

**INDEXED INCOME BENEFIT
(COST OF LIVING ADJUSTMENT)**

Your total or partial disability benefit increases during disability with the cost of living, based on annual changes in the CPI.

How the IIB works:

Assume you have selected the 6% Index Limit:

Full Benefit 1st Year: \$5,000

1st Year CPI: 300

2nd Year CPI: 318

3rd Year CPI: 337

New Full Benefit:

Second Year:

$$\$5,000 \times \frac{318}{300} = \$5,300$$

Third Year:

$$\$5,000 \times \frac{337}{300} = \$5,617$$

Your benefit will never decrease just because of a decrease in the CPI.

Benefits may increase up to the Index Percentage Limit stated on page 3 (3% or 6%), compounded annually. A catch up feature results; in effect, benefits may increase more than the CPI increase in some years, depending on changes in the CPI from prior years.

1. THE BENEFIT

After the first 12 months of a disability, the Company will provide an Indexed Benefit each month in addition to the benefit for that month under Section 2 of the policy.

The premiums for this Benefit are shown on page 3.

2. HOW THE INDEXED BENEFIT IS DETERMINED

The Indexed Benefit starts on the first anniversary of the start of disability and is subject to the limits described in this section. The Indexed Benefit each month is:

- the benefit for that month under Section 2 of the policy; times
- the Indexing Factor minus one.

The Indexing Factor is:

- the Consumer Price Index for the current year of disability; divided by
- the Consumer Price Index for the year the disability started.

Thus, the Indexed Benefit equals:

$$\frac{\text{the benefit under Section 2 of the policy}}{\text{Consumer Price Index for the current year of disability}} \times \frac{\text{Consumer Price Index for the year the disability started}}{\text{Consumer Price Index for the current year of disability}} - 1$$

Protection Against Decreases of Indexed Benefits. The Indexed Benefit will not decrease as a result of a decrease in the Consumer Price Index. In such a case, the Indexing Factor used for the prior year will be used for the current year.

Limit on Indexed Benefit. The Indexed Benefit for each month will not be greater than the Indexed Benefit calculated above using an Indexing Factor of one increased at the Index Percentage Limit stated on page 3 of this policy compounded annually for each full year of continuing disability.

Consumer Price Index. The "Consumer Price Index for the year the disability started" is the Consumer Price Index for All Urban Consumers, United States City Average, All Items (CPI-U) for the fourth month before the start of disability. The "Consumer Price Index for the current year of disability" is the CPI-U for the fourth month before the most recent anniversary of the start of disability. The CPI-U is published by the Bureau of Labor Statistics. If the method for determining the CPI-U is changed, or if it is no longer published, it will be replaced by some other index found by the Company to serve the same purpose.

Separate Disabilities. The Indexed Benefit starts anew each separate time the Insured is disabled under the terms of the policy, as though there had been no prior disability.

Limit if Presumptive Total Disability. The Indexed Benefit will not increase on or after the last day of the Maximum Benefit Period stated on page 3.

Conditional Renewal Excluded. This Benefit will not be in force if the policy is in force under the Conditional Right to Renew Total Disability Coverage to Age 75.

3. SOCIAL INSURANCE SUBSTITUTE (SIS) BENEFIT

This policy may have the SIS Benefit. If so, "the benefit for that month under Section 2 of the policy" is that benefit as increased by the terms of the SIS Benefit.

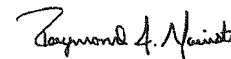
4. TERMINATION

This Benefit will terminate on the earliest of the following dates:

- the date the policy terminates;
- the date the Home Office receives the Owner's written request; or
- the first policy anniversary that follows the Insured's 65th birthday unless the Insured is disabled on that date. In that case, the date of termination will be the date benefits are no longer payable under the policy.

The CPI will be used to determine the indexed benefit.

The SIS Benefit will also be indexed.



Secretary
THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

Note: Since the Indexed Income Benefit is capped, it may not provide complete protection against inflation.