

CARDINAL ADVISORS

Roth IRA vs Cash Value Life Insurance

Hans and Tom use the following Penn Mutual illustration to discuss the video entitled "Roth IRA vs Cash Value Life Insurance"

ROTH IRA VS CASH VALUE LIFE INS.

S.S.

☐

MED

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LTC

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401K
IRA

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- TAX FREE ACCUMULATION
- TAX FREE TO HEIRS
- TAX FREE WITHDRAWALS
- WITHDRAWALS DONT INCREASE IRMAA AND SOCIAL SECURITY TAX
- CAN BE TRANSFERRED TO ANNUITY WITH GUARANTEED INCOME FOR LIFE
- NO LONG-TERM CARE OR LIFE INS. BENEFIT
- INVEST IN MOST ANYTHING IRA ACCEPTABLE

- STRATEGIC ROTH CONVERSION
- LIFE INSURANCE PREMIUM OUT OF NET IRA WITHDRAWALS
- (250,000 DB 23,670 FOR 7 YEARS
- MALE 65 \$165,642 TOTAL, STANDARD NON-SMOKER
- @ 85 CV=\$319,807 DB=\$377,345
- CONSIDER SOME OF BOTH

- TAX FREE ACCUMULATION
- TAX FREE TO HEIRS
- TAX FREE WITHDRAWALS
- + YOU CAN RE-DEPOSIT WITHDRAWALS
- WITHDRAWALS DONT INCREASE IRMAA AND SOCIAL SECURITY TAX
- LIMITED TRANSFER TO ANNUITY
- LONG-TERM CARE BENEFITS
- LIFE INSURANCE BENEFITS
- INVESTED ONLY IN LIFE INSURANCE

MARRIED FILING JOINT

SINGLE

MARGINAL

MARGINAL

10% 0-23,850

12% 23,850-96,950

22% 96,950-206,700

24% 206,700-394,600

32% 394,600-501,050

35% 501,050-751,600

37% 751,600+

10% 0-11,295

12% 11,295-48,475

22% 48,475-103,350

24% 103,350-197,300

32% 197,300-250,525

35% 250,525-626,350

37% 626,350+

INCOME

☐

ESTATE

☐

TAXES

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June 2025



Accumulation Whole Life



The Penn Mutual Life Insurance Company

Life Insurance Illustration

Prepared For:
Valued Client - Owner/Insured

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April 11, 2025

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Insured: **Valued Client**

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Introduction

About Penn Mutual

At Penn Mutual we are committed to helping families & businesses unlock the possibilities of life through our life insurance and annuity solutions.

Since 1847, we have consistently met our financial obligations to policyholders. We are committed to the brighter futures and best interests of all of our policyholders.

About Accumulation Whole Life

Accumulation Whole Life is permanent life insurance that offers:

- A guaranteed death benefit to help protect your loved ones or estate
- Consistent premiums to support your personal budgeting
- Access to the guaranteed cash value when you need it
- An opportunity to build additional cash value through non-guaranteed dividends.

Accessing cash value will reduce your policy death benefit and values, may result in certain fees and charges and may require additional premium payments to maintain coverage.

Introduction to Your Illustration

This illustration provides an overview of Accumulation Whole Life, including the base life insurance policy, selected riders and examples of how the policy may perform, given the assumptions outlined in this illustration.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur, and actual results may be more or less favorable than those shown.

All guarantees are based on the claims paying ability of the issuing company.

Insured: Valued Client

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Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

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Policy Overview

Insured
Valued Client

The person whose life is covered by this illustration.

Policy Owner
Valued Client

The owner(s) described in this illustration. This illustration assumes the policy is owned by the insured.

Issue State
North Carolina

The illustration is subject to the regulations and requirements of this state.

Assumed Policy Date
April 11, 2025

The values and assumptions shown are based on the date this illustration was prepared. The values of your policy may vary depending on your actual policy date, which is the date your policy becomes effective.

Accumulation Whole Life
Policy Payment Period: 35 Years
Initial Base Face Amount: \$125,000

Your Accumulation Whole Life policy has:

- A Policy Payment Period of 35 years which is set at policy issue
- Guaranteed premiums based on the Policy Payment Period
- Guaranteed death benefit and cash value accumulation until the insured reaches age 121
- An opportunity to increase the cash value and death benefit through non-guaranteed dividends.

Flexible Protection Rider (FPR)
Rider Form: ICC18-TL-FP
Initial FPR Face Amount: \$125,000

This rider blends term life insurance with your whole life policy to help lower the cost of coverage and may enable you to purchase a higher death benefit.

- This rider is only available at issue.
- Your premium goes toward purchasing a combination of term life insurance and additional, paid-up whole life insurance (paid-up additions).
- If any dividend is paid, it will also be used to purchase paid-up additions. Paid-up additions must be the selected dividend option or the rider will be automatically terminated.
- Over time, the amount of paid-up whole life insurance can increase and take the place of the term life insurance.
- If the premium for the rider is not enough to pay the full cost of the term insurance, the FPR death benefit could be lower than the coverage amount selected.
- Unless terminated earlier, this rider's premium is payable through year 35.

Your illustration shows:

- The rider continuing through the end of policy year 35.

Death Benefit (DB)

This is the benefit payable at the death of the insured. It includes the base coverage amount plus any additional death benefits from dividends or from supplemental riders.

Any death benefit paid at the death of the insured will be reduced by any loans or PUA/dividend surrenders taken from your policy.

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Riders

The following illustrated riders are subject to underwriting which may affect their availability or the coverage amount, and are subject to limitations and exclusions which are not set forth below. Riders on conversions from term policies and term riders are also subject to underwriting, as well as limitations and exclusions not set forth below.

Your illustration may show additional benefits or riders terminating before natural expiry, as defined in the policy. Terminating benefits or riders early may not be automatic and must be elected by contacting Penn Mutual.

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**Accelerated Death Benefit Rider
for Terminal Condition**
Rider Form: ICC17-ACDB

This benefit allows you to access a portion of the death benefit when a licensed physician certifies that the insured has been diagnosed with a terminal condition resulting in a life expectancy of 12 months or less.

- This benefit is automatically included with your policy and there is only a cost for this benefit when it is used.
- Accelerated death benefit payments will reduce your death benefit and policy value.
- The unadjusted payment amount is expressed as a "Requested Percentage" of the eligible amount, as defined in the policy. The amount accessed must be at least \$10,000, but no more than 50% of the eligible amount with an overall maximum of \$250,000 per policy on the life of the insured.
- The amount of the claim actually received will include the following reductions:
 - Premium payments that would have been paid during the 12 months following the benefit payment date.
 - A loan repayment equal to the Requested Percentage times any outstanding loan balance.
 - A 12-month interest rate discount using a rate guaranteed to be no greater than the ninety-day treasury bill or the current maximum statutory adjustable policy loan interest rate.
- Accelerated death benefits are usually income tax-free. Please consult a personal tax professional prior to receiving any accelerated benefit payments.
- The accelerated Death Benefit payment is intended to qualify for favorable tax treatment under section 101(g) of the Federal Internal Revenue Code. Exercising this benefit could be a taxable event so assistance and advice should be obtained from a personal tax professional prior to receipt of any prepayments.
- **The Accelerated Death Benefit Rider is a life insurance benefit that also gives you the option to accelerate some of the death benefit in the event that the Insured meets the criteria for a qualifying event described in the policy. This rider is not a long-term care policy or nursing home insurance policy.**
- An Accelerated Death Benefit Payment is the actual benefit paid by the Accelerated Death Benefit Rider if eligible and will be paid in a lump sum only once per policy. The benefits provided by long-term care insurance are not the same as those provided by the Accelerated Death Benefit Rider. The Accelerated Death Benefit Rider requires that the Insured has a non-correctable terminal condition that results in the Insured's having a remaining life expectancy of twelve months or less, whereas long-term care insurance typically requires an inability to do two of six Activities of Daily Living or Severe Cognitive Impairment. The Rider also does not restrict how the policy owner can use the Accelerated Benefit Payments, whereas long-term care insurance will generally require proof of expenses incurred.

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Accelerated Death Benefit Rider for Terminal Condition (continued)

Hypothetical Example of Accelerated Death Benefit Payment

This example of the Accelerated Death Benefit is hypothetical and reflects the assumptions used in this Life Insurance illustration. It assumes that the owner has provided due proof that the insured has a non-correctable terminal illness and is diagnosed with a life expectancy of less than 12 months and has requested a 50% prepayment of the policy's death benefit as of the beginning of policy year 10. This example also assumes that any premiums due have been paid. Benefits and values are not guaranteed and actual results may be more or less favorable.

