



Care and planning went into the process of determining the appropriate amount of insurance protection.

Take a moment to consider your current loan activity. In looking to the future, you may find the following information helpful in managing your policy loan(s).

A life insurance policy is a valuable asset.

And, the availability of loans from the cash value is a valuable policy feature. In fact, it may well have influenced the decision to purchase permanent life insurance. However, the loan does have an impact on both the present and future level of protection.

So, keep in mind that borrowing against your policy's cash value has a cost. Because borrowing reduces the net death benefit and the net cash value of your policy, your overall net policy values will be lower with the policy loan than if the loan had not been taken.



look to the future

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

18-L351 (0899) (REV 0706)





THE FUTURE IS HERE

It's easy to participate in the loan management program.

Just contact your Financial Representative, or call a Northwestern Mutual service provider at 1-800-388-8123 from 7:00 a.m. to 7:00 p.m. CT.

If you prefer, visit us online at www.northwesternmutual.com.

You can obtain a loan repayment request form from the list of online forms by clicking on: [Customer Center](#) | [Service Center](#) | [Life Insurance](#)

Please consider the following options:

- Add loan payments (\$10 monthly minimum) to your existing premium billing program (ISA) beginning on your next ISA payment date.
- Start a scheduled billing program for your loan on a monthly, quarterly, or semi-annual basis.
- Set up an Electronic Funds Transfer (automatic bank account withdrawals).
- Request loan repayment envelopes so you can submit payments at your convenience.

Reasons to Repay

Increase dividend performance Depending on the type of policy you have, full or partial repayment of your loan can have an effect on your dividends. With some policies, future dividends will increase as your loan balance decreases.

Restore policy values Policy values may be significantly reduced when there is an outstanding loan balance. Repay your loan and you will once again have financial resources available when you need them.

Restore full protection Proceeds paid to your beneficiary will be reduced by any outstanding loan balance. Repay your loan to restore the original level of protection you intended your insurance to provide.

Reduce interest payments A lower loan balance means lower annual interest charges. Unpaid interest is added to principal where it continues to accrue and compound; unchecked, it can cause a policy to terminate creating a potential tax liability. Repay your loan to prevent increasing interest.

Prevent potential adverse tax consequences If your loan balance exceeds the cash value, outside funds will be needed to avoid termination and a potentially significant tax liability. If your policy is surrendered or terminated, the entire gain in the policy will

become taxable to the policyowner even though the policy will have little or no value. In some cases, the tax may exceed the surrender proceeds. Loans from modified endowment contracts (and interest not paid in cash) are taxable as ordinary income to the extent of the gain in the policy. Repay your loan and prevent potential adverse tax consequences.

Repayment Options Northwestern Mutual offers a variety of ways to pay that won't overload your budget. You decide how much and how often, as well as the payment method that works best for you.

Installment or Lump Sum Choose an installment method where you make payments of any amount whenever it's convenient for you, or repay all at once with a lump sum payment.

Scheduled Billing Program If you prefer a regular schedule, Northwestern Mutual will bill you on a monthly, quarterly, or semi-annual basis. You can start loan repayment through a scheduled billing program with as little as \$10 a month. If you are already paying your premiums through our billing service, we'll simply add your loan payments to your existing program.

Electronic Funds Transfer For added convenience, consider having your scheduled payments made through automatic withdrawals from your bank account. Ask your Northwestern Mutual Financial Network Representative for details.

VARIABLE LIFE LOAN AGREEMENT

TO: POLICYOWNER SERVICES DEPARTMENT, VARIABLE LIFE SERVICE CENTER DIVISION

IMPORTANT LOAN INFORMATION

The effective date of the loan will be the date the home office receives the loan request, provided the request is received prior to the close of trading on the New York Stock Exchange. Forms received after the close of the New York Stock Exchange will be processed effective the next business day.

If you plan to rely on your policy's cash values to supplement current or future income needs, please be aware that cash values of variable insurance fluctuate daily in accordance with financial markets. Also, investment experience, dividend scale changes, unplanned loans or surrenders of additions, and unanticipated tax law changes could reduce the cash values available to fund such income.

The cash value used as collateral for your loan will be placed in the company's general account and will not share in the investment experience of the underlying funds. Any outstanding loan balance will reduce the amount you or your beneficiary will receive upon surrender or death. If your policy is surrendered or terminated, your loan balance will be taxable as ordinary income to the extent it exceeds the basis of your policy. If there is not enough surrender value remaining in the policy to pay the tax, the tax will need to be paid with outside funds. Also, if the accumulated policy loan principal and interest can no longer be supported by the cash value, a required minimum out of pocket payment will be necessary, or the policy will terminate and trigger potentially significant taxable income.

