

Disability Income Insurance *from*
The Northwestern Mutual Life Insurance Company

RR DI Series

Disability Income Sample Policy

with:

Additional Purchase Benefit (RR09 APB)

Future Increase Benefit (FIB)

Indexed Income Benefit (RR09 IIB)

Social Insurance Substitute Benefit (SISB)

Social Insurance Substitute Benefit (SISB) New York

DISABILITY INCOME INSURANCE

Non-Cancellable and Guaranteed Renewable

 **Northwestern Mutual®**

(REV 0610)

This policy is a legal contract between the Owner and
The Northwestern Mutual Life Insurance Company.
Read your policy carefully.

GUIDE TO POLICY PROVISIONS

BENEFITS AND PREMIUMS

SECTION 1. GENERAL TERMS AND DEFINITIONS

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APPLICATION

RR.NCDI.(0101)

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The details of your policy.

BENEFITS AND PREMIUMS
Date of Issue - September 28, 2009

Plan and Additional Benefits	Full Benefit Per Month	Annual Premium	Premium Payable For
Disability Income	\$4,000	See Page 3A	30 Years
Social Insurance Substitute (SIS) Benefit	\$1,000	See Page 3A	30 Years
Indexed Income Benefit Index Percentage Limit 3%		See Page 3A	30 Years
Additional Purchase Benefit		See Page 3A	20 Years
Initial Pool Amount	\$2,000		
Future Increase Benefit			
Effective until September 28, 2014 - Renewable			

The specified date following the start of disability when benefits begin to accrue. Disabilities are not always in consecutive days, so an extended period of time is allowed to accumulate days of disability toward the Beginning Date.

Renewal of coverage beyond age 65 may require an increase in the premium. See Section 4.
A premium is payable September 28, 2009 and every September 28 after that.
The first premium is \$1,320.00
The premium for this policy is on a nonsmoker basis for Occupation Class 6A.

Lower premium rate for non-smokers.

Beginning Date	
Disability Income	91st day of disability in the first 180 days after the start of disability.
SIS Benefit	91st day of disability in the first 180 days after the start of disability.

Maximum Benefit Period	
Disability Income	To the first policy anniversary (September 28, 2039) following the Insured's 65th birthday, but not less than 24 months of benefits.
SIS Benefit	To the first policy anniversary (September 28, 2039) following the Insured's 65th birthday.

Benefit period of your policy.

This is your definition of Total Disability. Please refer to Section 1.4 for more information.

Definition of Total Disability
Policy definition applies – see Section 1.4.

Owner	John J Doe, The Insured		
State of Issue	Any State		
Insured	John J Doe	Age and Sex	35 Male
Policy Date	September 28, 2009	Policy Number	D1 000 001
Plan	Disability Income		

Exclusions – See Section 3.
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BENEFITS AND PREMIUMS
Date of Issue - September 28, 2009

Full Benefit Per Month

Disability Income	
Level Premium	\$2,000
Annually Renewable Premium	\$2,000 #
Social Insurance Substitute (SIS) Benefit	
Annually Renewable Premium	\$1,000 #

This amount is convertible to level premium until September 28, 2033.

Table of Annual Premiums

For Policy Years Beginning September 28,	Disability Income \$	Additional Benefits SIS \$	Indexed Income \$	Total * \$
2009	885.00	111.00	202.00	1,320.00
2010	905.00	117.00	210.00	1,354.00
2011	923.00	124.00	218.00	1,387.00
2012	945.00	131.00	223.00	1,421.00
2013	965.00	138.00	231.00	1,456.00
2014	987.00	146.00	236.00	1,491.00
2015	1,011.00	154.00	241.00	1,528.00
2016	1,035.00	162.00	250.00	1,569.00
2017	1,061.00	172.00	256.00	1,611.00
2018	1,089.00	181.00	262.00	1,654.00
2019	1,119.00	191.00	268.00	1,700.00
2020	1,149.00	202.00	277.00	1,750.00
2021	1,185.00	214.00	283.00	1,804.00
2022	1,223.00	228.00	294.00	1,867.00
2023	1,271.00	242.00	300.00	1,935.00
2024	1,323.00	257.00	304.00	2,006.00
2025	1,375.00	280.00	309.00	2,086.00
2026	1,431.00	304.00	311.00	2,168.00
2027	1,499.00	333.00	313.00	2,267.00
2028	1,577.00	365.00	318.00	2,382.00
2029	1,655.00	397.00	318.00	2,370.00
2030	1,717.00	424.00	316.00	2,457.00
2031	1,753.00	444.00	307.00	2,504.00
2032	1,779.00	455.00	278.00	2,512.00
2033	1,779.00	464.00	274.00	2,517.00
2034	1,779.00	471.00	270.00	2,520.00
2035	1,779.00	471.00	270.00	2,520.00
2036	1,779.00	471.00	270.00	2,520.00
2037	1,779.00	471.00	270.00	2,520.00
2038	1,779.00	471.00	270.00	2,520.00

* Includes Additional Purchase Benefit premium of \$ 122.00 payable for 20 years.

Insured	John J Doe	Age and Sex	35 Male
Policy Date	September 28, 2009	Policy Number	D1 000 001
Plan	Disability Income		

Exclusions -- See Section 3.
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Annually renewable premium coverage is convertible to level premium disability income coverage.

Schedule of guaranteed future annually renewable premiums.

Schedule of the premium charged for the Indexed Income Benefit.

Note: Page 4 in the Contract is blank.

SECTION 1. GENERAL TERMS AND DEFINITIONS

Covers both total and partial disability.

This policy provides benefits when the Insured is totally or partially disabled. Section 1 gives information about or the meaning of several terms that are used in the policy.

1.1 INSURED AND OWNER

The Insured and Owner are named on page 3.

1.2 TERMS ON SCHEDULE OF BENEFITS AND PREMIUMS

The schedule of Benefits and Premiums (page 3) has a number of important terms that are used in this policy. These terms are:

Full Benefit. This is the maximum amount of monthly income payable under this policy.

Beginning Date. This is the date on which benefits begin to accrue after the Insured becomes disabled. Benefits are not payable for the time the Insured is disabled before the Beginning Date. Days of disability due to different causes will be accumulated to satisfy the Beginning Date.

Maximum Benefit Period. This is the longest period of time that benefits are payable for disability. In determining the maximum length of time for which benefits are payable, periods of total and partial disability are added together.

1.3 REGULAR OCCUPATION

The words "regular occupation" mean the occupation of the Insured at the time the Insured becomes disabled. If the Insured is regularly engaged in more than one occupation, all of the occupations of the Insured at the time the disability starts will be combined together to be the "regular occupation." "Regular occupation" is not restricted to a specific company or industry.

1.4 TOTAL DISABILITY

The Insured is totally disabled when both unable to perform the principal duties of the regular occu-

pation and not gainfully employed in any occupation.

If the Insured can perform one or more of the principal duties of the regular occupation, the Insured is not totally disabled; however, the Insured may qualify as partially disabled.

The Owner may have selected a different definition of total disability. The Schedule of Benefits and Premiums (page 3) indicates if a different definition applies. If a different definition does apply, refer to the Option for the definition of Total Disability.

1.5 PARTIAL DISABILITY

The Insured is partially disabled when:

a. the Insured is unable:

- to perform one or more but not all of the principal duties of the regular occupation; or
- to spend as much time at the regular occupation as before the disability started;

b. the Insured has at least a 20% Loss of Earned Income that is caused by the disability for which claim is made; and

c. the Insured is gainfully employed in an occupation.

During a period of Partial Disability following the Beginning Date, the Proportionate Benefit may be payable. Until the Proportionate Benefit has been payable for six months, the Insured need not have a 20% Loss of Earned Income to be partially disabled if:

- the Insured is unable to perform one or more principal duties which accounted for at least 20% of the time the Insured spent at the regular occupation before the disability started; or
- the Insured has at least a 20% loss of time spent at the regular occupation.

You don't have to be continuously disabled to qualify for the Beginning Date. Days of disability due to different causes will be accumulated to satisfy the Beginning Date. See "Beginning Date" on page 3.

Regular Occupation means your occupation at the time you become disabled.