Insured: Male; Underwriting Class: Standard Non-Tobacco; Age 65 at Issue; Age 74 at Payout; Requested Accelerated Death Benefit - 50% of Maximum Amount: \$260,770 Accelerated Benefit Payment after discounting adjustment: \$123,822.61; Current Accelerated Death Benefit Interest Rate: 5.30%. The actual rate will be determined on the date of application for the ABP.

	Immediately Before Acceleration	Immediately After Acceleration
Annualized Premium:	0	0
Total Cash Value:	185,927	92,963
Face Amount:	34,625	17,313
Total Death Benefit:	260,770	130,385

Chronic Illness Accelerated Benefit Rider

Rider Form: ICC15-ABCI

This rider enables the policy owner to access a portion of the policy death benefit as an Accelerated Benefit Payment (ABP) if the insured becomes chronically ill.

- This benefit is automatically included with eligible policies. Issue of this rider is subject to underwriting approval.
- There is no charge for this rider, but there is an impact to the death benefit and cash value when it is used.
- A licensed health care practitioner, not related to the insured or policy owner, must provide a certification prepared within the last 12 months that the insured has a chronic illness. Specifically, a condition is considered a chronic illness when, for a period of at least 90 consecutive days, the insured:
 - Is unable to perform at least two of the following daily activities: bathing, transferring, dressing, eating, continence and toileting or
 - Requires substantial supervision by another person to avoid injury or harm due to severe cognitive impairment
- The licensed health care practitioner must also certify that the continuous care in an eligible facility or at home is expected to be required for the remainder of the insured's life when the insured has a Chronic Illness.
- **The Chronic Illness Accelerated Benefit Rider is a life insurance benefit that also gives you the option to accelerate some of the death benefit in the event that the Insured meets the criteria for a qualifying event described in the policy. This rider is not a long-term care policy or nursing home insurance policy.**

Insured: **Valued Client**

Male, Age 65, Standard Non-Tobacco
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Chronic Illness Accelerated Benefit Rider (continued)

Accelerated Benefit Payment (ABP)

- May be requested as a Lump Sum or series of equal payments paid semi-annually, quarterly, or monthly. The ABP will continue to be paid as long as the insured remains eligible and there is remaining death benefit to be accelerated; certification from a licensed health care practitioner must be submitted and reapproved by Penn Mutual every 12 months.
- Minimum: \$4,800 per 12-month period
- Maximum: Lesser of 24% of the Death Benefit on the date of initial election (including the Flexible Protection Rider and Accelerated Permanent Paid-Up Additions Rider), or \$240,000 per 12-month period, or the Per Diem Limitation. The Per Diem Limitation is declared each calendar year by the IRS - \$420 per day the insured is chronically ill for 2025. This illustration assumes a calendar year of 365 days.
- The ABP cannot be less than the reduction in the cash value less any outstanding policy loans.
- The ABP cannot cause the remaining death benefit to be less than \$50,000.
- The ABP is intended to qualify for favorable tax treatment under section 101(g). An ABP will only be paid if, to the best knowledge of Penn Mutual, such payment qualifies for favorable tax treatment under IRC Section 101(g) and all other applicable sections of the federal law at the time this benefit is elected. Other ABP type payments from other insurance policies or other qualified long term care services will be considered in making this determination. In any event, any ABP payments received from this or another insurance policy that exceed the IRC annual limit may be taxable. Please consult a qualified tax professional regarding your own personal situation.
- An Accelerated Benefit Payment is the actual benefit paid by the Chronic Illness Accelerated Benefit Rider and is subject to the Accelerated Benefit Payment limits in the contract. The benefits provided by long-term care insurance are not the same as those provided by the Chronic Illness Accelerated Benefit Rider. The Chronic Illness Accelerated Benefit Rider requires a licensed health care practitioner to certify that continuous care in an eligible facility or at home is expected to be required for the remainder of the insured's life when the insured has a Chronic Illness, whereas long-term care insurance does not generally have this requirement. The Rider does not restrict how the policy owner can use the Accelerated Benefit Payments, whereas long-term care insurance will generally require proof of expenses incurred.

How ABP can Affect Policy Values and Death Benefits

- Using this benefit will reduce policy cash values and death benefits.
- The reduction in the policy death benefit will be greater than the amount of the ABP.
- The amount of the claim actually received will be reduced by a loan repayment based on a proportional amount of any outstanding loan balance.
- There may be an impact on other policy and rider provisions due to the payment of this accelerated benefit.
- The Accelerated Benefit Interest Rate is guaranteed not to exceed the greater of the current yield on the ninety-day Treasury bill available on the date of application for the ABP, the Moody's Corporate Bond Yield Average, and the minimum interest rate used to calculate policy values plus 1%.

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Initial Dividend Option: Paid-Up Additions (PUAs)

**Chronic Illness Accelerated
Benefit Rider**
(continued)**Overloan Protection Benefit Rider**
Rider Form: OPB-TL-17-NC

Due to the rule that the ABP cannot be less than the reduction in the cash value less outstanding policy loans, the ABP amount is not available. Other options may be a partial surrender or loan.

This rider keeps your policy in force despite outstanding loans.

- There is no charge for this rider at issue or when the benefit goes into effect.
- It remains intact as a paid-up policy if an outstanding loan exceeds 99% of the cash value.
- If this benefit goes into effect, the policy will become paid-up life insurance.
- The amount of the paid-up insurance is the amount provided by the sum of the Tabular Cash Value, Dividend Credits and the value of Paid-Up Additions when applied as a net single premium at the attained age of the Insured, at the time the benefit goes into effect. The new Death Benefit will be equal to this amount of paid-up insurance, less Policy Debt.
- When the policy becomes a paid-up policy:
 - Dividend option automatically changes to paid-up additions, unless owner selects the cash option.
 - All supplemental riders will be terminated.
 - No further premium payments or policy loans will be allowed.
 - No further changes can be made to the policy.
- For the rider to take effect the insured must be at least 75 years old and the policy must be in effect for at least 15 years.

Neither the IRS nor the courts have ruled on the tax consequences of exercising the Overloan Protection Benefit Rider. It is possible that the IRS or a court could assert that the policy has been effectively terminated and that the outstanding loan balance should be treated as a distribution, all or a portion of which could be taxable when the rider is exercised. In addition, this Overloan Protection Benefit Rider may not be appropriate for your particular circumstances. Consult with a tax professional regarding the risks associated with exercising this rider.

**Accelerated Permanent Paid-Up
Additions (APPUA) Rider**
APPUA Rider Period: 35 Years
Rider Form: ICC17-TL-APPUA
Annual Payment Limit: \$13,597.75
APPUA Rider Payment
Requirement: \$6,798.88

This rider allows you to periodically pay extra premiums to more quickly replace the term portion of the Flexible Protection Rider with additional, paid-up whole life insurance (paid-up additions). You also choose the length of time over which you want to pay these extra premiums.

- The Minimum modal APPUA premium payment is \$25.00.
- APPUA Premium payments can only be made on monthly policy anniversaries.
- Dividend amounts for payments made on a monthly policy anniversary will be prorated according to the proportion of the policy year remaining.
- Total APPUA premiums cannot exceed the Annual Payment Limit for the policy year without additional underwriting.
- The Annual Payment Limit is established at the time the rider is issued.
- A charge equal to a percentage of the APPUA premium will be made upon each exercise of this option.
- The APPUA Rider Period is selected by the owner when the policy is issued. This is the number of years until the APPUA rider will terminate if no other events have already caused the rider to terminate.
- Paid-up additions must be the selected dividend option or the APPUA rider will be automatically terminated.
- This rider will automatically terminate if cumulative APPUA premiums made within the previous 5 policy years are less than the APPUA Rider Payment Requirement of \$6,798.88.

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Accelerated Permanent Paid-Up Additions (APPUA) Rider

(continued)

APPUA Rider Payment

Requirement: \$6,798.88

Your illustration shows:

- An Annual Payment Limit of \$13,597.75.
- The initial APPUA payment in Policy Year 1, Month 1.
- APPUA premiums being discontinued after year 7.
- This rider continuing through the end of policy year 7.

Contract Premium

Mode: Annual

This is the premium due based on the frequency of premium payments (mode) illustrated during the policy year for the base policy and any illustrated riders, other than the APPUA Rider. Premiums are assumed to be paid at the beginning of the period to which they apply.

Policy Payment Period: 35 Years

The Policy Payment Period is selected at issue and for this illustrated policy is 35 Years. At the end of the 35 years the policy will be paid-up and no additional premiums will be due.