For additional information, contact your Northwestern Mutual Financial Representative, the home office, or your tax advisor.

TAXPAYER IDENTIFICATION NUMBER AND WITHHOLDING INSTRUCTIONS (Complete section 3)

If the policy is classified as a modified endowment contract, the loan balance is taxable currently as ordinary income to the extent of the gain in the policy and may also be subject to an additional 10% penalty tax.

Under federal income tax law, if any portion of the payment you receive as a result of your execution of this form is reportable to the Internal Revenue Service ("IRS"), you will be subject to a withholding tax if you do not provide us with your Taxpayer Identification Number. Withholding taxes would also be imposed if the IRS notified us, before payment is made, that your Taxpayer Identification Number is incorrect. Generally speaking, for individuals, the Taxpayer Identification Number is the Social Security Number.

By January 31 of next year, you will receive a statement from Northwestern Mutual showing the taxable portion of the loan payment, if determinable from our records, or the full amount of the payment, and showing the total of any income tax withheld during the year. You can use the amount of any tax withheld as a credit for taxes paid when you file your income tax return.

When providing your Taxpayer Identification Number, **indicate your withholding election**. If withholding is elected, 10% of the taxable income amount will be withheld for federal taxes unless otherwise noted on the form.

If one of the withholding boxes is not checked, taxes will not be withheld.

PAYMENT INSTRUCTIONS

DIRECT DEPOSIT: No Fee (Complete section 4)

Direct deposit is convenient, secure, and saves time. This service is free of charge and is available for deposit into checking or saving account. Funds should be available 2 banking days after the loan is processed at Northwestern Mutual. Please **attach a VOID check** for checking account deposits.

Your bank is identified by a Transit Number also referred to as an ABA Number. This number is the first set of 9 digits at the bottom of your check.

The Transit/ABA Number will always consist of 9 digits. Direct Deposit is not the same as a bank wire.

CHECK BY MAIL: No Fee (Complete section 5)

The check will be sent via US mail the next business day after the loan is processed.

CHECK BY FEDERAL EXPRESS: \$15 Fee (Complete section 5 and 5A)

The check will be delivered via Express Mail or Fed-Ex (depending on the mailing address) two business days after the loan is processed. There is a \$15.00 fee which is deducted from the loan proceeds.

BANK WIRE: \$25 Fee (Complete section 6)

The funds should be available 1 banking day after the loan is processed. Northwestern Mutual charges a \$25.00 wire fee, which will be deducted from the loan proceeds. Your bank may also charge you an additional wire fee. Please **verify** with your **bank** what **routing number** should be used for **incoming** wires.

APPLIED TO NORTHWESTERN MUTUAL CONTRACT: No Fee (Complete section 7)

The funds can be used at the home office to pay a premium, Insurance Service Account (ISA) or to repay a loan.

OPTIONS FOR SUBMITTING A REQUEST OR OBTAINING INFORMATION

Fax: (preferred method) Completed form may be faxed to the home office at **414-625-4268**. The original form need **not** be **sent** to the home office.

Mail: Completed form may be mailed to Northwestern Mutual, Variable Life Service Center, 720 E. Wisconsin Avenue, Milwaukee, WI 53202

Call: **1-866-424-2609**, M-F 7:00 AM – 6:00 PM Central Time

FAX completed form to: The home office at **414-625-4268**. Retain original form for your files.

VARIABLE LIFE LOAN AGREEMENT

TO: POLICYOWNER SERVICES DEPARTMENT, VARIABLE LIFE SERVICE CENTER DIVISION

Policy Debt. The policy debt is the amount currently advanced plus any previous policy debt.
Interest. Interest shall be as provided by the policy or amendment thereto. Interest accrues and is payable on a daily basis from the date of the loan. Unpaid interest is included in the policy debt and is subject to interest on the same terms.
Assignment Termination The policy is assigned to the Northwestern Mutual Life Insurance Company as security for the policy loan.
If policy debt (including all interest accrued) shall on any date equal or exceed the cash value, the policy shall terminate, resulting in loss of coverage and possible adverse tax consequences. This will occur 31 days after a notice has been mailed to the Owner to the last known address and to any assignee on record at the Home office.