You are totally disabled when you are unable to perform the principal duties of your regular occupation and not gainfully employed in any occupation. However, if you decide to become gainfully employed, the Proportionate Benefit for Partial Disability may be payable. You may have chosen a different definition of total disability. The Schedule of Benefits and Premiums will indicate which definition applies to your policy.

Not all benefits are for a Total Disability. A benefit for a Partial Disability is included in your policy.

Proof of earnings loss is not required prior to the Beginning Date or for the first six months. Proportionate Benefits are payable if you have sufficient loss of time or duties at your occupation.

You must be receiving appropriate personal and in-person care and treatment by a Licensed Physician to be eligible for benefits. However, if the company determines the regular care of a Licensed Physician would be of no further use to you the requirement of such care will be waived.

Coverage for accident and sickness.

1.6 LICENSED PHYSICIAN

Licensed Physician means a physician, other than the Insured, who is acting within the scope of his or her license. If disability is due to a mental or nervous condition, Licensed Physician means psychiatrist or licensed doctoral level psychologist other than the Insured.

1.7 REGULAR CARE OF A LICENSED PHYSICIAN

Regular Care of a Licensed Physician means personal and in-person care and treatment by a Licensed Physician trained to treat the condition causing the disability. The care and treatment received by the Insured shall be in accordance with the medical standard of care appropriate to the condition causing the disability. The care and treatment shall be designed to lead to the Insured being able to return to the principal duties of the regular occupation or gainful employment in any occupation.

If the Company determines that Regular Care of a Licensed Physician would be of no further use to the Insured, the requirement of such care will be waived.

1.8 CONSUMER PRICE INDEX

A consumer price index is used to determine the Indexing Factor as described in section 2.4 of this policy. The consumer price index used in this policy is the Consumer Price Index for All Urban Consumers, United States City Average, All Items ("CPI-U"). 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.

The "consumer price index for the year the disability started" is the 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.

1.9 SOCIAL INSURANCE SUBSTITUTE (SIS) BENEFIT

This policy may have the SIS Benefit. If so, the schedule of Benefits and Premiums (page 3) will show the Full Benefit, Beginning Date and Maximum Benefit Period applicable to the SIS Benefit. The terms and conditions of the SIS coverage are set out in the SIS Benefit.

SECTION 2. BENEFITS

2.1 DISABILITIES COVERED BY THE POLICY

Benefits are provided for the Insured's total or partial disability only if:

- the Insured becomes disabled while this policy is in force;
- the Insured is under the Regular Care of a Licensed Physician during disability;
- the disability results from an accident that occurs or a sickness that first appears while this policy is in force; and
- the disability is not excluded under Section 3.

No benefits are provided for any period during which the Insured is not under the Regular Care of a Licensed Physician.

2.2 FULL BENEFIT FOR TOTAL DISABILITY

The Full Benefit is payable at the end of the month for each month of total disability between the Beginning Date and the end of the Maximum Benefit Period. When a total disability lasts for a part of a month, 1/30th of the Full Benefit will be payable for each day of total disability.

Paid during partial disability – no total disability required.

Proportionate Benefit relates to loss of earned income caused by your disability.

With at least an 80% Loss of Earned Income, the Proportionate Benefit amount payable will be 100% of the Full Benefit.

You choose the higher benefit for the first six months.

2.3 PROPORTIONATE BENEFIT FOR PARTIAL DISABILITY

The Proportionate Benefit is payable at the end of the month for each month of partial disability between the Beginning Date and the end of the Maximum Benefit Period. When a partial disability lasts for a part of a month, 1/30th of the Proportionate Benefit will be payable for each day of partial disability.

2.4 HOW THE PROPORTIONATE BENEFIT IS DETERMINED

The Proportionate Benefit is intended to compensate for a loss of earned income caused by the Insured's disability. The amount of each monthly benefit is the Full Benefit multiplied by Loss of Earned Income and divided by Base Earned Income. Thus, the Proportionate Benefit amount equals:

$$\text{Full Benefit} \times \frac{\text{Loss of Earned Income}}{\text{Base Earned Income}}$$

However, if the Insured has at least an 80% Loss of Earned Income, the Proportionate Benefit amount will be 100% of the Full Benefit. In no event will the amount payable be more than 100% of the Full Benefit.

Choice of Benefit Amount for First Six Months. For each of the first six months in which a Proportionate Benefit is payable, the Owner may choose:

- to receive 50% of the Full Benefit; or
- to receive a Benefit based on Loss of Earned Income.

The Owner may alternate between these two choices as to each of the six months. However, the Owner may not change the choice after the Benefit is paid for that month.

The Choice of Benefit Amount does not apply to a Transition Benefit payable under section 2.5.

Loss of Earned Income. This is:

- the Insured's Base Earned Income; less

- the Insured's Earned Income for the month for which the Benefit is claimed.
- The Loss of Earned Income must be caused by the disability for which claim is made.

Earned Income. For an Insured who is an employee, Earned Income is:

- the sum of salary, bonuses and commissions paid to the Insured as reported for federal income tax (FIT) purposes; plus
- amounts earned by the Insured which would have resulted in current taxable employee compensation, but instead were contributed by the Insured to a benefit or retirement plan; less
- unreimbursed employee business expenses as reported by the Insured for FIT purposes.

For an Insured who is an owner of a sole proprietorship or a partnership interest, Earned Income is based on amounts as reported for FIT purposes on individual and business tax returns and is:

- the share of gross income from each business, earned by the Insured or others under the Insured's supervision or direction; less
- the Insured's share of normal and customary business expenses. (However, any form of compensation for the Insured's spouse is not deducted as an expense unless the spouse was a paid employee working at least 30 hours per week in the business during the 30 day period before the start of disability.)

For an Insured who is an owner-employee of a corporation or who has Earned Income from more than one source, Earned Income is calculated using all five items of Earned Income as described above.

For amounts in the current or recently ended tax year which have not yet been reported on FIT returns, the calculations above will be based on amounts that will be reported for FIT purposes. Earned Income is determined before the deduction of federal, state and local income taxes. Earned Income does not include forms of unearned income such as: benefits from disability coverage, from deferred compensation, or from retirement plans; dividends; interest; or annuity payments.

Your choice of cash or accrual accounting.

Base Earned Income

We will use the highest consecutive twelve months earnings in the last 24 months or any two of the three calendar years before the start of disability to determine past earnings.

The period that generates the highest average will be used.

A higher Base Earned Income means a larger loss of earnings and a larger Proportionate Benefit payable.

Average Monthly Earned Income prior to a disability is indexed to help protect your Proportionate Benefit from a decrease because of inflation.

How indexing of Prior Earnings works:

Assumptions:

Average Monthly Earned Income \$5,000

CPI for Current Year: 300

CPI for Year Disability Started: 250

Thus, first 12 months, Base Earned Income = \$5,000

For current year,

Base Earned Income is:

$$\frac{\$5,000 \times 300}{250} = \$6,000$$

At the time a claim for a Proportionate Benefit begins, the Owner must choose:

- to have all items of Earned Income, as described above, credited to the period in which they are earned (accrual basis); or
- to have all items of Earned Income, as described above, credited to the period in which they are received (cash basis). However, income received during a period of disability for work performed prior to the start of the period of disability will not be included in income during the period of disability.

The accounting basis chosen by the Owner will be used to determine both Base Earned Income and Earned Income during a period of disability.

Base Earned Income. During the first 12 months of a disability, Base Earned Income is the average monthly Earned Income of the Insured for:

- a 12 consecutive month period during the 24 month period before the start of disability; or
- any two of the three calendar years before the start of disability.

The period which generates the highest average (and therefore the highest benefit amount) will be used.

After the first 12 months of a disability, Base Earned Income is the average monthly Earned Income of the Insured multiplied by an Indexing Factor. 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, after 12 months of a disability, Base Earned Income equals:

$$\text{average monthly Earned Income} \times \frac{\text{consumer price index for the current year of disability}}{\text{consumer price index for the year disability started}}$$

In the event the Indexing Factor is less than one, a value of one will be used.

Annual Reconciliation. The Company has the right to conduct annual reconciliations to assess whether Earned Income during a period of disability is consistent with income tax returns. Benefit underpayments discovered as a result of the reconciliation process will be paid to the Owner. The Company has the right to recover benefit overpayments discovered as a result of the reconciliation process.

