



Accumulation Builder Choice IUL

Flexible Premium Adjustable Indexed Life



The Penn Mutual Life Insurance Company

Life Insurance Illustration

Prepared For:

Mr Valued Client - Owner/Insured

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January 18, 2013

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The Penn Mutual Life Insurance Company



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Introduction

Insured: **Mr Valued Client**

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Introduction

About Penn Mutual

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

Since 1847, Penn Mutual has never failed to meet an obligation to a policyholder.

With our financial strength and stability standing behind our guarantees, we are committed to the brighter futures and best interests of all of our policyholders.

About Accumulation Builder Choice Indexed Universal Life (IUL) Insurance

Indexed Universal Life (IUL) Insurance is a form of permanent life insurance with flexible premiums, death benefit protection and the potential for cash value accumulation. It offers Indexed Account options that credit interest based in part on the performance of a market index, with protection against market downturns.

Accumulation Builder Choice IUL offers you:

- The choice of multiple Indexed Account options as well as a Fixed Account option
- Guaranteed interest credited monthly on both the Fixed and Indexed Accounts even in a down market
- Potential index credits in the Indexed Accounts based on the performance of an index adjusted by a participation percentage (which is the percentage of the index's performance used in the calculation), up to a cap percentage.

Introduction to Your Illustration

This illustration provides an overview of Accumulation Builder Choice IUL, including the base policy, selected riders and examples of how the policy may perform, given the assumptions outlined in this illustration.

This illustration assumes 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.



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Policy Overview

Insured Mr Valued Client

The person whose life is covered by this illustration.

Policy Owner Mr Valued Client

The owner of the policy described in this illustration. This illustration assumes the policy owner is the Insured.

Issue State Nevada

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

Assumed Policy Date January 18, 2013

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 Builder Choice IUL Flexible Premium Adjustable Indexed Life Initial Specified Amount: \$122,171

Your Accumulation Builder Choice Indexed Universal Life (IUL) policy offers:

- Death benefit protection with premium flexibility
- Multiple ways to accumulate cash value
- Upside potential with downside protection

Supplemental Term Insurance Rider (STR) Initial Specified Amount: \$1,099,535

This rider provides an additional death benefit and can enhance long-term cash value accumulation through the purchase of non-convertible term life insurance coverage on the insured.

- Unless terminated earlier, coverage will continue until policy maturity
- In policy years 11 and later, the term coverage has a guaranteed STR Policy Value Enhancement of 0.15% per year (0.01250% applied monthly) credited to a portion of all non-loaned accounts based on the STR's share of the total specified amount.

Your illustration shows:

- \$1,099,535 of supplemental term coverage through the end of policy year 78.

Summary of Accounts

Accumulation Builder Choice IUL offers several account options to build cash value:

Fixed Account:

Funds allocated to this account earn a declared, fixed interest rate that does not change for 12 months. This interest rate is guaranteed not to fall below 1.00% per year (0.08295% applied monthly).

Indexed Account:

Accumulation Builder Choice IUL Offers a choice of Indexed Accounts with interest growth potential based on the performance (excluding dividends) of a market index. The Indexed Accounts described below are currently available with this policy. Penn Mutual may add additional Indexed Accounts or remove certain Indexed Accounts for future allocation. You will be notified of any change that occurs.



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Policy Overview (continued)

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1 Year S&P 500 Indexed Account:

This account offers interest growth potential in 1 year segments based on the performance of the S&P 500[®] Index (adjusted by a participation percentage) up to a cap percentage set at the segment start date. The S&P 500[®] Index includes 500 of the largest U.S. companies in leading industries of the U.S. economy. It covers a large portion of the U.S. equities market and is comprised of companies that are considered to be highly capitalized.

<u>1 Year Segment</u>	<u>Participation%</u>	<u>Cap%</u>
Current:	100%	13.00%
Guaranteed Minimum:	100%	4.00%

This account also offers the safety net of a "floor" that guarantees the interest credited will not fall below 1.00% per year (0.08295% applied monthly). Please see the Indexed 1 Year S&P 500[®] Indexed Account Overview section for more information.

1 Year S&P Global BMI Indexed Account:

This account offers interest growth potential in 1 year segments based on the performance of the S&P Global Broad Market Index[™] (BMI) (adjusted by a participation percentage) up to a cap percentage set at the segment start date. The S&P Global BMI is a broad market index that includes large, mid and small cap companies in both developed and emerging markets throughout the world. This index is for policy owners who want exposure to market performance outside the U.S.