1. CONTRACT INFORMATION *(Please Print)*

Policy Number(s): _____
Insured Name(s): _____
Owner Name *(Use Separate Form For Each Owner)*: _____
Owner's Daytime Telephone No.: () _____

2. REQUESTED AMOUNT *(Complete Only One)*

Maximum Loan Specified Loan Amount \$ _____

3. TAX INFORMATION

OWNER TAXPAYER ID NUMBER

I elect to have not have federal or, if applicable, state income tax withheld from the above-requested payment. Under penalties of perjury, I certify that the number shown on this form is my correct Taxpayer Identification Number. (If no withholding selection is indicated, taxes will not be withheld.)

PAYMENT INSTRUCTIONS:

Choose a method of delivery below. If no mailing directions are indicated, the check will be made payable to the owner and sent to the owner's address on record

4. DIRECT DEPOSIT *No Fee (A VOID CHECK is required if depositing to a checking account)*

Bank Name: _____
Bank Transit Number: _____
Name(s) as they appear on the account: _____
Bank Account Number: _____ Checking **Attach a VOID check** Savings

5. CHECK BY MAIL *No fee; If no mailing directions are indicated, the check will be sent to the owner address on record.*

Owner Insured Other (specify) _____
Address: _____
City: _____ State: _____ Zip Code: _____
 Check here if this is a permanent address change for: The Owner The Payer

5A. FEDERAL EXPRESS INSTRUCTIONS *\$15.00 Fee*

____ (initial) I am aware a \$15.00 fee will be deducted from the proceeds Leave without a signature **OR** Signature required
Phone Number: () _____ (Federal Express will call in case of delivery problems)

6. BANK WIRE *\$25.00 Fee; Your bank may also charge an additional wire fee.*

I authorize Northwestern Mutual to electronically transfer the amount directly to the listed bank and deposit the proceeds into the specified account.
Funds should be received at the bank on the next business day after the loan is processed. (Please complete banking information below)

____ (initial) I am aware a \$25.00 fee will be deducted from the proceeds
Bank Name: _____
Bank Transit Number (Check with your bank for their specific transit number for wire transfers): _____
Name(s) as they appear on the account: _____
Bank Account Number: _____

FAX completed form to: The home office at **414-625-4268**. Retain original form for your files.

7. PAYMENT APPLIED TO NORTHWESTERN MUTUAL CONTRACT

A. Pay Policy(ies) Premium or Credit ISA(s)

Pay Premium Policy Number _____ to _____ (MM/DD/YYYY) Amount \$ _____

Credit ISA ISA Number _____ to _____ (MM/DD/YYYY) Amount \$ _____

B. Apply to Loan Balance

Policy Loan Policy Number _____ Amount \$ _____

Premium Loan Policy Number _____ Amount \$ _____

SIGNATURE INSTRUCTIONS

Personal Policyowner - Policyowner must sign name as it appears in the policy contract. If the policy is jointly owned, all policyowners must sign.

Business/Entity Owner(s) – When signing on behalf of a business or entity, the signor must be someone authorized to conduct business other than the Insured. If the Insured is the only one authorized to sign, a Statement of Apparent Authority form (18-1757) needs to be completed and submitted with this form.

The name of the business/entity must be *printed* above the signature.

Trust – The form must be signed by the authorized trustee and the title “**Trustee**” should appear after the signature. The name of the trust must be printed above the signature.

ASSIGNED POLICIES – The assignee must sign the form, and their “**title**” should appear after the signature.

If the assignee is a business or entity, the signor must be someone authorized to conduct business other than the insured. The name of the business/entity must be printed above the signature.

A personal assignee must sign his/her name as it appears on the assignment. If the policy is jointly assigned all assignees must sign and state their title.

8. SIGNATURE(S) AND DATE

I have read this entire form (*including Page 1 and 2*) and understand the potential tax consequences of this loan and effect of the loan on my policy.

SIGNATURE OF PERSONAL OWNER(S)	SIGNATURE OF BUSINESS/ENTITY/TRUST OWNER(S) AND TITLE	SIGNATURE OF ASSIGNEE AND TITLE
➤ _____	➤ _____ Please PRINT name of Business/Entity/Trust	➤ _____ Please PRINT name of Business
➤ _____	➤ _____ When signing on behalf of business or entity, the signor must be someone other than Insured.	➤ _____ Authorized Company Representative Signature and Title
➤ _____	➤ _____ Authorized Company Representative/Trustee Signature and Title	OR
➤ _____	➤ _____ Authorized Company Representative/Trustee Signature and Title	➤ _____ Personal Assignee Signature and Title

Date: _____
(MM/DD/YYYY)

FAX completed form to: The home office at **414-625-4268**. Retain original form for your files.