort of knowing that our family will be taken care of if something happens to either of us."**

**— Dr. David Riesco and Dr. Nicole Stevens  
Miami**



## Strong planning and guidance help this young family balance short- and long-term goals



"As physicians, we train for many years in our fields," says Nicole Stevens. "However, many of us learn very little about managing money."

That's why – just as patients trust them to know best in their areas of expertise – Nicole, an internist, and her husband David Riesco, an anesthesiologist, trust Financial Representative Ruben Levisman to help them reach their financial goals.

When they first met with Ruben, David was clear about the couple's goals: "We do not want to worry about money, and we want to model hard work and financial responsibility for our children."

The goals might sound simple, but the planning can be complex, adds Nicole. "Ruben took the time to listen to us, and then worked with us to create a comprehensive plan and a step-by-step process for achieving it. The most rewarding aspect of planning is the comfort of knowing that our family will be taken care of if something happens to either of us. After that,

it's knowing we are prepared for the future and that we have the resources to enjoy the present."

The couple's focus on the present included Nicole having extended time at home with their children during their early years. Ruben worked with them to make choices, scaling back on some things but never in preparing for the future, which includes funding for college and retirement.



The Riesco family works with Financial Representative Ruben Levisman in Ft. Lauderdale, Fla.

With Nicole's recent return to work, the couple is ready to fast-track a few plans they had on hold – like family vacations and growing their retirement funds to the next level.

David and Nicole have the same hopes for their peers. "I talk with friends and colleagues about our planning and suggest they partner with Ruben to do the same," says Nicole. "So many people have a narrow view – they can see only a few years ahead, and they don't anticipate what can happen. With Ruben, we are looking at today, tomorrow and well into the future."



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# STRONG LEGACY

**"Wendy was so happy that we  
had made the choice to provide  
for our family in this way."**

**— Joseph Cardamone  
Wasco, Calif.**





## Mother leaves her family stronger financially with selfless gift of life insurance



When Joseph Cardamone and his wife, Wendy, sat down to plan with Financial Representative Anthony Incerto, they weren't sure they could afford life insurance.

The couple and their children were living on Joseph's salary as a minister. Wendy, a nurse, had worked full time earlier in their 26-year marriage but had quit to stay home with the kids. They stretched resources and were happy to do so in order to live the family-centered lifestyle they'd chosen. "We thought Wendy would return to work when our youngest was a little older, and her income would help provide college funding," Joseph recalls.

Anthony encouraged the couple to consider the need to protect the family in case something unexpected happened to either parent. "It was an eye-opening moment," Joseph says, "when I realized how difficult it would be to take care of the children without Wendy – not only in terms of replacing her potential future income, but also in terms of her contribution to our home life."

Ultimately, Joseph and Wendy decided financial security was important enough to find a way to afford the protection. Looking back, it was one of the best decisions the couple ever made.



Diagnosed at age 45 with ovarian cancer, Wendy lost her battle with the disease four years later. Knowing they had life insurance gave the couple peace of mind. Joseph was able to work less during Wendy's treatment period; they didn't worry about incurring the resulting debt because they knew the family would recover financially through the benefits of Wendy's life insurance.

"Wendy was so happy that we had made the choice to provide for our family in this way," Joseph says. "As a result, we are able to do so many things – save money, pay for short-term needs like braces and long-term goals like college – that we wouldn't have been able to do otherwise. We depended on Anthony and Northwestern Mutual," he says, "and they were there for us."



The Cardamone family works with Financial Representative Anthony Incerto in Fairfield, Conn.



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# STRONG PARTNERS

A man with short brown hair is captured in a dynamic running pose on a paved path. He is wearing a bright red long-sleeved zip-up jacket with a small white Nike swoosh on the left chest, black athletic pants with three white stripes down each leg, and blue running shoes with yellow accents. The background is a soft-focus park setting with green grass and trees.

**"Mine is not a set-it-and-forget-it strategy. My plan is tailored to my current needs with flexibility for a changing life."**

**— Steve Link  
Ewing, N.J.**



## Young attorney finds a trustworthy mentor, peer in his financial representative



Why would a young, single attorney feel the need to concentrate on financial security planning?

"For me, the answer is obvious," says Steve Link, a 29-year-old commercial litigator in New Jersey. "When I started practicing law full time, I had significant student debt. I wanted to pay that off early, manage money wisely to meet current needs, and prepare for my future."