2.5 TRANSITION BENEFIT

If the Insured demonstrates a continued Loss of Earned Income, the Company will pay a Proportionate Benefit for up to the first 12 months after the Insured's recovery from a disability, provided:

- the Insured was disabled until the Beginning Date;
- the Insured has returned to continuous full-time employment;
- the Insured has at least a 20% Loss of Earned Income for the month for which the benefit is claimed; and
- the month for which the benefit is claimed is within the Maximum Benefit Period.

The amount of this Benefit will be determined under section 2.4. A Loss of Earned Income is used to determine the amount of Transition Benefit to the extent that it is caused by the disability from which the Insured has recovered.

A disability occurring while the Transition Benefit is payable is considered as a continuation of the previous disability.

This Benefit is payable for up to 12 months for each separate disability. For any month this Benefit is payable, premiums will be waived.

2.6 TRANSPLANT DONOR

If the Insured donates an organ for transplant to another person, a disability caused by the donation will be considered as caused by sickness.

A Transition Benefit payable for up to 12 months, to help you financially when you return to full-time work after a qualifying disability, while still experiencing a Loss of Earned Income.

While this benefit is payable, premiums will be waived.

Benefits will be payable for a disability caused by your donation of an organ.

A Full Benefit is paid for these losses even if you are working full-time.

2.7 LIFETIME BENEFIT FOR PRESUMPTIVE TOTAL DISABILITY

Even if the Insured is able to work, the Insured will be considered totally disabled if the Insured incurs the total and irrecoverable loss of:

- sight in both eyes;
- use of both hands;
- use of both feet;
- use of one hand and one foot;
- speech; or
- hearing in both ears.

The Full Benefit is payable for this loss provided: the loss occurs while this policy is in force; the loss occurs before the first policy anniversary that follows the 65th birthday of the Insured; the loss results from an accident or sickness; and the loss is not excluded under Section 3. The Insured does not need to be under the care of a physician.

The Full Benefit for the loss:

- is payable monthly;
- starts with the date of loss, not the Beginning Date;
- is payable for as long as the loss continues during the lifetime of the Insured; and
- is in lieu of other benefits payable for total or partial disability.

2.8 WAIVER OF PREMIUM BENEFIT

The Company will waive premiums which become due on this policy while the Insured is totally or partially disabled if the disability lasts for at least 90 days.

The Waiver of Premium Benefit is not limited by the Maximum Benefit Period but is subject to the Limitation While the Insured is Outside the United States (section 3.3) and the Limitation for Mental Disorder and Substance Abuse or Dependency (section 3.4).

If premiums are waived, the Company will also refund that portion of a premium paid which applies to a period of disability beyond the policy

Benefits begin immediately and are payable for life, as long as the loss continues.

Premiums are waived while the Insured is totally or partially disabled if the disability lasts at least 90 days.

Waiver may continue beyond the Maximum Benefit Period but is subject to the limitation while the Insured is outside the United States and the limitation for Mental Disorder and Substance Abuse or Dependency.

Premiums paid during a qualifying disability are refunded – annual premiums are waived on the anniversary date regardless of premium frequency.

month in which the disability began. If a premium is to be waived on a policy anniversary, an annual premium will be waived.

The Company will not waive the payment of premiums after the end of the disability (except where the waiver continues under section 2.5). The Owner may then keep the policy in force by resuming the payment of premiums as they become due.

2.9 REHABILITATION BENEFIT

At the Insured's request, the Company will consider joining in a program to rehabilitate the Insured. The Company's role in the program will be determined by written agreement with the Insured. Benefits will continue during the program under the terms of the agreement.

2.10 DISABILITY WITH MULTIPLE CAUSES

If the Insured is disabled from more than one cause, the amount and duration of benefits will not be more than that for any one of the causes.

2.11 BENEFITS FOR SEPARATE DISABILITIES

Each separate time the Insured is disabled, a new Beginning Date and Maximum Benefit Period start. A disability is considered a separate disability if:

- Full, Proportionate, or Transition Benefits were, but no longer are, payable for the earlier disability; and either
 - the cause of the later disability is not medically related to the cause of the earlier one, and the Insured had resumed on a full-time continuous basis the principal duties of an occupation for at least 30 consecutive days; or
 - the cause of the later disability is related to the cause of the earlier one, and the later disability starts at least 12 months (or 6 months if this contract has a 24 month or 60 month Maximum Benefit Period) after Full, Proportionate, or Transition Benefits ceased being payable for the earlier one.

All other disabilities are considered to be a continuation of the prior disability.

A rehabilitation benefit may be available.

No new Beginning Date if a disability is not separate from an earlier one.

Exclusions and limitations for pre-existing conditions and other matters.

Conditions fully disclosed on the application are covered unless specifically excluded.

Exclusions from coverage.

SECTION 3. EXCLUSIONS AND LIMITATIONS

3.1 PRE-EXISTING CONDITIONS

There will be no benefits for a disability or loss that:

- results from an accident that occurred within two years before the Date of Issue; or
- results from a sickness that existed within two years before the Date of Issue

if the accident or sickness was not disclosed or was misrepresented in the application.

A sickness is considered to have existed if:

- symptoms were present that would have caused a prudent person to seek diagnosis, care or treatment; or
- medical advice or treatment was recommended or received from a health care practitioner.

3.2 OTHER EXCLUSIONS

There will be no benefits for a disability or loss that results from or is caused by or contributed to by:

- an act or incident of war, declared or undeclared;
- the suspension, revocation or surrender of a professional or occupational license or certificate; or
- the commission of or attempt to commit a felony.

There will be no benefits for a disability or loss:

- for any period the Insured is incarcerated; or
- that is excluded from coverage by an Agreement for Limitation of Coverage.

3.3 LIMITATION WHILE THE INSURED IS OUTSIDE THE UNITED STATES

Benefits will not be provided for more than 6 monthly benefit periods in total for the life of the policy while the Insured is outside the United States.

3.4 LIMITATION FOR MENTAL DISORDER AND SUBSTANCE ABUSE OR DEPENDENCY

Benefits will not be provided for more than 24 monthly benefit periods in total for the life of the policy for all disabilities or losses primarily due to any mental disorder, or substance abuse or dependency. This limitation will not apply if, at the end of 24 months of benefits, the Insured is confined in a hospital and is continuously confined thereafter. For purposes of this limitation:

"Mental disorder" is any disease, condition or disorder, whether organic or inorganic, customarily within the scope of treatment of psychiatrists, psychologists, psychotherapists or counselors. This includes, but is not limited to:

- psychosis, psychoneurosis, anxiety and depression; and
- behavioral, adjustment, emotional, personality and stress-related disorders.

"Substance abuse or dependency" includes drug abuse, alcohol abuse or chemical dependency.

"Hospital" means a legally operated facility identified as a hospital and providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. "Hospital" does not include rest homes, nursing homes, convalescent homes, homes for the aged, and facilities primarily affording custodial, educational or rehabilitative care.

Benefits will not be provided for more than six monthly benefit periods during the life of the policy while the Insured is outside the United States.

Disabilities or losses resulting from any Mental Disorder or Substance Abuse or Dependency will be limited to 24 monthly benefit periods for the life of the policy.

This limitation will not apply if, at the end of 24 months of benefits, you are confined in a hospital and are continuously confined thereafter.

This Limitation does not apply to contracts issued in Vermont on or after November 1, 2009.

SECTION 4. CONDITIONAL RIGHT TO RENEW TOTAL DISABILITY COVERAGE TO AGE 75

Continuing total disability protection for those who wish to postpone retirement.

On each policy anniversary between the Insured's 65th and 75th birthdays, the Owner may renew this policy for one year if:

- the Insured is not disabled;
- the Insured is actively and gainfully employed at least 30 hours per week; and
- premiums to renew this policy are paid.

This right to renew ends on the first policy anniversary on which the Insured is not so employed, or is disabled, or on which the Owner chooses not to renew the policy.

For a policy that is renewed, benefits are provided only for total disability. The total disability must be one:

- which occurs while this policy is in force; or
- which commences within 30 days of an accident which occurred while this policy was in force, provided the disability results from the accident.