Illustrated Coverage	Face Amount	Annual Premium	Semi-Annual Premium	Quarterly Premium	Monthly Premium
Whole Life (Base)	\$125,000	\$6,946.25	\$3,549.53	\$1,812.97	\$604.32
Flexible Protection Rider	\$125,000	\$3,126.25	\$1,597.51	\$815.95	\$271.98
Accelerated Death Benefit		N/A	N/A	N/A	N/A
Chronic Illness Rider		N/A	N/A	N/A	N/A
Overloan Protection Rider		N/A	N/A	N/A	N/A
Total Modal Premium:		\$10,072.50	\$5,147.04	\$2,628.92	\$876.30
Total Annualized Amount:		\$10,072.50	\$10,294.08	\$10,515.68	\$10,515.60

APPUA Premium

APPUA Mode: Annual

Annual Payment Limit: \$13,597.75

Scheduled APPUA Rider Billed Amount

(Annualized): \$13,597.75

APPUA Rider Payment

Requirement: \$6,798.88

Accelerated Permanent Paid-Up Additions (APPUA) Rider premiums may be paid on any monthly policy anniversary. APPUA premiums are illustrated on annual anniversaries of the policy date. APPUA premiums will appear on the premium notice (bill) based on the modal equivalent of the requested Annualized Billing Amount.

Illustrated Coverage	Lump Sum	Annual Premium	Semi-Annual Premium	Quarterly Premium	Monthly Premium
APPUA Rider		\$13,597.75			
Total Annualized APPUA:		\$13,597.75			

Underwriting Class

Standard Non-Tobacco

The insured's underwriting class is based on factors such as overall health history, occupation and activities that involve risk. This illustration assumes the insured is Standard Non-Tobacco. The actual payments will depend on the outcome of the underwriting process and may vary from what is illustrated here.

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Initial Dividend Option: Paid-Up Additions (PUAs)

Dividends

Dividends awarded from the company surplus may be paid based on the company's claim, expense, and investment return experience. Dividends are paid at the end of the policy year. They are not guaranteed, and are subject to change by Penn Mutual.

Dividend Options

Initial: Paid-Up Additions (PUAs)

You may choose from several dividend options, and in some situations you may choose to have any excess dividends allotted to another indicated option:

- **Paid-up Additions (PUAs):** Purchases paid-up whole life insurance
- **Premium Reduction:** Reduces any premium due in the next payment period
- **Cash:** Paid in cash
- **Dividend Accumulations:** Earns interest at a rate determined by Penn Mutual
- **Term Insurance:** Purchases one-year term insurance equal to the guaranteed cash value or the amount that can be purchased with the dividend if less
- **Loan Repayment:** Used to repay any existing policy loans

Accessing Your Cash Value

You can access the policy cash value you have accumulated for any reason. Your policy allows two options for accessing your cash value:

Policy Loans: You can take a loan against the policy.

- Loans will bear interest at an adjustable loan interest rate set by Penn Mutual as of the first day of each calendar year.
- Loan interest is due and payable at the end of each policy year.
- If the loan interest is not paid when due, it will be added to the loan balance.
- An unpaid loan balance may cause the policy to lapse.
- The current loan interest rate is 5.30%.

PUA/Dividend Surrenders: You can take PUA/dividend surrenders from your policy as long as your policy has PUA/dividend value.

Policy loans and PUA/dividend surrenders will reduce your values and benefits and are not reflected in the Basic Ledger. Dividends will also be affected by any outstanding loans. The effects of these types of distributions can be seen on the Supplemental Ledgers.

Non-forfeiture Options

In the event of a lapse (premium is not paid), you may surrender this policy for its Net Cash Value or keep it in force under one of the following non-forfeiture options:

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Initial Dividend Option: Paid-Up Additions (PUAs)

Non-forfeiture Options
(continued)**Extended Term Insurance:**

- This option is only available if the premium underwriting class is Standard or better.
- The extended term insurance amount is equal to the Base Face Amount plus any Paid-Up Additions and Dividend Credits* minus any outstanding policy loan.
- The term insurance will continue for the period provided by the Net Cash Value when applied as a net single premium at the attained age of the insured on the due date of the unpaid premium.
- Extended term insurance has no loan value, but may be surrendered for its Net Cash Value.

Reduced Paid-Up Whole Life Insurance:

- If there is no outstanding policy loan, the reduced paid-up whole life insurance amount is equal to the amount which can be purchased by the total of the Guaranteed Cash Value and Dividend Credits* when applied as a net single premium at the attained age of the insured on the due date of the unpaid premium. Any existing Paid-Up Additions (from dividends or premiums) would be added to this result for the total reduced Paid-Up Whole Life Insurance Amount.
- If there is an outstanding policy loan, the loan is first allocated proportionately between the Guaranteed Cash Value plus any Dividend Credits*, and any Paid-Up Additions cash value. The Guaranteed Cash Value plus dividend credits less its allocated share of the loan will be applied as a net single premium at the attained age of the insured on the due date of the unpaid premium. And if there is Paid-Up Additions cash value, its cash value less its allocated share of the loan will be applied as a net single premium at the attained age of the insured on the due date of the unpaid premium to purchase the remaining Paid-Up Whole Life Insurance Amount. Both paid-up amounts will be added together for the total reduced Paid-Up Whole Life Insurance Amount. The outstanding policy loan will be extinguished.
- The policy will continue to earn dividends on the reduced paid-up amount, and remains eligible for loans and PUA/dividend surrenders.

***Dividend Credits are:**

- Dividend Accumulations, including accrued interest;
- Any dividend applied under the Premium Reduction dividend option which has not been used because of the death of the insured or because of lapse or surrender of this policy; and
- Any dividend at death.

Important Tax Information

Any references to the taxation of life insurance products in this illustration are based on Penn Mutual's understanding of current tax laws as of the date of the illustration. Please be certain to consult a qualified tax professional regarding your own personal situation.

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7-Pay Premium

Initial: \$23,670.26

In order to receive favorable tax treatment of distributions such as policy loans or PUA/dividend surrenders, a life insurance policy must satisfy the '7-Pay' Premium Test.

- Life insurance policy premiums must be within certain limits during the first 7 years of the policy and for the first 7 years after certain policy changes or conditions occur.
- A policy that does not meet the qualifications of this test is referred to as a Modified Endowment Contract (MEC).
- Your initial '7-Pay' premium is \$23,670.26. The '7-Pay' Premium used in this test may be adjusted under certain circumstances over the lifetime of the policy.

Taxation of Distributions

In general, the accumulated value of a life insurance policy is tax deferred but may be subject to taxation at the time of a full surrender or dividend surrender.

If your policy is not a Modified Endowment Contract (MEC):

- The tax treatment of any death benefit provided under the contract will qualify for income tax free treatment.
- PUA/Dividend surrenders during the first 15 policy years are subject to additional rules and may be taxable.
- If your policy has an outstanding loan balance and your policy terminates, the loan balance may be taxable.

If your policy is a MEC:

- The tax treatment of any death benefit provided under the contract will still qualify for income tax free treatment.
- You may be subject to additional taxes and penalties on any distributions from your policy during the life of the insured.
- Policy distributions, including loans to capitalize loan interest, will be taxed on a 'gain first' basis and any taken prior to age 59 ½ may be assessed a 10% penalty.

Please refer to the footnotes at the end of each Ledger page for the MEC status.

Illustrated Tax Bracket 28.00%

The owner's tax bracket used in this illustration is 28.00%.

Penn Mutual's Address

The Penn Mutual Life Insurance Company
Philadelphia, PA 19172

WE APPRECIATE THE TRUST THAT YOU ARE PLACING WITH PENN MUTUAL FOR YOUR LIFE INSURANCE NEEDS.

All guarantees are based on the claims paying ability of the issuing company.

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
 Contract Premium Mode: Annual
 APPUA Premium Mode: Annual
 Policy Payment Period: 35 Years
 Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
 Initial Flexible Protection Rider Face Amount: \$125,000
 Initial Total Face Amount: \$250,000
 Initial Dividend Option: Paid-Up Additions (PUAs)

Definitions

Column Headings

Age	The insured's attained age as of the end of the policy year.
APPUA Premium	The total premium payments scheduled during the policy year under the Accelerated Permanent Paid-Up Additions (APPUA) Rider.
Base Contract Premium	The amount of premium to be paid during the policy year for the base policy and any illustrated riders other than the Flexible Protection Rider (FPR) and the Accelerated Permanent Paid-Up Additions Rider.
Change in CV Less Prem. Outlay	The change in the total cash value amount since the end of the previous policy year minus the premium outlay for that policy year.
Change in Total Cash Value	The change in the total cash value amount since the end of the previous policy year.
Cum. Premium Outlay	The contract premiums less any dividends used to reduce the premium, PUA/ dividend surrenders used to pay premiums, and/or loans used to pay premiums accumulated through the end of the policy year.
Dividend	The annual dividend payable at the end of the policy year on the base policy and any dividend from paid-up additional insurance.
FPR Contract Premium	The required premium payments due for the Flexible Protection Rider (FPR) during the policy year.
Increase In Total Cash Value (Guaranteed)	The increase in the guaranteed total policy cash value since the end of the previous policy year.
Increase In Total Cash Value (Non-Guaranteed)	The increase in the non-guaranteed total policy cash value since the end of the previous policy year.
Premium Outlay	The contract premiums less any dividends used to reduce the premium, PUA/ dividend surrenders used to pay premiums, and/or loans used to pay premiums.
Total Cash Value (Guaranteed)	The sum of the guaranteed base policy cash value plus the guaranteed Flexible Protection Rider (FPR) cash value and the guaranteed Accelerated Permanent Paid-Up Additions (APPUA) Rider cash value, assuming no outstanding policy loan balance.