A business major in college, with a father who enjoys managing money, Steve has a basic understanding of finances. "But it's not something that interests me enough to learn the ins and outs," he explains. "And frankly, with the hours I'm working, I don't have the time. So, recognizing the importance of planning and realizing I needed guidance, I asked around for someone people trusted."

That led him to Financial Representative Mark Savino.

At their first meeting, Steve says the two high-energy self-starters – both relatively new in careers with high potential – clicked immediately.

"Mark made it clear that my financial security was his top priority. As a result, we are growing together in our professions, our incomes and our savings."



Steve Link works with Financial Representative Mark Savino in Princeton, N.J.

Having grown up in a family with "solid middle-class values" and generally conservative when it comes to finances, Steve also lives conservatively. "I'm comfortable making sacrifices now to reap rewards later in life," he explains. "I've seen people who, regardless of what they make, spend beyond their means. That's not me. I realize that now is the time to put money aside, so I have the ability to alter my plans as my life inevitably changes."

Implementing the plan he and Mark created together, Steve worked aggressively and accomplished his goal to pay off the student loans. "As a result, I am confident in and have more choices for my future," he states. "No one knows what's in store. Nothing is guaranteed. But with the right products and services in place and continued good habits, I feel ready for anything."



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# STRONG GENERATIONS

**"We want to teach our kids our mantra of 'stay in your own lane.' Develop your goals and stick to your plan, no matter what you see others doing."**

**— Sara and Kallen McCoy  
Dallas**





## Planning across generations helps family emerge from crisis stronger, wiser



Sara and Kallen McCoy had their lives ahead of them. Marrying after college, they started a family and began planning for their future. They thought there was ample time to prepare for whatever was ahead.

Then Sara's mom, who owned the family business, died unexpectedly at the age of 62.

Amidst their personal grief, they had to face the business transition. Sara's dad, Gary, was limited in his ability to help them in the chaos, as he had suffered a stroke at age 57.

"We've learned the hard way that businesses and individuals need to have a risk management plan. It's not a matter of if something will happen; it's a matter of when," says Sara. "At the same time, we've learned life can be short, and you have to enjoy today as well. For Kallen and me, financial security means making smart choices, like maximizing savings for the future, as well as living beneath our means so we have the freedom to spend time together in the present."

They are grateful to Financial Representative Maria Kell for helping them create a financial plan that

takes into account all possibilities. "It's important to build a trusting relationship with someone early," Sara states.

"You need help to plan for the ideal situation – to live on your own terms – but you also need to know whom you can trust when your world turns upside down."

Sara and Kallen's positive experience led Sara to refer Maria to Gary – who is "smart with money but doesn't like the details" – for guidance on creating a retirement income stream.

"Dad, Kallen and I recognize the importance of consistent, expert guidance," says Sara. "During the business transition, we learned what Mom meant to her clients. I asked myself, 'What do I want people to say about us in 30 years?' The answer: that we acted with integrity and took care of the people who trusted us. We are fortunate to have that in Maria."



The McCoy family works with Financial Representative Maria Kell in Dallas.



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# 2014 FINANCIAL RESULTS

## SUMMARY OF OPERATIONS

(CONSOLIDATED STATUTORY BASIS, IN MILLIONS)

<b>Years ended Dec. 31:</b>	<b>2014</b>	<b>2013</b>
Premiums	\$17,001	\$16,599
Net investment income	9,104	8,693
Other income	602	566
<b>Total revenue</b>	<b>26,707</b>	<b>25,858</b>
Policyowner benefits paid	8,396	7,898
Increase in benefit reserves	9,411	9,560
Commissions and expenses	2,831	2,680
<b>Total benefits and expenses</b>	<b>20,638</b>	<b>20,138</b>
<b>Gain before dividends and taxes</b>	<b>6,069</b>	<b>5,720</b>
<b>Policyowner dividends</b>	<b>5,511</b>	<b>5,212</b>
Gain before taxes	558	508
Income tax expense (benefit)	22	(18)
<b>Net gain from operations</b>	<b>536</b>	<b>526</b>
Net realized capital gains	143	276
<b>Net income</b>	<b>\$679</b>	<b>\$802</b>

These summary financial statements are derived from the company's audited consolidated financial statements, which are prepared on the statutory basis of accounting. Insurance regulators require financial statements prepared on a statutory basis of accounting, which differ materially from financial statements prepared in accordance with generally accepted accounting principles (GAAP). PricewaterhouseCoopers LLP is the company's independent auditor. The company's audited consolidated financial statements are available at [northwesternmutual.com](http://northwesternmutual.com) or by written request to:

Northwestern Mutual  
Corporate Communications  
Room NO4  
720 E. Wisconsin Ave.  
Milwaukee, WI 53202

## SUMMARY OF FINANCIAL POSITION

(CONSOLIDATED STATUTORY BASIS, IN MILLIONS)

<b>Dec. 31:</b>	<b>2014</b>	<b>2013</b>
Bonds	\$128,126	\$122,331
Mortgage loans	29,341	26,845
Policy loans	16,756	16,306
Common and preferred stocks	3,713	2,965
Real estate	1,610	1,506
Other investments	12,827	12,184
Cash and short-term investments	2,588	2,262
<b>Total investments</b>	<b>194,961</b>	<b>184,399</b>
Other assets	7,916	7,364
Separate account assets	27,056	25,343
<b>Total assets</b>	<b>\$229,933</b>	<b>\$217,106</b>
Policy benefit reserves	\$167,508	\$158,581
Policyowner dividends payable	5,510	5,210
Other liabilities	7,261	7,415
Separate account liabilities	27,056	25,343
<b>Liabilities (excluding AVR)</b>	<b>207,335</b>	<b>196,549</b>
Asset valuation reserve (AVR)	3,544	3,358
Surplus	19,054	17,199
<b>Surplus and AVR</b>	<b>22,598</b>	<b>20,557</b>
<b>Total liabilities and surplus</b>	<b>\$229,933</b>	<b>\$217,106</b>



Northwestern Mutual's principal financial goal remains the same in any economic environment: to pay a level of dividends that delivers the highest product value to policyowners without compromising the company's superior financial strength and stability.

## MUTUALITY AND POLICYOWNER VALUE

Northwestern Mutual is managed for the long-term benefit of our policyowners. This mutual philosophy leads us to pay participating policyowners the highest possible dividends deemed consistent with preserving the long-term strength and security of the company. Dividends reflect our underlying claims experience, investment performance and expense management.

In total, dividends to policyowners are estimated to be \$5.5 billion in 2015 and are expected to be the highest amount of dividends paid in company history. This includes approximately:

**\$4.8 BILLION**

in dividends on traditional  
permanent life insurance

**\$105 MILLION**

in dividends on variable life  
insurance

**\$320 MILLION**

in dividends on individual  
disability income insurance

**\$45 MILLION**

in dividends on annuities

**\$150 MILLION**

in dividends on term life  
insurance

Despite downward pressure on investment earnings due to low interest rates, the dividend scale interest rate on most unborrowed permanent life insurance funds will remain at 5.60 percent for 2015.<sup>2</sup> While important, investment performance is only a part of permanent life insurance policyowner value. Our favorable claims experience and rigorous approach to expense management also contribute to the dividend payout.

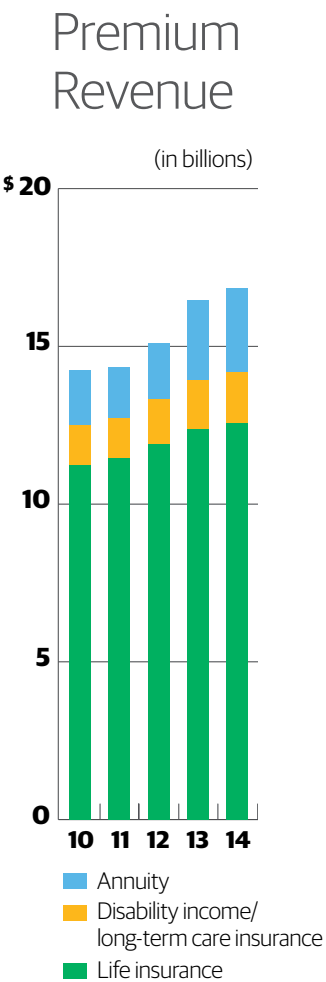
Life insurance policyowners used approximately 75 percent of dividends paid in 2014 to purchase additional insurance protection, contributing to a 5 percent increase in total life insurance in force, which was \$1.5 trillion at year-end 2014.

Superior product value contributes to policyowner satisfaction and loyalty, demonstrated by our persistency rate for life insurance in force, which was greater than 96 percent again during 2014.

<sup>2</sup> Dividend scale interest rate for unborrowed funds for most traditional permanent life insurance policies with direct recognition.