The premium for each year of renewal will be based on the Insured's age and the Company's rates in use at the time of renewal.

SECTION 5. CLAIMS

You have a reasonable amount of time to file a claim.

5.1 CLAIM FOR POLICY BENEFITS

Notice of Claim. To start a claim for benefits, written notice of claim must be given to the Company within 60 days after the start of any loss covered by this policy. If the notice cannot be given within 60 days, it must be given as soon as reasonably possible. The notice should:

- give the Insured's name and policy number; and
- be sent to the Home Office or be given to an authorized agent of the Company. Mail sent to the Home Office should be addressed as follows:

The Northwestern Mutual Life Ins. Co.
Attn: Disability Benefits
720 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Procedures and requirements for submitting a claim.

(continued on page 12)

Proof of Loss. For a claim to be payable, the Company must be provided with satisfactory written proof of loss. This is information that the Company deems necessary to determine whether benefits are payable, and if so, the amount of the benefits. The proof of loss will include, for both before and after the disability started, information about the Insured's health, occupational duties, income (including income tax returns for the Insured and for businesses in which the Insured has or had

an interest), overhead expenses and disability benefits along with other information as may be required by the Company from time to time. The Company will also need to be provided information as described below under "Other Requirements."

Claim Forms. The Company will furnish claim forms for an initial written proof of loss within 15 days after receiving notice of claim. These forms will need to be completed by the Owner, the Insured and the Insured's physician. If these forms are not furnished within the 15 day period, this initial written proof of loss may be made without the use of the Company's forms.

The Company will furnish additional claim forms from time to time while a claim for monthly benefits continues.

Written Proof of Loss. Written proof of loss must be given to the Company within 90 days after the end of each monthly period for which benefits are claimed. If the proof is not given within the 90 days, the claim will not be affected if the proof is given as soon as reasonably possible. In any event, the proof required must be given no later than one year and 90 days after the end of each monthly period for which benefits are claimed unless the Owner was legally incapacitated.

Procedures and requirements for submitting a claim.

(continued from page 11)

Other Requirements.

- **Authorizations.** From time to time, the Company will furnish the Insured with authorizations to obtain and disclose information. These authorizations must be signed by the Insured without alterations and returned to the Company.
- **Medical Examination.** The Company may have the Insured examined by a health care practitioner.
- **Personal Interview.** The Company may require the Insured to submit to a personal interview.
- **Financial Examination.** The Company may examine the financial records of the Insured and/or the Owner and the financial records of all businesses, trusts, or other legal entities owned, operated or controlled by the Insured and/or the Owner.
- **Vocational Rehabilitation Assessment.** The Company may have the Insured evaluated by a vocational rehabilitation assessor.
- **Functional Capacities Evaluation.** The Company may require the Insured to submit to a functional capacities evaluation.

These requirements will be performed:

- at the Company's expense;
- by an examiner or interviewer of the Company's choice; and
- as often as is reasonably necessary in connection with a claim.

5.2 TIME OF PAYMENT OF CLAIMS

When the Company has received satisfactory proof of loss and other information as required by section 5.1 and the Company has determined that benefits are payable, the Company will pay benefits on a monthly basis.

5.3 PAYMENT OF CLAIMS

Benefits will be paid to the Owner or to the Owner's estate.

5.4 LEGAL ACTIONS

No legal action may be brought for benefits under this policy within 60 days after written proof of loss has been given. No such action may be brought after three years (or a longer period that is required by law) from the time written proof is required to be given.

SECTION 6. OWNERSHIP

6.1 POLICY RIGHTS

All policy rights may be exercised by the Owner, or the Owner's successor or transferee.

6.2 TRANSFER OF OWNERSHIP

The Owner may transfer the ownership of this policy. Written proof of transfer satisfactory to the Company must be received at its Home Office. The transfer will take effect as of the date it was signed. The Company may require that the policy be sent to its Home Office for endorsement to show the transfer.

6.3 COLLATERAL ASSIGNMENT

The Owner may assign this policy as collateral security. The Company is not responsible for the validity or effect of a collateral assignment. The Company will not be responsible to an assignee for any payment or other action taken by the Company before receipt of the assignment in writing at its Home Office.

A collateral assignee is not an Owner. A collateral assignment is not a transfer of ownership. Ownership can be transferred only by complying with section 6.2.

The policy may be assigned.

Ownership provision gives owner flexibility.

SECTION 7. PREMIUMS AND REINSTATEMENT

7.1 PREMIUMS

Payment. All premiums after the first are payable at the Home Office or to an authorized agent. A premium must be paid on or before its due date. A receipt signed by an officer of the Company will be furnished on request.

Frequency. Premiums may be paid annually, semi-annually or quarterly at the published rates of the Company. A change in premium frequency will take effect on the Company's acceptance of the premium for the new frequency. Premiums may be paid on any other frequency approved by the Company.

Grace Period. A grace period of 31 days will be allowed for payment of a premium that is not paid on its due date. This policy will be in full force during this period.

The policy will terminate at the end of the grace period if the premium is not paid.

Premium Refund at Death. The Company will refund that portion of any premium paid for a period beyond the date of the Insured's death.

7.2 REINSTATEMENT

Within Late Payment Period. The late payment period is the first 31 days after the grace period. Within the late payment period, the policy will be reinstated as of the date the overdue premium is paid. No evidence of insurability will be required.

After the Late Payment Period. After the late payment period, the policy may be reinstated with-

in 12 months from the effective date of the policy termination. All unpaid premiums must be paid to the Company. The Company will also require an application for reinstatement and evidence of insurability. The policy will be reinstated as of the date the unpaid premiums are paid to the Company if:

- the application is approved by the Company; or
- notice that the application has been disapproved is not given within 45 days from the date the Company receives the application.

The policy will be reinstated as of the date the Company accepts the unpaid premiums if the Company does not require an application.

Coverage. The reinstated policy will cover only a disability that results from an accident that occurs, or from a sickness that first appears, after the date of reinstatement. The Company may attach new provisions and limitations to the policy at the time of reinstatement. All other rights of the Owner and the Company will remain the same.

Duty With Armed Forces. If the policy terminates while the Insured is on active duty with the armed forces of any nation or group of nations, the policy may be reinstated without evidence of insurability. The policy will be reinstated as of the date a written request and the pro-rata premium for coverage until the next premium due date are received by the Company. The request must be received:

- no later than 90 days after the Insured's release from active duty; and
- no later than five years after the due date of the unpaid premium.

You may change the premium frequency.

Full coverage during the grace period, if you forget to pay the premium.

An extra 31 days to reinstate your policy without evidence of insurability.

Coverage, as provided in this section, starts after reinstatement.

You may reinstate your coverage upon discharge without paying back premiums.

SECTION 8. THE CONTRACT

8.1 ENTIRE CONTRACT; CHANGES

This policy with the application and attached endorsements is the entire contract between the Owner and the Company. No change in this policy is valid unless approved by an officer of the Company. The Company may require that the policy be sent to it to be endorsed to show a change. No agent has authority to change the policy or to waive any of its provisions.

8.2 TIME LIMIT ON CERTAIN DEFENSES

In issuing this policy, the Company has relied on the application. The Company may rescind the policy or deny a claim due to a misstatement in the application. However, after this policy has been in force for two years from the Date of Issue, no misstatement, except a fraudulent misstatement, in the application may be used to rescind the policy or to deny a claim for a disability or loss that starts after the two year period.

In addition, a claim may be denied on the basis that a disability or loss is caused by a Pre-Existing Condition (see section 3.1). However, the Company may not reduce or deny a claim on that basis if the disability or loss:

- starts after two years from the Date of Issue; and
- is not excluded from coverage by an Agreement for Limitation of Coverage.

8.3 CHANGE OF PLAN

The Owner may change this policy to any plan of disability insurance agreed to by the Owner and the Company. The change will be subject to:

- payment of required costs; and
- compliance with other conditions required by the Company.

All premiums and dividends after the date of change will be the same as though the new plan had been in effect since the Policy Date.