<u>1 Year Segment</u>	<u>Participation%</u>	<u>Cap%</u>
Current:	100%	12.50%
Guaranteed Minimum:	100%	3.00%

This account also offers the safety net of a "floor" that guarantees the interest credited will not fall below 1.00% per year (0.08295% applied monthly). Please see the 1 Year S&P Global BMI Indexed Account Overview section for more information.

5 & 1 Year Blend S&P 500 Indexed Account:

This account offers interest growth potential in a blend of 5 year and 1 year segments. When funds are allocated to this account a new 5 year segment is created. Included with each 5 year segment are five 1 year segments. Guaranteed interest is credited monthly and additional interest may be credited at the end of each 1 year segment based on the 1 year performance of the S&P500[®] Index (adjusted by a participation percentage) up to a cap percentage set at the segment start date.

At the end of the 5 year segment, performance of the S&P500[®] Index is measured again and additional interest may be credited if the 5 year performance is greater than the compounded performance of the 1 year segments. The 5 year performance is based on the index performance over the 5-year period, subject to the 5 year participation percentage and the 5 year cap percentage. This index option is for policy owners who may want to allocate a portion of their premium to an account that has higher potential.



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Policy Overview (continued)

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5 & 1 Year Blend S&P 500 Indexed Account: (continued)

<u>1 Year Segment</u>	<u>Participation%</u>	<u>Cap%</u>
Current:	100%	6.50%
Guaranteed Minimum:	100%	3.00%
<u>5 Year Segment</u>	<u>Participation%</u>	<u>Cap%</u>
Current:	100%	80.00%
Guaranteed Minimum:	100%	15.00%

This account also offers the safety net of a "floor" that guarantees the interest credited will not fall below 1.00% per year (0.08295% applied monthly). Please see the 5 & 1 Year Blend S&P 500 Indexed Account Overview section for more information.

12-month Dollar Cost Averaging (DCA) Account:

When you select the Dollar Cost Averaging (DCA) Account option your premium payment is held in a fixed account that credits a declared interest rate that is guaranteed for 12 months. A portion of the account is then transferred monthly to the Indexed Account(s) per the premium allocation selected.

Because the Indexed Account interest can vary considerably from month to month, spreading out allocations to the Indexed Account through the use of the DCA Account may be useful in smoothing out the impact of market fluctuations.

Holding Account:

Temporarily hold funds intended for the Indexed Account(s) until they can be transferred on the next monthly policy anniversary. More information on the Holding Accounts can be found in the Indexed Account Overview sections.

Account Transfers

Transfers can be made between the Fixed and Indexed Account(s) as follows:

- Elected transfers from the Fixed Account can only be made on a policy anniversary. The Policy Loan Account cannot be transferred.
- Elected Transfers from the Indexed Accounts made up of 1-Year segments can only be made on the indexed segment's maturity date.
- Elected Transfers from the 5 & 1 Year Blend S&P 500 Indexed Account can only be made on the maturity date of the 5-Year segment.
- Elected Loan Option Switches can only be made by transferring the entire loan balance (or by paying off the entire loan balance). The loan balance can only be transferred on the policy anniversary.

Policy Value

The values in the policy vary based on the amount and timing of the premium payments, allocation of the funds to the account options, the monthly policy charges and credited interest. In policy years 11 and later, a Policy Value Enhancement based on the Net Policy Value, currently 0.30% (guaranteed at 0.30%), is credited proportionally across all accounts.

There is also an additional guaranteed STR Policy Value Enhancement of 0.30% per year (0.02497% applied monthly) credited based on the STR's share of the total specified amount. The policy charges are guaranteed not to exceed the maximums listed in the policy, and interest credited is guaranteed not to be less than the guaranteed interest rate in each account.



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Policy Value
(continued)

Surrender charges apply to policy surrenders for the first 9 years from issue and the first 9 years from an increase in Specified Amount.

During the first 5 policy years, a surrender charge will be deducted from the Policy Value upon a decrease in the Specified Amount. The surrender charge will be based on a proportional amount of the decreased Specified Amount of the coverage decreased. Surrender charges will not be deducted for decreases to the Specified Amount caused by Partial Withdrawals or changes to the Death Benefit Option.