# 2014 FINANCIAL RESULTS



## OPERATING RESULTS

Total premium revenue was \$17 billion for 2014, an increase of 2 percent from 2013. Premium revenue from life insurance increased 1 percent during 2014 and included a 4 percent increase in renewal premiums from in-force policies. Annuity premium increased 5 percent from 2013, while premium revenue for disability income and long-term care insurance increased 4 percent and 9 percent, respectively.

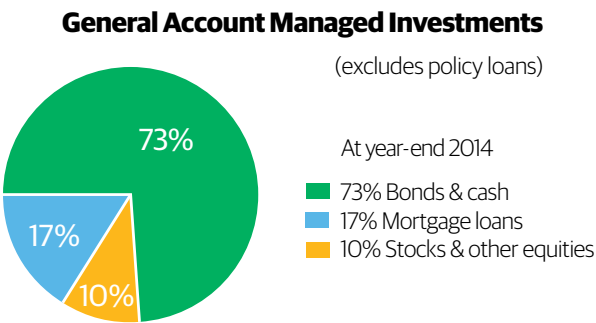
Despite the decline in market interest rates, net investment income increased 5 percent to \$9.1 billion, partly due to an increase in our general account allocation to fixed-income investments. Growth in net investment income also included an increase in dividends and other distributions from public and private equity investments.

Benefits paid to policyowners or their beneficiaries totaled \$8.4 billion during 2014, a 6 percent increase from 2013. Insurance claims experience remained favorable during 2014, in part a reflection of the company's careful assessment of insurance risk. Reserves for future policy benefits increased by \$9.4 billion during 2014 and totaled \$167.5 billion at the end of the year.

Operating results for 2014 reflected strong product fundamentals and investment results along with our continued commitment to rigorous management of operating expenses. Net income was \$679 million for 2014, including net realized capital gains of \$143 million. Net realized capital gains reflected gains from the sale of common stock as well as low write downs of impaired investments.

## The Power of Our Portfolio

A well-balanced and diversified portfolio contributes to the company's exemplary dividend record.<sup>3</sup>





# PROVEN INVESTMENT STRATEGY

The company's **\$128 billion** bond portfolio remains the cornerstone of our general account investment strategy.

## INVESTMENT RESULTS

The company's general account investment portfolio is well diversified and is primarily allocated to high-quality bonds and commercial mortgage loans.<sup>3</sup> Our investment strategy aims to provide superior returns over the long term while limiting overall credit, market and interest rate risk. Our investment guidelines limit exposure to any single asset class or issuer.

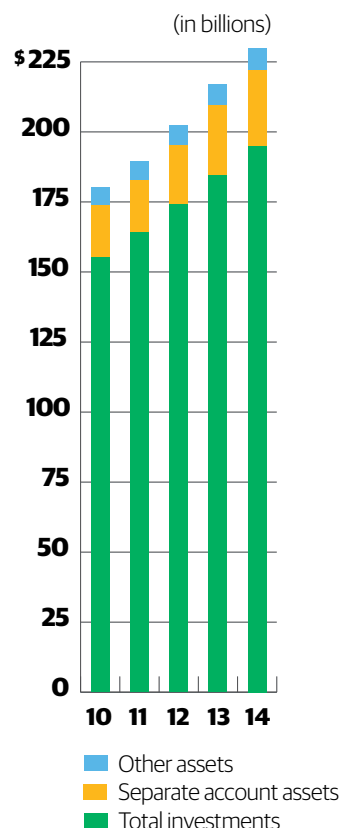
The \$128.1 billion bond portfolio includes both public and private bonds, with 90 percent of the total rated as investment grade at year-end 2014. The company's \$29.3 billion commercial mortgage loan portfolio is originated and underwritten by our own real estate professionals. It had a conservative overall loan-to-value ratio of 54 percent at year-end 2014, reflecting our disciplined approach to mortgage lending.

Equity investments include public and private common stocks, real estate and other holdings. The market value of these investments can be volatile, but they have enhanced total portfolio returns over the long term. In 2014, the company continued to follow this diversified investment strategy and maintained a consistent level of exposure to equity investments.

In total, net realized and unrealized capital gains, after taxes and required deferrals of interest rate-related gains, increased total surplus (including asset valuation reserve) by \$1.4 billion during 2014. This result primarily reflected unrealized capital gains on the sale of Frank Russell Co. during 2014.

Northwestern Mutual maintains a very strong liquidity position. At year-end 2014, the company held \$2.6 billion in cash and short-term investments. The company enjoys substantial positive operating cash flows, primarily from the large and stable block of participating life insurance business.