Insured: **Valued Client**

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Total Cash Value (Non-Guaranteed)

The guaranteed cash value of the base policy plus the guaranteed value of the Flexible Protection Rider (FPR), and the guaranteed cash value of the Accelerated Permanent Paid-Up Additions (APPUA) Rider as well as any non-guaranteed cash value resulting from the illustrated dividend option and dividend scale, assuming no outstanding policy loans. The non-guaranteed total cash value is illustrated as of the end of the policy year and includes the dividend awarded in the policy year, but not yet applied.

Total Death Benefit (Guaranteed)

The sum of the guaranteed base policy death benefit and the guaranteed Flexible Protection Rider (FPR) death benefit, and the guaranteed Accelerated Permanent Paid-Up Additions (APPUA) Rider death benefit, assuming no outstanding policy loans. The death benefit shown assumes that there were no dividends to help fund the purchase of paid-up additions for the FPR and APPUA, which over time could result in a decrease in the death benefit.

Total Death Benefit (Non-Guaranteed)

The sum of the guaranteed base policy death benefit, the Flexible Protection Rider (FPR) death benefit, and the guaranteed Accelerated Permanent Paid-Up Additions (APPUA) Rider death benefit, plus the death benefit resulting from the illustrated dividend option and dividend scale, assuming no outstanding policy loans. The Total Death Benefit column illustrates the death benefit as of the end of the policy year and includes the dividend awarded in the policy year but not yet applied.

Total Death Benefit w/out Div.

The sum of the guaranteed base policy death benefit, the Flexible Protection Rider (FPR) death benefit, the Accelerated Permanent Paid-Up Additions Rider (APPUA) death benefit plus the death benefit resulting from the applied dividends using the illustrated dividend option and dividend scale, assuming no outstanding policy loans. This column illustrates the death benefit as of the end of the policy year and does not include the dividend awarded in the policy year.

Total Premium

The sum of the base contract premium, Flexible Protection Rider (FPR) contract premium and Accelerated Permanent Paid-Up Additions (APPUA) Rider premium to be paid during the policy year.

Year

The initial policy year begins on the policy date and subsequent policy years begin on the policy's anniversary date.

Insured: **Valued Client**

Male, Age 65, Standard Non-Tobacco
 Contract Premium Mode: Annual
 APPUA Premium Mode: Annual
 Policy Payment Period: 35 Years
 Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
 Initial Flexible Protection Rider Face Amount: \$125,000
 Initial Total Face Amount: \$250,000
 Initial Dividend Option: Paid-Up Additions (PUAs)

Policy Value Summary

Values

Guaranteed

Values are guaranteed and assume no dividends.

Non-Guaranteed Mid-Point

Values are not guaranteed and assume dividends are paid at 50% of the current scale.

Non-Guaranteed Current

Values are not guaranteed and assume dividends are paid at the current scale.

Year	Age	Annual Premium	Cumulative Premium	Guaranteed		Non-Guaranteed Mid-Point		Non-Guaranteed Current	
				Cash Value	Death Benefit	Cash Value	Death Benefit	Cash Value	Death Benefit
5	70	23,670	118,351	95,130	250,000	102,772	258,779	110,104	268,783
10	75	10,073	195,909	168,968	308,639	195,098	343,414	223,337	380,826
20	85	10,073	296,634	263,235	346,537	351,822	450,399	465,156	582,974
35	100	10,073	447,722	372,351	395,684	603,086	640,242	973,825	1,032,860
56	121	0	447,722	395,684	395,684	906,615	906,615	2,037,816	2,037,816

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur, and actual results may be more or less favorable than those shown.

Policy Loans and PUA/Dividend Surrenders will reduce your values and benefits, and are not reflected in this illustration. The effects of these types of distributions can be seen on the Supplemental Ledger.

This illustration assumes a Policy Payment Period of 35 years. Once selected, this will remain unchanged through the life of the policy.

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

All guarantees are based on the claims paying ability of the issuing company.

 Signature of Policy Owner

 Date

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

 Signature of Agent

 Date

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
 Contract Premium Mode: Annual
 APPUA Premium Mode: Annual
 Policy Payment Period: 35 Years
 Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
 Initial Flexible Protection Rider Face Amount: \$125,000
 Initial Total Face Amount: \$250,000
 Initial Dividend Option: Paid-Up Additions (PUAs)

Basic Ledger

Values

Guaranteed: No Dividends

Values are based on the guarantees in your policy and assume no dividends.

Non-Guaranteed: Current Scale
Benefits and values are subject to change by Penn Mutual and are not guaranteed, actual results may be more or less favorable.

Values are based on the guarantees in your policy, as well as any non-guaranteed dividends paid at the current scale.

Year	Age	Premium Breakdown				Guaranteed			Non-Guaranteed				
		Base Contract Premium	FPR Contract Premium	APPUA Premium	Total Premium	Total Cash Value	Increase In Total Cash Value	Total Death Benefit	Dividend	Total Cash Value	Increase In Total Cash Value	Total Death Benefit w/out Div	Total Death Benefit
1	66	6,946	3,126	13,598	23,670	14,701	14,701	250,000	1,054	15,755	15,755	250,000	251,054
2	67	6,946	3,126	13,598	23,670	31,891	17,190	250,000	1,909	35,151	19,395	250,000	251,909
3	68	6,946	3,126	13,598	23,670	51,995	20,104	250,000	2,795	58,359	23,208	250,000	252,795
4	69	6,946	3,126	13,598	23,670	73,012	21,018	250,000	3,543	83,263	24,904	250,000	253,543
5 ¹	70	6,946	3,126	13,598	23,670	95,130	22,118	250,000	4,480	110,104	26,841	264,303	268,783
6	71	6,946	3,126	13,598	23,670	117,234	22,103	272,314	5,833	138,352	28,248	295,264	301,097
7	72	6,946	3,126	13,598	23,670	139,690	22,457	295,917	6,790	168,029	29,677	327,624	334,414
8	73	6,946	3,126	0	10,073	149,426	9,736	300,241	7,366	185,694	17,665	341,938	349,304
9	74	6,946	3,126	0	10,073	159,193	9,767	304,480	7,962	204,125	18,431	356,804	364,767
10	75	6,946	3,126	0	10,073	168,968	9,774	308,639	8,593	223,337	19,211	372,233	380,826
11	76	6,946	3,126	0	10,073	178,655	9,688	312,722	9,759	243,774	20,438	388,252	398,012
12	77	6,946	3,126	0	10,073	188,335	9,680	316,731	10,556	265,163	21,389	405,577	416,134
13	78	6,946	3,126	0	10,073	198,009	9,674	320,671	11,312	287,472	22,309	423,669	434,981
14	79	6,946	3,126	0	10,073	207,679	9,670	324,544	12,033	310,674	23,202	442,450	454,483
15 ^M	80	6,946	3,126	0	10,073	217,330	9,651	328,353	12,737	334,741	24,067	461,856	474,593
16	81	6,946	3,126	0	10,073	226,711	9,380	332,101	13,389	359,368	24,626	481,848	495,237
17	82	6,946	3,126	0	10,073	236,020	9,309	335,791	14,021	384,725	25,358	502,348	516,370
18	83	6,946	3,126	0	10,073	245,259	9,239	339,425	14,665	410,827	26,102	523,322	537,987
19	84	6,946	3,126	0	10,073	254,343	9,085	343,006	15,369	437,615	26,788	544,775	560,144
20	85	6,946	3,126	0	10,073	263,235	8,892	346,537	16,199	465,156	27,541	566,775	582,974
21	86	6,946	3,126	0	10,073	271,890	8,655	350,022	17,149	493,497	28,342	589,469	606,618
22	87	6,946	3,126	0	10,073	280,258	8,368	353,464	18,130	522,587	29,089	612,994	631,125
23	88	6,946	3,126	0	10,073	288,295	8,038	356,866	19,125	552,357	29,770	637,384	656,509
24	89	6,946	3,126	0	10,073	295,962	7,666	360,231	20,144	582,747	30,390	662,652	682,796
25	90	6,946	3,126	0	10,073	303,255	7,293	363,564	21,164	613,729	30,982	688,832	709,997
26	91	6,946	3,126	0	10,073	310,185	6,930	366,868	21,967	645,070	31,341	715,931	737,898
27	92	6,946	3,126	0	10,073	316,792	6,607	370,146	22,924	676,956	31,887	743,713	766,637
28	93	6,946	3,126	0	10,073	323,150	6,359	373,401	24,002	709,596	32,639	772,362	796,364
29	94	6,946	3,126	0	10,073	329,344	6,193	376,636	25,091	743,102	33,506	802,016	827,107
30	95	6,946	3,126	0	10,073	335,532	6,188	379,852	26,180	777,711	34,608	832,694	858,874