Death Benefit (DB)
Initial DB Option: Increasing

This is the benefit payable at the death of the insured. It is determined based on the death benefit option you have in effect and the current specified amount of insurance for the policy. Any death benefit paid at the death of the insured will be reduced by any partial withdrawals or outstanding policy loans.

There are two death benefit options:

- **Level:** The death benefit is equal to your specified amount or, if greater, your policy value multiplied by an attained age factor.
- **Increasing:** The death benefit is equal to your specified amount plus your policy value or, if greater, your policy value multiplied by an attained age factor.

Please see the Scheduled Assumptions page in the Ledger section for death benefit option changes, which are not automatic and must be elected in writing.

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.

Accelerated Death Benefit

This benefit allows you to access a portion of the death benefit if the insured is diagnosed with a life expectancy of 12 months or less due to a terminal illness.

- 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 cash value.
- The amount accessed must be at least \$10,000, but no more than 50% of the policy's total death benefit with an overall maximum of \$250,000.
- Accelerated death benefits are usually tax-free. Please consult a personal tax advisor prior to receiving any accelerated benefit payments.

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**Chronic Illness Accelerated
Benefit Rider**

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.
- This rider must be in force for at least 2 years before you can make a claim for benefits.
- The insured must be at least 20 years old.
- 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 is unable to perform two of the six Activities of Daily Living or suffers from a severe cognitive impairment for a period of at least 90 consecutive days.

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 Supplemental Term Rider), or \$240,000 per 12-month period, or the Per Diem Limitation (declared each calendar year by the IRS - \$320 per day the insured is chronically ill for 2013)
- The ABP cannot cause the remaining death benefit to be less than \$50,000.
- 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 advisor regarding your own personal situation.

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.



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Chronic Illness Accelerated Benefit Rider
(continued)

Hypothetical Example of Accelerated Benefit Payment

This example of the Chronic Illness Accelerated Benefit is hypothetical and reflects the assumptions used in this Life Insurance illustration. It assumes that the Chronic Illness was certified as of the beginning of the calendar year and there are no other ABP type payments from other insurance policies or long term care services. Benefits and values are not guaranteed and actual results may be more or less favorable.

Insured: Male; **Underwriting Class:** Preferred Non-Tobacco; **Age at Issue:** 43; **Age at Payout:** 85; **Accelerated Benefit Payment:** \$116,800.00; **Current Accelerated Benefit Interest Rate:** 3.95%

	Immediately Before Acceleration	Immediately After Acceleration
Net Policy Value:	\$702,350	\$689,831
Net Cash Surrender Value:	\$702,350	\$689,831
Net Specified Amount:	\$2,453,413	\$2,409,681
Net Death Benefit:	\$1,137,596	\$1,117,318
Loan Balance:	\$8,002,555	\$7,859,909

Underwriting Class Preferred Non-Tobacco

The premium and policy charges calculated for this illustration assume the underwriting class to the left. The underwriting class and other features of the policy such as the Specified Amount and any benefit or coverage riders illustrated are also subject to underwriting approval and may be limited or denied. Actual amounts will be based on the underwriting process and may vary from what is shown on this illustration. If so, you will receive a Revised Illustration when your contract is delivered.

Premium
Initial Premium: \$50,000.00
Mode: Annual

This is a flexible premium policy and illustrated premiums are based on the amounts you plan to pay in each policy year. The premium outlay may consist of scheduled premiums paid at a certain frequency (mode) and/or lump sum premium payments. All premium payments are assumed to be paid at the beginning of the modal period. The initial premium of \$50,000.00 is assumed to be paid on the policy's effective date.

This illustration shows the following premiums being paid in policy year 1:

- **Scheduled Annual Premiums:** \$50,000.00 beginning in month 1.

Premium Allocation

Your illustration shows premium allocations to the following accounts:

- **Total Indexed Accounts:** 100%
 - 1 Year S&P 500 Indexed Account: 100%
 - 1 Year Global BMI Indexed Account: 0%
 - 5 & 1 Year Blend S&P 500 Indexed Account: 0%
- **Fixed Account:** 0%



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No-Lapse Guarantee

The no-lapse guarantee, standard with your policy, protects your death benefit even if your cash surrender value falls to zero or below. As long as the total amount of premiums paid, less partial withdrawals, exceeds the cumulative required no-lapse premium and you take no policy loans or make any other policy changes, the death benefit is guaranteed for 30 years, regardless of your policy's performance.