8.4 CONVERSION TO LEVEL PREMIUM DISABILITY INSURANCE

The Owner may convert the Annually Renewable Premium (ARDI) coverage, if any, shown on page 3 to a level premium disability income insurance poli-

cy. The conversion may be done on or before the conversion date shown on page 3. No evidence of insurability will be required. Conversion is not available if the premiums are being waived for this policy.

A portion of the ARDI coverage may be converted, subject to conditions set by the Company.

The new policy will be in the form and have the same terms as policies being issued by the Company at the time of conversion. The terms available for the new policy will be based on the classification of risk of this policy. The new policy will have the following terms:

- the amount of the Full Benefit will be the amount of benefit converted;
- the Maximum Benefit Period will not be longer than the Maximum Benefit Period of this policy;
- the Beginning Date will be any Beginning Date offered at the time the new policy is purchased that is not earlier than the Beginning Date of this policy; and
- the new policy will be issued with additional benefits which are on the converted coverage and which are then available to new Insureds.

Limitations of Coverage. The new policy will include any Agreement for Limitation of Coverage that is a part of this policy.

Premium. The premium for the new policy is determined as of its date of issue by:

- the Company's premium rates then in effect in the state where the Insured then resides;
- the Insured's age on the policy date of the new policy;
- the plan and amount of insurance issued; and
- the classification of risk of this policy.

Cost of Conversion. The cost of conversion will be the first premium for the new policy less any dividend and premium credit for the benefit amount converted.

Effective Date. The new policy takes effect on the date the Company receives the application or the cost of conversion, whichever is later.

Your rights are guaranteed by the contract.

The policy and claims are contestable as set out in this section.

If disability starts after two years from the Date of Issue, the Company cannot deny a claim based on any misstatement, except for a fraudulent misstatement, in the application.

You have the right to change this policy subject to certain conditions.

Annually renewable premium (ARDI) coverage is convertible to a level premium policy.

The new level premium policy will include any additional benefits that apply to the ARDI coverage and are then available to new insureds.

Dividends payable on this policy can reduce premiums.

As is true of all participating policies issued by Northwestern Mutual, decisions with respect to the determination and allocation of divisible surplus are left to the discretion and sound business judgment of the Board of Trustees. There is no guaranteed specific method or formula for the determination or 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.

8.5 MISSTATED AGE OR SEX

If the age or sex of the Insured has been misstated, the benefits will be those which the premiums paid would have purchased at the correct age or sex.

8.6 CONFORMITY WITH STATE STATUTES

Any provisions of this policy which, on the Date of Issue, are in conflict with the statutes of the State of Issue on that Date are amended to conform to such statutes. The State of Issue is shown on page 3.

8.7 DIVIDENDS

This policy will receive its share, if any, of the divisible surplus of the Company. Divisible surplus is determined annually. This policy's share will be credited as an annual dividend.

Dividends will be:

- used to reduce premiums; or
- paid to the Owner when premiums are being waived.

8.8 DATES

Provided the first premium is paid, this policy will take effect on the Date of Issue. Policy months, years and anniversaries are computed from the Policy Date. Both dates are shown on page 3 of this policy.

8.9 TERMINATION

If premiums are paid when due, this policy will not terminate until the first policy anniversary following the 65th birthday of the Insured or, if later, when the right to renew the policy ends (see Section 4). However, if the Insured is disabled on the date determined above, the termination will not take effect until benefits are no longer payable due to that disability.

You are totally disabled during the first 24 months following the Beginning Date, when you are unable to perform the principal duties of your regular occupation and not gainfully employed in any occupation. After 24 months, you are totally disabled when you are both unable to perform the principal duties of any occupation for which you are reasonably fitted by education, training or experience and not gainfully employed in any occupation.

ANY OCCUPATION DEFINITION OF TOTAL DISABILITY OPTION

1. TOTAL DISABILITY

By electing coverage pursuant to this Option, the Insured has chosen a reduced standard of coverage with a different definition of total disability.

This Any Occupation Definition of Total Disability Option replaces section 1.4 of this policy with the following:

During the first 24 months of disability following the Beginning Date, the Insured is totally disabled when both unable to perform the principal duties of the regular occupation and not gainfully employed in any occupation. After the first 24 months of disability following the Beginning Date, the Insured is totally disabled when both unable to perform the principal duties of any occupation for which the Insured is reasonably fitted by education,

training or experience and not gainfully employed in any occupation.

If the Insured can perform one or more of the principal duties of the regular occupation, the Insured is not totally disabled. If, for this or other reasons, the Insured does not qualify as totally disabled, the Insured may qualify as partially disabled.

In this Option, the words "this policy" mean the policy to which this Option is attached.

2. TERMINATION

This Option will terminate on the date of termination of this policy.



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2-YEAR INITIAL PERIOD OPTION

You are totally disabled for the first 24 months following the Beginning Date, when you are unable to perform the principal duties of your regular occupation. After 24 months, you are totally disabled when you are both unable to perform the principal duties of your regular occupation and not gainfully employed in any occupation.

1. TOTAL DISABILITY

This 2-Year Initial Period Option replaces section 1.4 of this policy with the following:

During the first 24 months of disability following the Beginning Date, the Insured is totally disabled when unable to perform the principal duties of the regular occupation. After the first 24 months of disability following the Beginning Date, the Insured is totally disabled when both unable to perform the principal duties of the regular occupation and not gainfully employed in any occupation.

If the Insured can perform one or more of the principal duties of the regular occupation, the In-


Insured is not totally disabled; however, the Insured may qualify as partially disabled.

In this Option, the words "this policy" mean the policy to which this Option is attached.

2. TERMINATION

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

- the date of termination of this policy; or
- the date on which the Home Office receives the Owner's written request.



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You are totally disabled when you are unable to perform the principal duties of your regular occupation.

EXTENDED INITIAL PERIOD OPTION

1. TOTAL DISABILITY

This Extended Initial Period Option replaces section 1.4 of this policy with the following:

The Insured is totally disabled when unable to perform the principal duties of the regular occupation.

If the Insured can perform one or more of the principal duties of the regular occupation, the Insured is not totally disabled; however, the Insured may qualify as partially disabled.

In this Option, the words "this policy" mean the policy to which this Option is attached.

2. TERMINATION

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

- the date of termination of this policy; or
- the date on which the Home Office receives the Owner's written request.



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This definition allows the physician or dentist to qualify as totally disabled in one of two ways.

This portion is similar to the definition of total disability found in the base policy contract

To use this second portion, the majority of your time prior to disability had to be spent providing direct patient care and services.

Most medical professional duties fall into one of two categories – either:

- i. Procedures or
- ii. Non-procedures.

If the majority of your medical charges fall under (i), and you can't do the principal procedures of your specialty,

OR

If the majority of your medical charges fall under (ii), and you can't do the principal duties of your specialty.

Then, you have flexibility to either
a. continue working and qualify as partially disabled, or
b. discontinue working, and qualify as totally disabled.

MEDICAL OCCUPATION DEFINITION OF TOTAL DISABILITY OPTION

1. TOTAL DISABILITY

This Medical Occupation Definition of Total Disability Option replaces section 1.4 of this policy with the following:

The Insured is totally disabled when both unable to perform the principal duties of the regular occupation and not gainfully employed in any occupation.

If the Insured can perform one or more of the principal duties of the regular occupation, the Insured will be considered totally disabled if:

- more than 50% of the Insured's time in the regular occupation at the time the disability began was devoted to providing direct patient care and services;
- the Insured is not gainfully employed in any occupation; and
- at the time disability began, the Insured was primarily engaged:

(i) in a procedure-based medical or dental specialty for which board certification is available and the Insured is unable to perform the principal procedures of the medical or dental specialty. The Insured will be considered to have been primarily engaged in a procedure-based medical or dental specialty if billing codes during the 12 months before the disability began demonstrate that more than 50% of the Insured's charges for patient care and services resulted directly from principal procedures performed by the Insured; or

(ii) in a non procedure-based medical or dental specialty for which board certification is available and the Insured is unable to perform the principal duties of non procedure-based patient care and services. The Insured will be considered to have been primarily engaged in a non procedure-based medical or dental specialty if billing codes during the 12 months before the disability began demonstrate that more than 50% of the Insured's charges for patient care and services resulted directly from non procedure-based patient care and services performed by the Insured.

procedure-based patient care and services. The Insured will be considered to have been primarily engaged in a non procedure-based medical or dental specialty if billing codes during the 12 months before the disability began demonstrate that more than 50% of the Insured's charges for patient care and services resulted directly from non procedure-based patient care and services performed by the Insured.