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Year	Age	Premium Breakdown				Guaranteed			Non-Guaranteed				
		Base Contract Premium	FPR Contract Premium	APPUA Premium	Total Premium	Total Cash Value	Increase In Total Cash Value	Total Death Benefit	Dividend	Total Cash Value	Increase In Total Cash Value	Total Death Benefit w/out Div	Total Death Benefit
31	96	6,946	3,126	0	10,073	341,962	6,430	383,051	27,253	813,800	36,089	864,391	891,644
32	97	6,946	3,126	0	10,073	348,596	6,635	386,233	28,311	851,184	37,385	897,079	925,390
33	98	6,946	3,126	0	10,073	355,622	7,026	389,398	29,405	890,071	38,887	930,738	960,143
34	99	6,946	3,126	0	10,073	363,344	7,722	392,548	30,543	930,757	40,686	965,406	995,949
35	100	6,946	3,126	0	10,073	372,351	9,007	395,684	31,729	973,825	43,069	1,001,132	1,032,860
36	101	0	0	0	0	373,703	1,352	395,684	32,787	1,010,148	36,323	1,034,849	1,067,635
37	102	0	0	0	0	374,931	1,228	395,684	33,858	1,047,326	37,178	1,069,564	1,103,422
38	103	0	0	0	0	376,042	1,111	395,684	34,961	1,085,389	38,063	1,105,296	1,140,257
39	104	0	0	0	0	377,048	1,006	395,684	36,096	1,124,390	39,001	1,142,083	1,178,179
40	105	0	0	0	0	377,980	932	395,684	37,265	1,164,433	40,043	1,179,963	1,217,228
41	106	0	0	0	0	378,894	914	395,684	38,469	1,205,715	41,283	1,218,973	1,257,442
42	107	0	0	0	0	379,908	1,015	395,684	39,709	1,248,654	42,939	1,259,146	1,298,855
43	108	0	0	0	0	380,884	976	395,684	40,985	1,292,847	44,192	1,300,504	1,341,489
44	109	0	0	0	0	381,822	937	395,684	42,299	1,338,326	45,480	1,343,081	1,385,380
45	110	0	0	0	0	382,721	899	395,684	43,651	1,385,130	46,804	1,386,916	1,430,567
46	111	0	0	0	0	383,584	863	395,684	45,044	1,433,298	48,168	1,432,046	1,477,090
47	112	0	0	0	0	384,411	828	395,684	47,087	1,483,478	50,180	1,478,511	1,525,598
48	113	0	0	0	0	385,205	794	395,684	48,605	1,535,146	51,668	1,526,979	1,575,583
49	114	0	0	0	0	385,966	760	395,684	50,168	1,588,344	53,198	1,576,905	1,627,073
50	115	0	0	0	0	386,694	728	395,684	51,778	1,643,120	54,776	1,628,337	1,680,115
51	116	0	0	0	0	387,391	697	395,684	53,437	1,699,520	56,400	1,681,318	1,734,756
52	117	0	0	0	0	388,059	668	395,684	55,146	1,757,595	58,075	1,735,899	1,791,045
53	118	0	0	0	0	388,697	638	395,684	56,907	1,817,395	59,799	1,792,129	1,849,035
54	119	0	0	0	0	389,309	612	395,684	59,359	1,879,610	62,216	1,850,058	1,909,417
55	120	0	0	0	0	389,894	585	395,684	62,234	1,944,665	65,055	1,910,389	1,972,623
56	121	0	0	0	0	395,684	5,790	395,684	64,269	2,037,816	93,151	1,973,547	2,037,816

¹The Flexible Protection Rider's Paid-Up Additions first exceed the FPR coverage amount in Policy Year 5.

^MThis policy will become a MEC in policy year 15. The 7-Pay Premium in year 15 is \$8,714. Please see Important Tax Information in the Policy Overview section of this illustration for additional information.

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Supplemental Ledger - Current Dividend Scale

Values

Current Dividend Scale

Refer back to the basic illustration for guaranteed elements and other important information.

Benefits and values are subject to change by Penn Mutual and are not guaranteed, actual results may be more or less favorable.

Values are based on the guarantees in your policy, as well as any non-guaranteed dividends paid at the current scale. This supplemental ledger will also reflect PUA/dividend surrenders and policy loans, if illustrated.

The policy shown in this illustration is not guaranteed to be a paid-up policy until after the policy payment period ends. Any suspension of premium shown prior to the end of the policy payment period is dependent on the dividends assumed in the illustration. Future dividends may be less than those illustrated which may result in the need to continue premium payments or resume premium payments after an initial suspension of such premium payments.

Non-Guaranteed

Year	Age	Total Premium	Dividend	Premium Outlay	Cum. Premium Outlay	Total Cash Value	Change in Total Cash Value	Change in CV Less Prem. Outlay	Total Death Benefit w/out Div	Total Death Benefit
1	66	23,670	1,054	23,670	23,670	15,755	15,755	-7,915	250,000	251,054
2	67	23,670	1,909	23,670	47,341	35,151	19,395	-4,275	250,000	251,909
3	68	23,670	2,795	23,670	71,011	58,359	23,208	-462	250,000	252,795
4	69	23,670	3,543	23,670	94,681	83,263	24,904	1,234	250,000	253,543
5 ¹	70	23,670	4,480	23,670	118,351	110,104	26,841	3,171	264,303	268,783
6	71	23,670	5,833	23,670	142,022	138,352	28,248	4,577	295,264	301,097
7	72	23,670	6,790	23,670	165,692	168,029	29,677	6,007	327,624	334,414
8 ²	73	0	5,417	0	165,692	176,790	8,761	8,761	247,240	252,657
9	74	0	5,716	0	165,692	185,927	9,137	9,137	255,055	260,770
10	75	0	6,031	0	165,692	195,450	9,523	9,523	263,144	269,176
11	76	0	6,851	0	165,692	205,862	10,413	10,413	271,523	278,374
12	77	0	7,258	0	165,692	216,764	10,902	10,902	280,870	288,127
13	78	0	7,646	0	165,692	228,142	11,378	11,378	290,599	298,245
14	79	0	8,019	0	165,692	239,986	11,844	11,844	300,676	308,695
15	80	0	8,386	0	165,692	252,285	12,299	12,299	311,070	319,457
16	81	0	8,730	0	165,692	265,004	12,719	12,719	321,766	330,496
17	82	0	9,063	0	165,692	278,117	13,113	13,113	332,727	341,790
18	83	0	9,403	0	165,692	291,631	13,514	13,514	343,935	353,338
19	84	0	9,773	0	165,692	305,516	13,885	13,885	355,394	365,168
20	85	0	10,206	0	165,692	319,807	14,291	14,291	367,139	377,345
21	86	0	10,698	0	165,692	334,525	14,718	14,718	379,242	389,941
22	87	0	11,209	0	165,692	349,646	15,121	15,121	391,771	402,980
23	88	0	11,726	0	165,692	365,133	15,488	15,488	404,746	416,472
24	89	0	12,257	0	165,692	380,957	15,824	15,824	418,175	430,432
25	90	0	12,789	0	165,692	397,100	16,143	16,143	432,077	444,866