## Total Assets



<sup>3</sup> The vast majority of the company's managed assets back most of its life, disability income and portfolio income annuity liabilities. The investment strategies described here apply to the investment of those assets. A portion of managed assets back the remaining liabilities (primarily fixed deferred annuities, income plans and long-term care insurance), which have different investment exposures than described above. Long-term care insurance is issued by Northwestern Long Term Care Insurance Company, Milwaukee, Wis., a subsidiary of Northwestern Mutual.

# 2014 FINANCIAL RESULTS

## FINANCIAL STRENGTH

Total surplus (including asset valuation reserve) increased \$2 billion during 2014 to \$22.6 billion. While reserves are established to pay future benefits, surplus represents additional funds set aside to protect the company and its policyowners from the unexpected. The asset valuation reserve supports our long-term investment strategy by absorbing credit losses and short-term market volatility.

At year-end 2014, surplus and asset valuation reserve represented 13.5 percent of general account insurance reserves, an increase from 13.0 percent one year earlier. This level of capitalization remains very strong compared to the company's historical surplus levels and the standards set by insurance regulators and the major rating agencies.

## STRONG PERFORMANCE

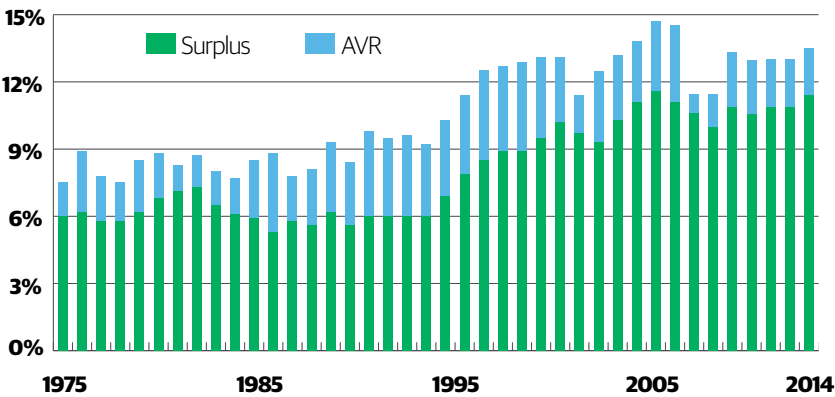
Our financial position remains strong with a surplus ratio of

13.5%

assuring that we can keep our promises to policyowners.

### Surplus Ratio

(surplus and AVR as a percentage of general account insurance reserves)



## LOOKING AHEAD

Northwestern Mutual will remain focused on the fundamentals, including prudent management of insurance product risk; a balanced, diversified general account investment portfolio; and careful attention to operating expenses. This focus, along with our commitment to mutuality and the financial flexibility provided by participating dividends, is central to the company's drive to maintain its financial strength and to continue to deliver excellent product value.





**John Schlifske** (center),  
CEO of Northwestern Mutual,  
visits with members of the 2014  
Policyowners' Examining Committee (POEC).

## 2014 POLICYOWNERS' EXAMINING COMMITTEE REPORT

Since 1907, a group of three to five policyowners has been given unrestricted access to the company to independently evaluate its operations, management and strategic plans. Each year, the committee's findings are published in the Annual Report. The 2014 committee's complete report is printed here.

We'd like to begin by saying we're honored to serve as this year's Policyowners' Examining Committee. In this role, we had the opportunity to spend several days getting to know Northwestern Mutual's leaders, learning more about the company's strategy and hearing perspectives from its financial representatives.

### STAYING TRUE TO VALUES

Throughout its history, Northwestern Mutual has been committed to its mutual values, including doing what's right for clients, providing financial strength, building long-term relationships and taking a long-term view. These values are enduring.

"Throughout its history, Northwestern Mutual has been committed to its mutual values, including doing what's right for clients, providing financial strength, building long-term relationships and taking a long-term view. These values are enduring."

"We believe the time is now for Northwestern Mutual to deepen its relationships with clients. More than ever, clients want and value financial professionals who can help them manage the complexity in their financial lives."

During its first 125 years, Northwestern Mutual was strictly an insurance company focused on creating and delivering superior insurance products to help clients address the risks of dying too soon or becoming disabled. In recent decades, Northwestern Mutual has expanded its business to help clients achieve all of their financial security goals – encompassing risk management, wealth accumulation and wealth preservation and distribution – through a distinctive planning process delivered through the expert guidance of its financial representatives. We support Northwestern Mutual's ambition to be clients' primary financial security provider. The company is uniquely positioned to deliver on this brand promise.



