

Northwestern Mutual to Pay \$84 Million to Settle Annuities Suit

Reuters is reporting that Northwestern Mutual Life Insurance Co. has agreed to pay \$84 million to settle a lawsuit claiming that it illegally reduced potential payouts on annuities it sold at least 30 years ago, cheating investors who used them as retirement investments.

The settlement , announced in a Milwaukee federal court, covers about 4,000 current and 29,000 former owners of the annuities pursuing a class action.

“They claimed Northwestern Mutual breached its contractual obligations when in 1985 it quietly changed how it calculated dividends on deferred, fixed annuities it had sold, costing them millions of dollars annually,” the report says.