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Non-Guaranteed

Year	Age	Total Premium	Dividend	Premium Outlay	Cum. Premium Outlay	Total Cash Value	Change in Total Cash Value	Change in CV Less Prem. Outlay	Total Death Benefit w/out Div	Total Death Benefit
26	91	0	13,215	0	165,692	413,442	16,342	16,342	446,456	459,671
27	92	0	13,721	0	165,692	430,071	16,629	16,629	461,197	474,918
28	93	0	14,287	0	165,692	447,079	17,008	17,008	476,396	490,683
29	94	0	14,862	0	165,692	464,512	17,433	17,433	492,122	506,984
30	95	0	15,440	0	165,692	482,466	17,955	17,955	508,388	523,828
31	96	0	16,013	0	165,692	501,105	18,639	18,639	525,195	541,209
32	97	0	16,585	0	165,692	520,280	19,175	19,175	542,533	559,118
33	98	0	17,176	0	165,692	539,999	19,719	19,719	560,397	577,573
34	99	0	17,793	0	165,692	560,238	20,239	20,239	578,807	596,600
35	100	0	18,436	0	165,692	580,978	20,740	20,740	597,792	616,228
36	101	0	19,052	0	165,692	602,139	21,162	21,162	617,383	636,436
37	102	0	19,675	0	165,692	623,793	21,654	21,654	637,557	657,232
38	103	0	20,316	0	165,692	645,957	22,163	22,163	658,321	678,636
39	104	0	20,975	0	165,692	668,662	22,705	22,705	679,698	700,673
40	105	0	21,655	0	165,692	691,968	23,306	23,306	701,710	723,364
41	106	0	22,354	0	165,692	715,994	24,026	24,026	724,379	746,733
42	107	0	23,075	0	165,692	740,988	24,994	24,994	747,724	770,799
43	108	0	23,816	0	165,692	766,707	25,719	25,719	771,757	795,573
44	109	0	24,580	0	165,692	793,174	26,466	26,466	796,498	821,078
45	110	0	25,366	0	165,692	820,408	27,234	27,234	821,971	847,337
46	111	0	26,175	0	165,692	848,434	28,026	28,026	848,196	874,371
47	112	0	27,402	0	165,692	877,667	29,234	29,234	875,197	902,599
48	113	0	28,286	0	165,692	907,764	30,097	30,097	903,403	931,689
49	114	0	29,195	0	165,692	938,752	30,987	30,987	932,458	961,653
50	115	0	30,132	0	165,692	970,656	31,904	31,904	962,388	992,521
51	116	0	31,098	0	165,692	1,003,504	32,848	32,848	993,221	1,024,319
52	117	0	32,092	0	165,692	1,037,326	33,822	33,822	1,024,985	1,057,077
53	118	0	33,117	0	165,692	1,072,150	34,824	34,824	1,057,707	1,090,824
54	119	0	34,576	0	165,692	1,108,412	36,261	36,261	1,091,419	1,125,996
55	120	0	36,298	0	165,692	1,146,373	37,961	37,961	1,126,562	1,162,860
56	121	0	37,485	0	165,692	1,200,883	54,511	54,511	1,163,399	1,200,883

¹The Flexible Protection Rider's Paid-Up Additions first exceed the FPR coverage amount in Policy Year 5.

²The Reduced Paid-Up (RPU) non-forfeiture option was exercised in policy year 8. Upon exercise of this option, premiums are discontinued, and any riders not already paid-up are eliminated. The dividend option automatically changes to Paid-up Additions (PUAs), but the owner may elect to change the dividend option. This illustration reflects the Paid-Up Additions dividend option from policy year 8. The initial reduced paid-up insurance amount is \$34,625. Loans and/or PUA/dividend surrenders after the RPU option is exercised could cause additional outlay, such as loan repayments, to be required if the insurance protection is to be maintained.

The non-guaranteed values illustrated avoid Modified Endowment Contract (MEC) status. Dividends are not guaranteed and the dividend scale is subject to change. The change of dividend scale and contractual changes (including Premium Offset) could lead to the policy becoming a Modified Endowment Contract (MEC). Please see Important Tax Information in the Policy Overview section of this illustration for additional information.

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Supplemental Ledger - Alternate Dividend Scale

Values

0.25% Reduction

Refer back to the basic illustration for guaranteed elements and other important information.

Benefits and values are subject to change by Penn Mutual and are not guaranteed, actual results may be more or less favorable.

Values are based on the guarantees in your policy, as well as any non-guaranteed dividends paid at an alternate scale which assumes an interest factor that is 0.25% less than the current scale. This supplemental ledger will also reflect PUA/dividend surrenders and policy loans, if illustrated.

The policy shown in this illustration is not guaranteed to be a paid-up policy until after the policy payment period ends. Any suspension of premium shown prior to the end of the policy payment period is dependent on the dividends assumed in the illustration. Future dividends may be less than those illustrated which may result in the need to continue premium payments or resume premium payments after an initial suspension of such premium payments.

Non-Guaranteed

Year	Age	Total Premium	Dividend	Premium Outlay	Cum. Premium Outlay	Total Cash Value	Change in Total Cash Value	Change in CV Less Prem. Outlay	Total Death Benefit w/out Div	Total Death Benefit
1	66	23,670	1,015	23,670	23,670	15,715	15,715	-7,955	250,000	251,015
2	67	23,670	1,816	23,670	47,341	35,016	19,300	-4,370	250,000	251,816
3	68	23,670	2,645	23,670	71,011	58,069	23,054	-617	250,000	252,645
4	69	23,670	3,328	23,670	94,681	82,748	24,679	1,008	250,000	253,328
5 ¹	70	23,670	4,197	23,670	118,351	109,296	26,548	2,878	263,498	267,695
6	71	23,670	5,475	23,670	142,022	137,169	27,873	4,203	294,025	299,500
7	72	23,670	6,352	23,670	165,692	166,385	29,215	5,545	325,848	332,201
8 ²	73	0	4,948	0	165,692	174,644	8,259	8,259	244,820	249,768
9	74	0	5,208	0	165,692	183,231	8,587	8,587	251,958	257,166
10	75	0	5,485	0	165,692	192,157	8,926	8,926	259,329	264,814
11	76	0	6,255	0	165,692	201,914	9,757	9,757	266,949	273,203
12	77	0	6,614	0	165,692	212,102	10,188	10,188	275,482	282,097
13	78	0	6,952	0	165,692	222,707	10,604	10,604	284,350	291,302
14	79	0	7,270	0	165,692	233,711	11,004	11,004	293,512	300,783
15	80	0	7,582	0	165,692	245,103	11,393	11,393	302,936	310,519
16	81	0	7,868	0	165,692	256,848	11,745	11,745	312,607	320,475
17	82	0	8,143	0	165,692	268,916	12,068	12,068	322,486	330,629
18	83	0	8,420	0	165,692	281,310	12,395	12,395	332,556	340,976
19	84	0	8,725	0	165,692	294,001	12,691	12,691	342,817	351,542
20	85	0	9,087	0	165,692	307,018	13,017	13,017	353,302	362,389
21	86	0	9,506	0	165,692	320,384	13,365	13,365	364,077	373,583
22	87	0	9,936	0	165,692	334,066	13,682	13,682	375,210	385,146
23	88	0	10,368	0	165,692	348,028	13,962	13,962	386,712	397,079
24	89	0	10,814	0	165,692	362,242	14,214	14,214	398,585	409,399
25	90	0	11,257	0	165,692	376,688	14,446	14,446	410,850	422,107

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

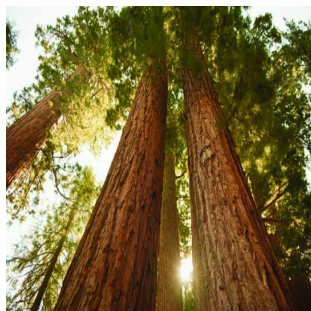
Non-Guaranteed

Year	Age	Total Premium	Dividend	Premium Outlay	Cum. Premium Outlay	Total Cash Value	Change in Total Cash Value	Change in CV Less Prem. Outlay	Total Death Benefit w/out Div	Total Death Benefit
26	91	0	11,604	0	165,692	391,258	14,570	14,570	423,507	435,111
27	92	0	12,007	0	165,692	406,017	14,759	14,759	436,451	448,458
28	93	0	12,472	0	165,692	421,057	15,041	15,041	449,751	462,223
29	94	0	12,945	0	165,692	436,423	15,366	15,366	463,479	476,424
30	95	0	13,417	0	165,692	452,203	15,780	15,780	477,647	491,064
31	96	0	13,882	0	165,692	468,546	16,342	16,342	492,252	506,134
32	97	0	14,336	0	165,692	485,303	16,758	16,758	507,281	521,617
33	98	0	14,804	0	165,692	502,478	17,175	17,175	522,722	537,526
34	99	0	15,301	0	165,692	520,056	17,578	17,578	538,590	553,891
35	100	0	15,815	0	165,692	538,010	17,954	17,954	554,917	570,732
36	101	0	16,300	0	165,692	556,263	18,253	18,253	571,723	588,023
37	102	0	16,792	0	165,692	574,883	18,620	18,620	588,982	605,774
38	103	0	17,297	0	165,692	593,883	19,000	19,000	606,703	624,000
39	104	0	17,816	0	165,692	613,289	19,406	19,406	624,904	642,720
40	105	0	18,349	0	165,692	633,152	19,864	19,864	643,600	661,949
41	106	0	18,897	0	165,692	653,579	20,427	20,427	662,809	681,705
42	107	0	19,459	0	165,692	674,790	21,211	21,211	682,543	702,002
43	108	0	20,037	0	165,692	696,560	21,770	21,770	702,810	722,847
44	109	0	20,631	0	165,692	718,904	22,344	22,344	723,626	744,256
45	110	0	21,240	0	165,692	741,838	22,934	22,934	745,005	766,245
46	111	0	21,866	0	165,692	765,377	23,539	23,539	766,965	788,831
47	112	0	22,801	0	165,692	789,830	24,453	24,453	789,521	812,322
48	113	0	23,479	0	165,692	814,940	25,110	25,110	812,991	836,470
49	114	0	24,176	0	165,692	840,724	25,785	25,785	837,108	861,284
50	115	0	24,891	0	165,692	867,203	26,478	26,478	861,893	886,784
51	116	0	25,627	0	165,692	894,394	27,191	27,191	887,363	912,990
52	117	0	26,383	0	165,692	922,318	27,924	27,924	913,539	939,922
53	118	0	27,160	0	165,692	950,996	28,678	28,678	940,440	967,600
54	119	0	28,297	0	165,692	980,788	29,792	29,792	968,088	996,385
55	120	0	29,666	0	165,692	1,011,926	31,138	31,138	996,849	1,026,515
56	121	0	30,562	0	165,692	1,057,518	45,592	45,592	1,026,955	1,057,518