2014 POEC Chair **Esther Campi** is CEO of Campi & Co., Chapel Hill, N.C. All members of the POEC are policyowners.

## MANAGING CHANGE

As Northwestern Mutual evolves to meet the increasing needs of clients, the company must focus on how to best manage the transformation required to realize its vision. Most importantly, identifying critical pathways on this journey will enable the company to effectively align its resources with its priorities. To efficiently execute change, company leaders need to consistently communicate the vision throughout the organization. As it looks to the future, Northwestern Mutual must develop home office and field leaders to support the company's evolution and embrace change for a strong future.

## INVESTING IN TECHNOLOGY

Northwestern Mutual cannot achieve its vision to become the lifelong provider of financial security for clients without offering technology that meets the demands of tech-savvy consumers. In addition, placing advanced technological capabilities in the hands of the company's well-trained financial representatives will allow them to be the primary financial security source for clients. We recognize Northwestern Mutual has made significant investments in technology over the last few years, but with the rapid pace of technological advancements and growing customer expectations, investment in technology must remain a top priority for the company.

## STRENGTHENING RELATIONSHIPS

We believe the time is now for Northwestern Mutual to deepen its relationships with clients. More than ever, clients want and value financial professionals who can help them manage the complexity in their financial lives. This evolution from a company focused predominantly on selling insurance to a comprehensive financial security provider takes time and requires a focused approach. We believe three factors will help move the organization forward in its quest to be at the center of clients' financial lives. We encourage the organization to focus on managing change, investing in technology, and gleaning deeper insights through client and consumer research.



POEC Member **Phillip Spencer** is CEO of Rural Broadband Investments LLC, Overland Park, Kan.



## GLEANNING DEEPER CLIENT INSIGHTS

In order to become a distinctive provider of financial security, Northwestern Mutual should glean deeper client insights and increase its consumer research. Companies with distinctive brands deeply understand the types of clients they want to attract. Using consumer research to more proactively interact with clients on their lifelong financial journey will enable the company and its field force to be more relevant, efficient and impactful.



POEC Member **Anne Paradis** is CEO of MicroTek Inc., Chicopee, Mass.

"At a time when financial security is a pressing need in this country and consumers face complex needs and increased responsibility for their financial futures, Northwestern Mutual is uniquely positioned to become clients' primary financial security provider."



POEC Member **Ignacio Ferras** is chairman and CEO of Huff Ferras LLC, Tampa, Fla.

## CALL TO ACTION

At a time when financial security is a pressing need in this country and consumers face complex needs and increased responsibility for their financial futures, Northwestern Mutual is uniquely positioned to become clients' primary financial security provider. We encourage the home office and the field to work together to meet the common goal of delivering financial security in this new era. Guided by the company's enduring aspirations and values, this unique partnership between the home office and the field will result in a more distinct and integrated financial security experience for clients.



POEC Member **Michael Massey** is former president and CEO of Collective Brands Inc., Topeka, Kan.