If the Insured can perform one or more of the principal duties of the regular occupation and the Insured is not considered totally disabled, the Insured may qualify as partially disabled.

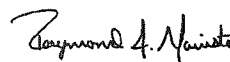
In this Option:

- "this policy" means the policy to which this Option is attached.
- "procedure" means surgical interventions and non-surgical invasive interventions.
- "billing code" means a code generally accepted by the healthcare and insurance industries, such as Current Procedural Terminology (CPT) or American Dental Association (ADA), that is used to identify and describe medical, surgical, diagnostic, or dental services performed.
- general dentistry will be considered a dental specialty.

2. TERMINATION

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

- the date of termination of this policy; or
- the date on which the Home Office receives the Owner's written request.



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ADDITIONAL PURCHASE BENEFIT (APB)

1. THE BENEFIT

The Company will issue additional disability income insurance policies on the Insured, subject to the terms and conditions below. The Company will not refuse to issue these new policies due to changes in the Insured's health, activities, or occupation that occur after the Date of Issue of this policy. However, as explained in Section 3 of the Benefit, the issuing of these new policies is subject to the Company's financial underwriting standards.

In this Benefit, the words "this policy" mean the policy to which this Benefit is attached.

The "Initial Pool Amount" as shown on page 3 is the aggregate amount of Full Benefit that can be purchased under this Benefit.

The "Remaining Pool Amount" is the Initial Pool Amount reduced by the amount of Full Benefit per month on policies purchased under this Benefit.

The premium for this Benefit is shown on page 3.

2. PURCHASE DATES

The Owner may purchase a new policy as of each policy anniversary that occurs after the Policy Date and while this Benefit is in effect. If the Benefit was added to the policy after the Policy Date, the Owner may purchase a new policy as of each policy anniversary following the date the Benefit was added. The right to purchase a new policy under the terms of this Benefit expires on the 30th day after the policy anniversary nearest the Insured's 55th birthday.

The Company must receive an application and the first premium for each new policy not more than 60 days before, nor more than 30 days after a policy anniversary.

3. TERMS OF NEW POLICY

The terms below will apply to each new policy purchased under this Benefit.

In General. Each new policy will be in the form and have the same terms as policies being issued by the Company on the date of purchase of the new policy. The terms available for each new policy

will be based on the classification of risk of this policy.

Limitations on Amount and Type of Coverage. A new policy or additional benefit will be issued under this Benefit only if the Insured meets the Company's financial underwriting standards that are in effect at the time of the application for the new policy or benefit. These standards include the Insured's earned and unearned income, the Insured's net worth, bankruptcy of the Insured, the amount and types of disability coverage that the Insured has or for which the Insured may be eligible after a qualifying period of employment, and the Company's issue limits.

Full Benefit. While this Benefit is in effect, for each new policy:

- the minimum Full Benefit per month that may be purchased is \$200;
- the maximum Full Benefit per month that may be purchased on each anniversary up to and including the policy anniversary nearest the Insured's 45th birthday is the lesser of:
 - (i) 50% of the Initial Pool Amount; and
 - (ii) the Remaining Pool Amount.
- The maximum Full Benefit per month that may be purchased on each policy anniversary after the policy anniversary nearest the Insured's 45th birthday is the lesser of:
 - (i) 25% of the Initial Pool Amount; and
 - (ii) the Remaining Pool Amount.

For purposes of this Benefit, the amount of the Full Benefit issued will be deemed to include the amount of any Social Insurance Substitute Benefit issued as part of the new policy.

Maximum Benefit Period and Definition of Total Disability. The Owner may choose any Maximum Benefit Period or Definition of Total Disability offered at the time the new policy is purchased, based upon the occupation class and for which the Insured qualifies under the Company's financial underwriting standards in effect at the time the new policy is purchased.

Beginning Date. The Owner may choose any Beginning Date offered at the time the new policy is purchased, provided the Beginning Date is not earlier than that of this policy.

Provides the opportunity to purchase coverage as income increases.

The Company will not refuse to issue new policies even if there have been changes in your health, activities or occupation.

Purchase dates occur every policy anniversary up to age 55, subject to financial insurability.

Issuance of new policies is subject to financial underwriting at time of exercise.

Parameters within which you can purchase additional coverage.

Choice of Maximum Benefit Period and Definition of Total Disability.

Choice of Beginning Dates.

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Additional benefits on the original policy may be included on the new one.

The new policy will pay benefits for a covered disability that starts after the new policy is issued if it results from an accident or sickness that began after the original policy was issued.

Additional Benefits. Other than the Additional Purchase Benefit, each new policy may be issued with additional benefits:

- which are then a part of this policy;
- for which the Insured meets the Company's financial underwriting standards that are then in effect; and
- which are offered at the time the new policy is purchased.

Limitations of Coverage. Each new policy will include any Agreement for Limitation of Coverage that is a part of this policy.

No Benefit for Existing Disability. The new policy will cover a disability that starts after the new policy is issued if it is caused by an accident that occurs, or a sickness that first appears, after this policy was issued. The new policy will not cover a disability that exists at the time the new policy is issued.

Premium. The premium for each new policy is determined as of its date of issue by the Company's premium rates then in effect. The premium will also be based on:

- the plan and amount of insurance issued;

- the Insured's age at the time of issue of the new policy;
- the Insured's smoking status on this policy; and
- the Occupation Class of this policy or the Insured's occupation at the time of issue of the new policy, whichever will produce the lower premium.

Waiver of Premium. If premiums are being waived for this policy at the time a new policy is purchased under this Benefit, premiums will also be waived for the new policy for as long as they continue to be waived for this policy.

4. TERMINATION

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

- the date of termination of this policy;
- 30 days after the policy anniversary nearest the Insured's 55th birthday;
- the date the Remaining Pool Amount is zero; or
- the date on which the Home Office receives the Owner's written request.

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Upon exercise of an APB, option, the premium for the new policy will be based on the occupation class of the original policy, or your occupation at the time of issue of the new policy, whichever will produce the lower premium.

For an existing disability, if premiums are being waived under the original policy, they'll be waived under the new policy as well.

FUTURE INCREASE BENEFIT (FIB)

The FIB increases your coverage by indexing the Full Benefit.

During disability, increases are deferred until recovery. Upon recovery, the increases then take effect.

Premiums for the policy will go up when the coverage is increased under the FIB.

How the FIB works:

Assumptions:

Base policy Benefit \$4,000

SIS Benefit \$1,000

Full Benefit 1st year \$5,000

1st Year CPI: 300

2nd Year CPI: 318

New Full Benefit:

Second Year:
 $\$5,000 \times \frac{318}{300}$ \$5,300

1. THE BENEFIT

The Company will annually index the Full Benefit on each policy anniversary to reflect increases in consumer price levels, subject to the terms and conditions in this Benefit. The increased coverage which results from the indexing will remain in effect for as long as the policy is in force and premiums are paid for the increased Full Benefit. Any benefit that is based on the amount of the Full Benefit will be increased in proportion to the increase in the Full Benefit.

Increases Deferred During Disability. Increases will not be made during a period for which premiums are waived. However, increases that would have been made during a period of disability but for the limitation in the prior sentence will take effect after premiums cease to be waived. The increases will be in effect for a separate disability suffered by the Insured (see Benefits for Separate Disabilities section of the policy). The period for which premiums are waived includes any period for which the Transition Benefit is payable.

2. PREMIUM INCREASE

The premium for this policy will increase on the same date as each increase in the Full Benefit takes effect. The amount of each premium increase will be based on the increase in the Full Benefit and the premium rates shown on page 3A.

When the Full Benefit is increased, the Company will provide an amendment to the schedule of Benefits and Premiums.