¹The Flexible Protection Rider's Paid-Up Additions first exceed the FPR coverage amount in Policy Year 5.

²The Reduced Paid-Up (RPU) non-forfeiture option was exercised in policy year 8. Upon exercise of this option, premiums are discontinued, and any riders not already paid-up are eliminated. The dividend option automatically changes to Paid-up Additions (PUAs), but the owner may elect to change the dividend option. This illustration reflects the Paid-Up Additions dividend option from policy year 8. The initial reduced paid-up insurance amount is \$34,625. Loans and/or PUA/dividend surrenders after the RPU option is exercised could cause additional outlay, such as loan repayments, to be required if the insurance protection is to be maintained.

The non-guaranteed values illustrated avoid Modified Endowment Contract (MEC) status. Dividends are not guaranteed and the dividend scale is subject to change. The change of dividend scale and contractual changes (including Premium Offset) could lead to the policy becoming a Modified Endowment Contract (MEC). Please see Important Tax Information in the Policy Overview section of this illustration for additional information.



About The Penn Mutual Life Insurance Company

For more than 175 years, Penn Mutual has been helping people get stronger. Our expertly crafted life insurance is vital to long-term financial health and strengthens people's ability to enjoy every day. Working with our trusted network of financial professionals, we take the long view, building customized solutions for individuals, their families, and their businesses. Penn Mutual supports its financial professionals with retirement and investment services through its wholly owned subsidiary Hornor, Townsend & Kent, LLC, member FINRA/SIPC.

Visit Penn Mutual at www.pennmutual.com.

All guarantees are based on the claims paying ability of the issuing company.

This illustration assumes that the currently illustrated non-guaranteed elements will continue for all years shown. This is not likely to occur, and actual results may be more or less favorable than those shown.

Version #: 2.50.0

Illustration Case ID: 17064206

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Internal Rate of Return Report

Purpose of this Report

Refer back to the basic illustration for guaranteed elements and other important information.

This report shows you what interest rate return you would have to earn on your net premium outlay in order to equal the cash value and death benefit on this illustration. This report does not reflect the impact of any taxes on your rate of return. Please consult the Tax Summary Report or your tax professional for details.

Values

Current Dividend Scale

Benefits and values are subject to change by Penn Mutual and are not guaranteed, actual results may be more or less favorable.

Values are based on the guarantees in your policy, as well as any non-guaranteed dividends paid at the current scale. This supplemental ledger will also reflect PUA/dividend surrenders and policy loans, if illustrated.

Non-Guaranteed

Year	Age	Total Premium	Net Premium Outlay	Total Cash Value	IRR on Total Cash Value	Total Death Benefit	IRR on Total Death Benefit
1	66	23,670	23,670	15,755	-33.44%	251,054	960.63%
2	67	23,670	23,670	35,151	-18.28%	251,909	180.04%
3	68	23,670	23,670	58,359	-9.50%	252,795	78.65%
4	69	23,670	23,670	83,263	-5.07%	253,543	43.60%
5 ¹	70	23,670	23,670	110,104	-2.40%	268,783	28.72%
6	71	23,670	23,670	138,352	-0.75%	301,097	21.95%
7	72	23,670	23,670	168,029	0.35%	334,414	17.65%
8 ²	73	0	0	176,790	1.30%	252,657	8.51%
9	74	0	0	185,927	1.93%	260,770	7.66%
10	75	0	0	195,450	2.37%	269,176	7.04%
11	76	0	0	205,862	2.73%	278,374	6.59%
12	77	0	0	216,764	3.01%	288,127	6.25%
13	78	0	0	228,142	3.23%	298,245	5.98%
14	79	0	0	239,986	3.40%	308,695	5.76%
15	80	0	0	252,285	3.54%	319,457	5.57%
16	81	0	0	265,004	3.66%	330,496	5.41%
17	82	0	0	278,117	3.75%	341,790	5.27%
18	83	0	0	291,631	3.82%	353,338	5.14%
19	84	0	0	305,516	3.88%	365,168	5.03%
20	85	0	0	319,807	3.93%	377,345	4.93%
21	86	0	0	334,525	3.96%	389,941	4.84%
22	87	0	0	349,646	3.99%	402,980	4.76%
23	88	0	0	365,133	4.01%	416,472	4.69%
24	89	0	0	380,957	4.03%	430,432	4.63%
25	90	0	0	397,100	4.04%	444,866	4.57%

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Non-Guaranteed

Year	Age	Total Premium	Net Premium Outlay	Total Cash Value	IRR on Total Cash Value	Total Death Benefit	IRR on Total Death Benefit
26	91	0	0	413,442	4.04%	459,671	4.52%
27	92	0	0	430,071	4.04%	474,918	4.47%
28	93	0	0	447,079	4.04%	490,683	4.42%
29	94	0	0	464,512	4.03%	506,984	4.38%
30	95	0	0	482,466	4.03%	523,828	4.34%
31	96	0	0	501,105	4.02%	541,209	4.30%
32	97	0	0	520,280	4.01%	559,118	4.27%
33	98	0	0	539,999	4.01%	577,573	4.24%
34	99	0	0	560,238	4.00%	596,600	4.21%
35	100	0	0	580,978	3.99%	616,228	4.18%
36	101	0	0	602,139	3.98%	636,436	4.15%
37	102	0	0	623,793	3.97%	657,232	4.13%
38	103	0	0	645,957	3.96%	678,636	4.10%
39	104	0	0	668,662	3.94%	700,673	4.08%
40	105	0	0	691,968	3.93%	723,364	4.05%
41	106	0	0	715,994	3.92%	746,733	4.03%
42	107	0	0	740,988	3.91%	770,799	4.01%
43	108	0	0	766,707	3.90%	795,573	3.99%
44	109	0	0	793,174	3.89%	821,078	3.97%
45	110	0	0	820,408	3.88%	847,337	3.95%
46	111	0	0	848,434	3.86%	874,371	3.94%
47	112	0	0	877,667	3.85%	902,599	3.92%
48	113	0	0	907,764	3.85%	931,689	3.91%
49	114	0	0	938,752	3.84%	961,653	3.89%
50	115	0	0	970,656	3.83%	992,521	3.88%
51	116	0	0	1,003,504	3.82%	1,024,319	3.86%
52	117	0	0	1,037,326	3.81%	1,057,077	3.85%
53	118	0	0	1,072,150	3.80%	1,090,824	3.84%
54	119	0	0	1,108,412	3.79%	1,125,996	3.82%
55	120	0	0	1,146,373	3.78%	1,162,860	3.81%
56	121	0	0	1,200,883	3.80%	1,200,883	3.80%

¹The Flexible Protection Rider's Paid-Up Additions first exceed the FPR coverage amount in Policy Year 5.

²The Reduced Paid-Up (RPU) non-forfeiture option was exercised in policy year 8. Upon exercise of this option, premiums are discontinued, and any riders not already paid-up are eliminated. The dividend option automatically changes to Paid-up Additions (PUAs), but the owner may elect to change the dividend option. This illustration reflects the Paid-Up Additions dividend option from policy year 8. The initial reduced paid-up insurance amount is \$34,625. Loans and/or PUA/dividend surrenders after the RPU option is exercised could cause additional outlay, such as loan repayments, to be required if the insurance protection is to be maintained.