# COMPANY LEADERS

as of Feb. 6, 2015

## EXECUTIVE LEADERSHIP TEAM

### **John Schlifske**

Chairman and CEO

### **Gregory Oberland**

President

### **Michael Carter**

Executive Vice President and  
Chief Financial Officer

### **Joann Eisenhart**

Senior Vice President  
Human Resources

### **John Grogan**

Senior Vice President  
Insurance and Investment Products

### **Ronald Joelson**

Executive Vice President and  
Chief Investment Officer

### **Raymond Manista**

Senior Vice President  
General Counsel and Secretary

### **Timothy Schaefer**

Executive Vice President  
Operations and Technology

### **Eric Christophersen**

Vice President  
Wealth Management

### **Christina Fiasca**

Vice President  
Product Finance

### **Timothy Gerend**

Senior Vice President  
Agencies

### **Kimberley Goode**

Vice President  
Communications and Corporate Affairs

### **Karl Gouverneur**

Vice President and  
Chief Technology Officer

### **Thomas Guay**

Vice President  
Field Rewards

### **Gary Hewitt**

Vice President  
Investment Risk Management

### **Meg Jansky**

Vice President  
Field Integration

### **Todd Jones**

Vice President and  
Chief Risk Officer

### **J. Chris Kelly**

Vice President and Controller

### **John Kordsmeier**

Vice President  
Strategic Philanthropy and  
Community Relations

### **Jeffrey Lueken**

Senior Vice President  
Private Securities

### **Steven Mannebach**

Vice President  
Field Growth and Development

### **Christian Mitchell**

Vice President  
Corporate Strategy

### **Steven Radke**

Vice President  
Government Relations

### **David Remstad**

Senior Vice President and  
Chief Actuary

### **Bethany Rodenhuis**

Senior Vice President  
Field Strategy and Services

### **Tammy Roo**

Vice President  
Enterprise Risk Assurance

### **Calvin Schmidt**

Senior Vice President  
Integrated Customer Operations

### **Sarah Schneider**

Vice President  
New Business

### **Todd Schoon**

Senior Vice President  
Field Relations

### **Sarah Schott**

Vice President  
Enterprise Compliance

### **David Simbro**

Senior Vice President  
Life and Annuity Products

### **Steve Sperka**

Vice President  
Disability Income

### **David Stoeffel**

Vice President  
Investment Services

### **Kamilah Williams-Kemp**

Vice President  
Long Term Care

### **Conrad York**

Vice President  
Marketing

### **Thomas Zale**

Vice President  
Real Estate

### **Todd Zinkgraf**

Vice President  
Enterprise Solutions

## EXECUTIVE OFFICERS

### **Leslie Barbi**

Senior Vice President  
Public Investments

### **Rebekah Barsch**

Vice President  
Planning and Sales

### **Blaise Beaulier**

Vice President  
Enterprise Projects and  
Support

### **Sandra Botcher**

Vice President  
Facility Operations



# BOARD OF TRUSTEES

as of Feb. 6, 2015

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Retired Senior Vice President and  
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Memphis, Tenn.

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Founding Partner  
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Founder and CEO  
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Washington

**Edward Zore**<sup>3, 5</sup>  
Retired Chairman and CEO  
The Northwestern Mutual  
Life Insurance Co.  
Milwaukee

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### Committee affiliation key:

- |             |  |  |
|-------------|--|--|
| 1 Audit     | 4 Human Resources, Nominating and Corporate Governance | 5 Operations, Technology and Marketing |
| 2 Executive |  | A Chair                                |
| 3 Finance   |  |  |
-

## Northwestern Mutual

Northwestern Mutual helps clients achieve financial security. The company, together with its subsidiaries, offers life, disability income and long-term care insurance; annuities; investment products; advisory services; and trust services that address client needs for financial protection, wealth accumulation, estate preservation and asset distribution. Headquartered in Milwaukee, the mutual company has more than 4 million policyowners and investment clients.

## Subsidiaries

QuietCare® long-term care insurance is offered through Northwestern Long Term Care Insurance Co., Milwaukee, Wis. Securities are offered through **Northwestern Mutual Investment Services LLC** (NMIS). NMIS, a registered investment adviser, broker-dealer and member of FINRA and SIPC, is a wholly owned company of Northwestern Mutual. Northwestern Mutual Wealth Management Co., a wholly owned company of Northwestern Mutual, is a limited purpose federal savings bank authorized to offer a range of financial planning, trust, fiduciary, investment advisory and investment management products and services.

## More about dividends

Northwestern Mutual expects to continue as the leading U.S. company in total life insurance dividends paid to policyowners. Decisions with respect to the determination and allocation of divisible surplus are left to the discretion and sound business judgment of the company's Board of Trustees. There is no guaranteed specific method or formula for the determination and allocation of divisible surplus. Accordingly, the company's approach is subject to change. Neither the existence nor the amount of a dividend is guaranteed on any policy in any given policy year. Some policies may not receive any dividends in a particular year or years even while other policies receive dividends. In its 2015 dividend scale resolution, the Board of Trustees has exercised its discretion to guarantee a minimum amount of dividends to be paid in 2015 to policyholders as a group. If this guaranteed amount exceeds the aggregate amount of dividends actually paid to individual policyholders in 2015, that excess will be paid in 2016 in accordance with the 2015 dividend scale resolution. The presence of a guaranteed minimum amount in the 2015 dividend scale resolution does not obligate Northwestern Mutual to declare a dividend in future years or to guarantee any portion of dividends that may be declared in future years.

## Reporting fraud

Every year, insurance fraud costs companies and consumers billions of dollars. What can policyowners do to help the company's anti-fraud efforts? The company's website has information on this topic. To report fraud, email [antifraud@northwesternmutual.com](mailto:antifraud@northwesternmutual.com) or call toll-free 1-877-607-2485.