3. HOW AN INCREASED FULL BENEFIT IS DETERMINED

The Full Benefit for a policy year will be the Full Benefit for the prior policy year multiplied by the Indexing Factor. For purposes of determining the amount of the increase, the "Full Benefit" will be the sum of the disability income Full Benefit and any Social Insurance Substitute Full Benefit. The increase will be subject to a minimum and maximum described below. The Indexing Factor is:

- the consumer price index for the prior calendar year; divided by
- the consumer price index for the next prior calendar year.

Thus, the new Full Benefit equals:

$$\text{prior year Full Benefit} \times \frac{\text{consumer price index for the prior calendar year}}{\text{consumer price index for the next prior calendar year}}$$

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Minimum and Maximum Increase. The Full Benefit for a policy year will not be less than 100% of the Full Benefit for the prior policy year. The Full Benefit for a policy year will not be more than 106% of the Full Benefit for the prior policy year.

Consumer Price Index. The "consumer price index for the prior calendar year" is the Consumer Price Index for All Urban Consumers, United States City Average, All Items (CPI-U) for the month of September of the prior calendar year. The "consumer price index for the next prior calendar year" is the CPI-U for the month of September for the calendar year before the prior calendar year.

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.

4. WHEN INCREASES IN THE FULL BENEFIT OCCUR

Except for increases that are deferred during a period for which premiums are waived, an increase in the Full Benefit will occur on each policy anniversary if the Owner has the right to receive increases at that time. The right to receive increases starts on the first policy anniversary and continues until:

- the Owner refuses two increases; or
- the last date on which this Benefit is in effect, as stated on page 3, if earlier.

The Owner can refuse to accept an increase:

- by not paying the increased premium resulting from this Benefit; or
- by sending a written notice to the Home Office of the Company before the increase takes effect.

If increases have stopped due to two refusals of increases, or because the Insured did not meet the Company's financial underwriting standards when this Benefit was previously renewable, the Owner will regain the right to receive further increases starting on the earlier of:

- the date, if any, this Benefit may be renewed under Section 5 of this Benefit, provided the Insured meets the Company's financial underwriting standards that are then in effect and the renewal date is not later than the first policy anniversary following the 55th birthday of the Insured; or
- the first policy anniversary after the Insured meets all of the Company's standards of insurability that are then in effect. These standards include the Insured's health, activities, and occupation as well as his financial condition.

Minimum and Maximum Increase – Depending on the CPI, the Full Benefit can increase up to a maximum of 6% annually.

FIB increases occur on the policy anniversary. You may skip an annual increase without affecting future increases.

You may refuse annual FIB increases.

Subject to insurability, you may regain the right to future FIB increases.

5. RENEWAL

Page 3 shows the last date on which this Benefit is in effect. However, if it is stated on page 3 that this Benefit is renewable, the Owner may renew this Benefit on that renewal date for subsequent six-year periods. In no event will the Benefit be in effect after the first policy anniversary after the 64th birthday of the Insured.

To renew this Benefit, the Insured must meet the Company's financial underwriting standards that are then in effect. These standards include:

- the Insured's earned and unearned income;
- the Insured's net worth;
- the amount and type of disability coverage that the Insured has or for which the Insured may be eligible after a qualifying period of employment; and
- the Company's issue limits.

Satisfactory evidence of insurability must be provided to the Company no more than 90 days and no less than 45 days before the anniversary on which this Benefit is to be renewed.

The renewal of this Benefit may be contested only for the same period following renewal and with the same conditions as provided in the Time Limit on Certain Defenses section of the policy with respect to contestability of the policy. For purposes of applying the Time Limit on Certain Defenses section, the policy anniversary on which this Benefit is renewed is considered the Date of Issue and the renewal form is considered the application.

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.

6. TERMINATION

The Future Increase 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 64th birthday.



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**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.

Raymond A. Mainste
 Secretary
 THE NORTHWESTERN MUTUAL LIFE
 INSURANCE COMPANY

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

SOCIAL INSURANCE SUBSTITUTE (SIS) BENEFIT

Increases the Disability Benefit when disability benefits are not available from Social Security or State Disability Insurance plans for your disability.

The Company will increase the amount of the monthly income payable under the policy when disability benefits are not available from Social Security or State Disability Insurance plans, subject to the terms and conditions stated below.

Social Security Substitute Benefit. Any reference to the Social Security Substitute Benefit in the policy or in an additional benefit refers to this SIS Benefit.

1. DEFINITIONS

Social Security. The words "Social Security" mean the program established under the federal Social Security Act in its present form or as it may be amended or replaced in whole or in part.

State Disability Insurance. The words "State Disability Insurance" mean any program established as a result of any state law requiring or providing disability income insurance covering employees for non-occupational disabilities.

Social Insurance. The words "Social Insurance" refer to both Social Security and State Disability Insurance plans.

Member of Family. A member of the Insured's family is one who is entitled to Social Security benefits due to a relationship to the Insured.

2. THE BENEFIT

Between the Beginning Date and the end of the SIS Benefit Maximum Benefit Period, the Full Benefit will be increased by:

- a. 100% of the amount of the SIS Benefit when the Insured is not entitled to Social Security disability benefits or State Disability Insurance benefits; or
- b. 40% of the amount of the SIS Benefit when either:
 - the Insured, but no member of the Insured's family, is entitled to Social Security benefits based on the Insured's disability and the Insured does not qualify for State Disability Insurance benefits; or
 - the Insured qualifies for State Disability Insurance benefits and is not entitled to Social Security benefits.

This increase can occur only while the SIS Benefit is in force. The Full Benefit, as increased, will be used to determine the amount of all benefits payable under the policy.

The Full Benefit is not increased by the terms of the SIS Benefit:

- when the Insured qualifies for both Social Security disability and State Disability Insurance benefits; or
- when both the Insured and at least one member of the Insured's family are entitled to Social Security benefits based on the disability of the Insured; or
- when the Insured has elected to receive retirement benefits from Social Security.

The premium for and the amount of this Benefit are shown on page 3. The SIS Benefit Maximum Benefit Period is also shown on page 3.

The SIS Benefit is not convertible.

No Benefits After 65. In no event will the Full Benefit be increased by the terms of the SIS Benefit after the first policy anniversary that follows the 65th birthday of the Insured. At that time, the SIS Benefit will terminate.

3. PROOF OF SOCIAL INSURANCE BENEFITS

For the Full Benefit to be increased by the terms of the SIS Benefit, evidence as required by this section must be given to the Company. These requirements are in addition to those set out in the Claims Section of the policy.

Entitlement to Benefits. At the request of the Company, written proof must be given to the Company that the Insured is not entitled at that time to Social Insurance benefits based on the Insured's disability. The proof must show:

- that the Insured has applied for Social Insurance benefits based on the Insured's disability; and
- the decision made on that application by the administrator of the Social Insurance plan.

If the Insured's application is denied and the Insured appears to the Company to be entitled to Social Insurance benefits, the proof must show:

- that the Insured has asked for reconsideration of the decision; and
- if the decision is not changed, that the Insured has appealed the decision further.

The Company must also be given the Insured's written authorization to obtain information from the administrator of the Social Insurance plan about the Insured's claim.

Social Insurance programs that may provide benefits during a disability.

Supplements your disability benefit if:

- Social Security does not pay the Maximum Family Benefit and no benefits are payable under a State Disability Insurance program, or
- Social Security pays the Primary Insurance Amount and no benefits are payable under a State Disability Insurance program, or
- Benefits are payable under a State Disability Insurance program and no benefits are payable from Social Security.

Benefits payable to age 65, which is the customary retirement age.

You must apply for Social Insurance Benefits.

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Benefits payable for up to six months pending an initial decision on the Social Insurance applications.

Benefits may continue beyond six months if the Company is satisfied that the administrator of the Social Insurance plan has not made a decision on your claim for reasons, which are beyond your control.

Benefits Pending Decision On Social Insurance. Once the Insured has applied for Social Insurance benefits, the Full Benefit will be increased under the terms of the SIS Benefit:

- for six months; or
- until the Insured receives the decision on the Social Insurance application, if sooner.

The Company will continue the increases beyond six months if it is satisfied that the administrator of the Social Insurance plan has not made a decision on the Insured's claim for reasons which are beyond the Insured's control.

If Social Insurance benefits are received for a period for which increases have already been paid under the SIS Benefit, the Owner must reimburse the Company for those increases that would not have been paid under the SIS Benefit.