The non-guaranteed values illustrated avoid Modified Endowment Contract (MEC) status. Dividends are not guaranteed and the dividend scale is subject to change. The change of dividend scale and contractual changes (including Premium Offset) could lead to the policy becoming a Modified Endowment Contract (MEC). Please see Important Tax Information in the Policy Overview section of this illustration for additional information.



Accumulation Whole Life

Internal Rate of Return
Current Dividend Scale
(continued)

Insured: **Valued Client**

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Column Headings

Please see the Definitions section of this illustration for any column header definitions not listed below.

IRR on Total Cash Value

The annual rate of return that the annualized net premium outlay would have to have earned in each year up to the end of the policy year to result in the same cash value shown for that policy year.

IRR on Total Death Benefit

The annual rate of return that the annualized net premium outlay would have to have earned in each year up to the end of the policy year to result in the same death benefit shown for that policy year.

Net Premium Outlay

Contract premiums less dividends used to reduce the premium, less dividends paid in cash, less PUA/dividend surrenders and/or loans.

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
 Contract Premium Mode: Annual
 APPUA Premium Mode: Annual
 Policy Payment Period: 35 Years
 Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
 Initial Flexible Protection Rider Face Amount: \$125,000
 Initial Total Face Amount: \$250,000
 Initial Dividend Option: Paid-Up Additions (PUAs)

Illustration Details - Ledger Case File: Valued Client

Screen: Insured

Application Code		Backdate to Save Age?	No
Issue State	NC	Issue Age or DOB (mm/dd/yyyy)	65
First Name	Valued	Risk Class	Standard Non-Tobacco
Middle Name		Rating?	No
Last Name	Client	Owner Type	Insured
Suffix		Tax Bracket	28.00%
Male/Female	Male	Comments	

Screen: Policy Design

Total Face Amount Option	250,000	Premium Mode	Annual
Flexible Protection Rider (FPR)	Yes	Prevent MEC?	Yes
FPR Amount	Base Face Multiple	Lump Sum Premium?	No
Ratio of FPR to Base (X:1)	1.00	Term Conversion?	No
Illustrate Through	Natural Expiry	1035 Exchange?	No
Force to Next Higher Face Band	Yes	Premium Offset	None
Exercise GPO	No	Dividend Option	Paid-Up Additions (PUAs)
Illustrate Reduced Paid-Up	Yes	Alternate Dividend Assumptions	Specified Interest Rate Reduction
Reduced Paid-Up Age/Year	8	Interest Rate Reduction	0.25%
Dividend Option after RPU	Paid-Up Additions (PUAs)	Solve Using Alternate Scale	No
Policy Payment Period	A100 Minus Issue Age	Include Growth Rate Column	No
Scheduled Premium	Calculate Required Premium		
Month Initial Scheduled Premium is Received	1		

Screen: Income

Distribution Amounts	0.00 Withdraw / Loan From A66 To A85	Repay Loan by Gross Up Withdrawal	No
Loan Interest Payment Method	Borrow	Target	Cash Value
Withdrawal Cap	Basis	Target Cash Value	1
Adjustable Loan Rate	Current	Target Year	Lifetime
Current Adjustable Loan Rate	5.30%		
Income Offsets Premium	No		

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

Screen: Riders

Paid-Up Additions Rider (PUAR)	Yes	PUAR Rider Period	Policy Payment Period
PUAR Type	Accelerated Permanent Paid-Up Additions (APPUA)	Annualized Amount for Billing	Initial Annualized Premium
PUAR Premium	Solve - Maximum Non-MEC	Waiver of Premium	No
Month Initial Scheduled PUAR Premium is Received	1	Children's Term Insurance	No
PUAR Premium Mode	Same as Base	Accidental Death Benefit	No
Annual Payment Limit (APL)	Set to Initial Planned PUAR Premium	Guaranteed Purchase Option	No
Prevent PUA Premiums from exceeding APL	Yes	Overloan Protection Benefit	Yes
Discontinue Premium After Elimination Year	No	Surrender Value Enhancement Rider	No

Screen: Output Design

Revised Illustration	No	Dividend Scale	Print Current Scale Report
Subtotals	None	IRR for PUA Rider	No
Basic & Supp Ledger Pages-Switch to Landscape	No	Distribution Summary	No
Include EOY Reduced Paid-Up Column	No	Tax Summary	No
Monthly Premium Summary	No	CIAB Report	No
Chronic Illness Accelerated Benefit Payment Year	20	Cash Value Summary	No
Percent of Maximum Accelerated Benefit Payment	100%	Dividend Option Summary	No
Accelerated Death Benefit Payout Year	10	Illustration Details	Yes
Percent of Death Benefit	50%	Presentation Cover Page	No
FPR Summary	No	Commission Estimate (for Financial Professionals Only)	No
Internal Rate of Return	Yes	Policy Summary	No
		Guideline/7 Pay Report (for Financial Professionals Only)	No

Premium Breakdown

Contract Premium:

Illustrated Coverage	Initial Face Amount	Annual Premium	Semi-Annual Premium	Quarterly Premium	Monthly Premium
Whole Life (Base)	\$125,000	\$6,946.25	\$3,549.53	\$1,812.97	\$604.32
Flexible Protection Rider	\$125,000	\$3,126.25	\$1,597.51	\$815.95	\$271.98
Accelerated Death Benefit		N/A	N/A	N/A	N/A
Chronic Illness Rider		N/A	N/A	N/A	N/A
Overloan Protection Benefit Rider		N/A	N/A	N/A	N/A
Total Modal Premium:		\$10,072.50	\$5,147.04	\$2,628.92	\$876.30
Total Annualized Amount:		\$10,072.50	\$10,294.08	\$10,515.68	\$10,515.60

Insured: Valued Client

Male, Age 65, Standard Non-Tobacco
Contract Premium Mode: Annual
APPUA Premium Mode: Annual
Policy Payment Period: 35 Years
Initial Premium: \$23,670.25

Initial Base Face Amount: \$125,000
Initial Flexible Protection Rider Face Amount: \$125,000
Initial Total Face Amount: \$250,000
Initial Dividend Option: Paid-Up Additions (PUAs)

PUAR Premium:

Illustrated Coverage	Lump Sum	Annual Premium	Semi-Annual Premium	Quarterly Premium	Monthly Premium
APPUA Rider		\$13,597.75			
Total Annualized APPUA:		\$13,597.75			

Additional Information

Initial Annual Contract Premium	10,072.50	Initial 7-Pay MEC Premium	23,670.26
Initial Annual PUAR Premium	13,597.75	Is Policy a MEC?	No
Total Annualized Premium Outlay for Year 1	23,670.25	Qualified Pension	No
Commissionable Target Premium	8,884.44	User ID	kpetragl / F4
Version #	2.50.0.10	Illustration Case ID	17064206
Underwriting Amount at Issue	250,000	TP	8,884.44
CIAB Rider Version	2016 Version	MP (HOME OFFICE USE ONLY)	10,072.50
PUA Rider Version	APPUA(24)	Illustrated Annual Payment Limit (APL)	13,597.75
		Scheduled APPUA Premium for Billing	13,597.75
		ExcessYr1PUARPymtInUWAmt	0.00

Sales Concept

Ledger

Medical Evidence Requirements

Medical Evidence Underwriting Requirements are based on the Insurance Age (Age Nearest Birthday) at Issue and the Underwriting Amount. With the Accelerated Permanent Paid-Up Additions Rider (APPUA), the Underwriting Amount is the greatest of the maximum net amount at risk illustrated (with and without dividends) based on the APPUA premiums illustrated, or the maximum net amount at risk (with and without dividends) based on APPUA premiums equal to the Annual Payment Limit each year through policy year 7, or the maximum net amount at risk (with and without dividends) based on APPUA Premiums equal to the greater of the Annual Payment Limit + any 1035 Exchange, or the Scheduled APPUA + any Lump Sum + any Conversion Credit each year through policy year 7; or the end of the first policy year's death benefit assuming no dividends.

Valued Client

Underwriting Amount at Issue: \$250,000

Requirements: Please refer to the underwriting information on <https://gateway.pennmutual.com/underwriting>, or within the Penn Mutual illustration system, navigate to Help | Reference Materials | Underwriting Guide.

Surrender Charges

This life insurance policy has no surrender charges.

Other Information

The Riders included in this illustration are subject to underwriting which may affect their availability or the coverage amount, and are subject to limitations and exclusions which are not set forth in this illustration. Riders on conversions from term policies and term riders are also subject to underwriting, as well as limitations and exclusions not set forth in this illustration.

The Accelerated Benefit Chronic Illness rider is included in this illustration. However, this rider is also subject to the restrictions above and may not be available. It will not be issued if the Total Coverage from all policies issued by Penn Mutual or Penn Insurance and Annuity on the life of the insured(s) exceeds underwriting limits.