## Client-representative relationships

This report contains profiles of certain Northwestern Mutual clients, their personal financial needs and how Northwestern Mutual met their needs. The personal financial needs and results of the clients shown in this report may not represent the experience of other clients. Please discuss your personal financial situation with your Northwestern Mutual financial representative before purchasing any product or service. Keep in mind that working with a Northwestern Mutual financial representative or any other financial services provider does not guarantee future investment success.

## Enterprise risk management

Northwestern Mutual has a strong risk management culture prevalent at all levels of the organization that promotes vigilance in identifying and managing risks – whether financial, operational, strategic or environmental – that could impact the strength and security of your company. We apply risk models, experience and judgment as part of a well-coordinated structure to identify, evaluate, address and monitor current and emerging risks. This structure assures accountability for scrutinizing risks, defining tolerance thresholds and managing risks within those thresholds. Cross-functional committees review risks related to our business. They are central to our internal system of checks and balances. These committees leverage well-informed employees and work in partnership with the chief risk officer, who facilitates consistent direction and communication among various risk management functions in the company. The company's Board of Trustees is responsible for overseeing all risk management efforts. As a financial security company, we believe that managing risks lies at the heart of our business and is deeply rooted in the nearly 160-year-old culture that guides our employees and financial representatives.

## Annual Meeting of Policyowners

8 a.m., May 27, 2015

The Annual Meeting of Policyowners of The Northwestern Mutual Life Insurance Co. will be held at 8 a.m., Wednesday, May 27, 2015, at the company's downtown campus, 720 E. Wisconsin Ave., Milwaukee, WI.

## Have a question?

For policy inquiries or general information, go to [northwesternmutual.com](http://northwesternmutual.com). For billing and payment inquiries, call 1-800-388-8123. The company's general phone number is (414) 271-1444.



# STRONG BUSINESS PLANNING

Lack of time is the biggest financial planning obstacle for Americans, according to Northwestern Mutual's latest Planning and Progress Study. This is especially true for business owners who have even more complex financial needs.



# 70%

of small-business owners  
don't have a succession plan.

Source: Small Business Administration,  
*Forbes* succession plan article, May 14, 2014

If you're a business owner, our financial representatives, such as Maria Kell, can help you create a succession plan to maximize your retirement value.

Did you know Northwestern Mutual has the capability to meet both your personal and business planning needs? We've helped more than 100,000 small-business owners take steps to keep their companies financially strong and reward employees who contribute to their businesses' success.

If you're a business owner, your financial representative can help you create an integrated plan that addresses all of your financial goals, using Northwestern Mutual's proprietary Business Planning Analysis tool. Whether you're starting your business, growing your business or planning for the long term, we offer an array of solutions to meet your needs, including:

- RISK MANAGEMENT  
(e.g., protection from the loss of owners and key employees)
- EMPLOYEE AND EXECUTIVE BENEFITS  
(e.g., group employee benefits, retirement solutions and benefits for key employees)

- BUSINESS SUCCESSION AND ESTATE PLANNING  
(e.g., exit strategies, liquidity planning, legacy planning and trust services)
- PERSONAL PLANNING  
(e.g., estate and income protection, investment services, education funding and lifetime retirement income)

For more information, talk to your financial representative. Also hear from other business owners we've helped; watch their video interviews at [northwesternmutual.com](http://northwesternmutual.com) | Learning Center | For Your Business | Videos. See: Business Planning with Northwestern Mutual and Northwestern Mutual: Your Business Planning Partner.



**#1 ROADBLOCK**  
FOR FINANCIAL PLANNING:  
**LACK OF TIME**



# STRONG CAUSE. STRONGER FAMILIES.

We're bringing hope to thousands of families through our national philanthropic program to fight childhood cancer.

Since launching the program in July 2012, we've:

Donated more than  
**\$6 million**  
to the cause

Funded more than  
**43,500 hours**  
of cancer research

Supported more than  
**3,200 families**  
affected by the disease

For more information about our Childhood Cancer Program and nonprofit partners, visit [northwesternmutual.com](http://northwesternmutual.com). Search: Childhood Cancer Program.



## LEARN MORE ABOUT THE GOOD WE DO

For more examples of how we're building stronger families and communities, see our new citizenship report at [northwesternmutual.com](http://northwesternmutual.com) | About Us | How We Help People.

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

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