If increases have been stopped and Social Insurance benefits are later denied, the Company then will pay those increases that would have been paid under the SIS Benefit had they not been stopped.

Change in Status. The Company must be notified at the time there is a change in the Insured's entitlement to Social Security benefits based on the status of the Insured's disability.

Proof as to Family Member. When a member of the Insured's family may be entitled to Social Security benefits based on the Insured's disability, the terms of this section as to the Insured also apply to that member.

4. TERMINATION

The SIS Benefit will terminate on the earliest of the following dates:

- the date of termination of this policy;
- the first policy anniversary that follows the 65th birthday of the Insured; or
- the date on which the Home Office receives the Owner's written request.



Secretary
THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

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SOCIAL INSURANCE SUBSTITUTE (SIS) BENEFIT

The Company will increase the amount of the monthly income payable under the policy when disability benefits are not available from Social Security subject to the terms and conditions stated below.

1. DEFINITIONS

Social Security. The words "Social Security" mean the program established under the federal Social Security Act in its present form or as it may be amended or replaced in whole or in part.

Social Insurance. The words "Social Insurance" refer to Social Security.

Member of Family. A member of the Insured's family is one who is entitled to Social Security benefits due to a relationship to the Insured.

2. THE BENEFIT

Between the Beginning Date and the end of the SIS Benefit Maximum Benefit Period, the Full Benefit will be increased by:

- a. 100% of the amount of the SIS Benefit when the Insured is not entitled to Social Security disability benefits; or
- b. 40% of the amount of the SIS Benefit when the Insured, but no member of the Insured's family, is entitled to Social Security benefits based on the Insured's disability.

This increase can occur only while the SIS Benefit is in force. The Full Benefit, as increased, will be used to determine the amount of all benefits payable under the policy.

The Full Benefit is not increased by the terms of the SIS Benefit:

- when both the Insured and at least one member of the Insured's family are entitled to Social Security benefits based on the disability of the Insured; or
- when the Insured has elected to receive retirement benefits from Social Security.

The premium for and the amount of this Benefit are shown on page 3. The SIS Benefit Maximum Benefit Period is also shown on page 3.

The SIS Benefit is not convertible.

No Benefits After 65. In no event will the Full Benefit be increased by the terms of the SIS Benefit after the first policy anniversary that follows the 65th birthday of the Insured. At that time, the SIS Benefit will terminate.

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New York

3. PROOF OF SOCIAL INSURANCE BENEFITS

For the Full Benefit to be increased by the terms of the SIS Benefit, evidence as required by this section must be given to the Company. These requirements are in addition to those set out in the Claims Section of the policy.

Entitlement to Benefits. At the request of the Company, written proof must be given to the Company that the Insured is not entitled at that time to Social Insurance benefits based on the Insured's disability. The proof must show:

- that the Insured has applied for Social Insurance benefits based on the Insured's disability; and
- the decision made on that application by the administrator of the Social Insurance plan.

If the Insured's application is denied and the Insured appears to the Company to be entitled to Social Insurance benefits, the proof must show:

- that the Insured has asked for reconsideration of the decision; and
- if the decision is not changed, that the Insured has appealed the decision further.

The Company agrees to pay for the reasonable expenses incurred by the Insured in pursuing an appeal which the Company has requested.

The Company must also be given the Insured's written authorization to obtain information from the administrator of the Social Insurance plan about the Insured's claim.

Benefits Pending Decision On Social Insurance. The Company will pay increased benefits under the terms of the SIS Benefit pending the decision from Social Security on the Insured's application. However, if written proof that the Insured has applied for Social Security benefits has not been given to the Company within 40 days after receipt of the Company's request, benefits will be suspended at the end of that 40 day period and will not resume until the Company receives such written proof.

If Social Insurance benefits are received for a period for which increases have already been paid under the SIS Benefit, the Owner must reimburse the Company for those increases that would not have been paid under the SIS Benefit.

Change in Status. The Company must be notified at the time there is a change in the Insured's

Increases the Full Benefit when disability benefits are not available for Social Security for your disability.

You may receive benefits even when you are receiving the Social Security Primary Insurance Amount (PIA).

Benefits payable to age 65, which is the customary retirement age.

You must apply for Social Security Benefits.

Benefits are payable for up to six months pending an initial decision on the Social Insurance Applications.

Benefits may continue beyond six months if the Company is satisfied that Social Security has not made a decision on your claim for reasons, which are beyond your control.

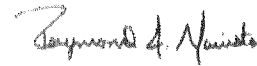
entitlement to Social Security benefits based on the status of the Insured's disability.

Proof as to Family Member. When a member of the Insured's family may be entitled to Social Security benefits based on the Insured's disability, the terms of this section as to the Insured also apply to that member.

4. TERMINATION

The SIS Benefit will terminate on the earliest of the following dates:

- the date of termination of this policy;
- the first policy anniversary that follows the 65th birthday of the Insured; or
- the date on which the Home Office receives the Owner's written request.



Secretary
THE NORTHWESTERN MUTUAL
LIFE INSURANCE COMPANY

PRESUMPTIVE PLUS BENEFIT

1. THE BENEFIT

The Company will pay an additional disability benefit if the Insured incurs a Presumptive Total Disability (see Section 2.7) that begins before the policy anniversary following the Insured's 50th birthday.

The amount of additional disability benefit will be 50% of the amount payable for the Presumptive Total Disability.

2. MAXIMUM BENEFIT PERIOD

This Benefit will be payable for as long as the Presumptive Total Disability benefit is payable.

3. TERMINATION

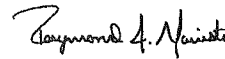
This Benefit will terminate on the earliest of the following dates:

- the policy anniversary following the Insured's 50th birthday unless benefits are payable under this Benefit;
- if benefits are payable under this Benefit on the policy anniversary following the Insured's 50th birthday, on the date benefits are no longer payable under this Benefit; or
- the date on which the Home Office receives the Owner's written request to cancel the policy.

If disabled as indicated while this benefit is active, you will receive (for example):

Full Monthly Benefit	\$4,000
Additional 50%	<u>\$2,000</u>
Total Benefit	\$6,000

If presumptively disabled after this benefit terminates, you may receive benefits for Presumptive Total disability as indicated in Section 2.7.



Secretary
THE NORTHWESTERN
MUTUAL LIFE
INSURANCE COMPANY

It is recommended that you . . .

read your policy.

notify your Northwestern Mutual agent or the Company at 720 East Wisconsin Avenue, Milwaukee, WI 53202, of an address change.

call your Northwestern Mutual agent for information--particularly on a suggestion to terminate or exchange this contract for another policy or plan.

Election Of Trustees

The members of The Northwestern Mutual Life Insurance Company are its policyholders of insurance policies and deferred annuity contracts. The members exercise control through a Board of Trustees. Elections to the Board are held each year at the annual meeting of members. Members are entitled to vote in person or by proxy.

DISABILITY INCOME POLICY

Eligible For Annual Dividends.

Non-Cancellable and
Guaranteed Renewable to Age 65

Conditionally Renewable to Age 75

RR.NCDI.(0101)

Countersigned by _____
Licensed Resident Agent



Disability Insurance products
from Northwestern Mutual

Individual Disability Income Coverage

For personal protection. For Small Business, including a MultiLife discount for qualifying groups.

Group Disability Income Coverage

Long-term or short-term coverage for groups of three or more people.

Interim-Term Disability Coverage

Provides temporary coverage until an employee qualifies for employer-sponsored disability coverage.

Disability Overhead Expense Coverage

Provides a monthly benefit for covered overhead expenses when a business owner is totally or partially disabled.

Disability Buy-Out Coverage

Funds a disability buy-out agreement with a lump-sum or installment payments.

Key-Person Disability Coverage

Provides a benefit to the business in the event the key person is disabled.

protecting your most important asset

Product availability is subject to state approval. Consult a Northwestern Mutual Financial Representative to determine product availability in your state.

This sample policy is not for use in California, Florida or Louisiana.

The Northwestern Mutual
Life Insurance Company, Milwaukee, WI
www.northwesternmutual.com



(REV 0610)