The initial required monthly no-lapse premium for your policy, as illustrated, is \$607.00.

By paying only the premium required to satisfy the No-Lapse Guarantee you may be foregoing the advantage of building significant policy value. The ending of the No-Lapse period may bring with it the necessity to pay premium amounts significantly higher than the required monthly no-lapse premium to maintain the policy.

The NLG Req. Met column on the Basic Ledger shows whether or not the No-Lapse Guarantee requirement has been met based on your illustrated assumptions.

Accessing Your Cash Value

You can access the policy cash value you have accumulated for any reason. Please note that any death benefit paid at the death of the insured will be reduced by any partial withdrawals or outstanding policy loans.

Your policy allows two options for accessing your cash value.

Partial Withdrawals: You can make partial withdrawals from your policy cash value. There is a fee of 2.00% of the amount withdrawn, but not more than \$25, for taking a partial withdrawal. Partial Withdrawals are deducted proportionally from the non-loaned portion of each Indexed Account, the Fixed Account, and each Holding Account. No withdrawals are deducted from the Policy Loan Account. If all other accounts have been fully exhausted, withdrawals will be deducted from the 12-Month Dollar Cost Averaging Account.

Please note that partial withdrawals made from the Indexed Account segments prior to their maturity dates will reduce the amount of the indexed credit that would have otherwise been credited.

Policy Loans: You can take a loan against your policy's cash surrender value up to the Maximum Loan Amount. You have two options for taking loans from your policy, either a Traditional Loan or an Indexed Loan.

Traditional Loan: The Traditional Loan charges an Adjustable Loan Rate, currently 3.95%, but also creates a policy loan account that credits interest on the loaned funds. The adjustable Loan Interest Rate is determined by Penn Mutual as of the first day of each calendar year.

- During the policy's first 10 years, the Policy Loan Account will be credited interest at the Adjustable Loan Rate minus 1.00%.
- In policy years 11 and beyond, the Policy Loan Account will be credited interest at the Adjustable Loan Rate. The Policy Loan Account interest rate is subject to change but guaranteed not to be less than 1.00% per year (0.08295% applied monthly) or less than the Adjustable Loan Rate minus 0.25%.



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Accessing Your Cash Value
(continued)

Indexed Loan: The Indexed Loan charges a Fixed Loan Rate of 6.00% in years 1-10 and 5.50% in years 11+, while the outstanding loan amount continues to earn interest at the same credited rate as the Indexed Account.

- This feature is attractive when the interest being credited to the Indexed Account is greater than the Indexed Loan Rate.
- If the credited rate for the Indexed Account falls below the Indexed Loan Rate, your interest/loan cost will be the difference between the adjusted index performance and the fixed Index Loan Rate.
- You are guaranteed to receive a minimum interest credit based on the guaranteed interest rate in each Indexed Account.

Loan Availability and Flexibility

- Traditional Loans are available from any account and are deducted proportionally to the amount in the account. The amount of the loan is transferred to a loan account.
- Indexed Loans are available only from the Indexed Accounts and Holding Accounts. The loan amount remains in the original Indexed Accounts or moves from the Holding Accounts to the intended Indexed Accounts.
- You may switch between loan options by requesting a transfer of the entire loan balance from the Policy Loan Account to the Indexed Account(s), or vice versa. A switch in loan option can only be made on the policy anniversary or by repaying the entire loan.
- Loan repayments under the Traditional Loan option are allocated to the Fixed Account. Values in the Fixed Account must remain until the next policy anniversary when they will be available for transfer to an Indexed Account.

Your illustration shows:

- Your loan option is Indexed Loan
- Your distribution mode is Monthly

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 advisor regarding your own personal situation.

Your policy will be monitored for compliance with the Internal Revenue Code rules related to the definition of life insurance, the payment of premiums and the income taxation of distributions of values under the Guideline Premium - Cash Value Corridor Test and 7-Pay Premium Test.

Guideline Premium Test

The Guideline Premium - Cash Value Corridor Test determines if your policy meets the Internal Revenue Code's definition of a life insurance contract.

- The effect of this test may be to limit the amount of premium paid into your policy and/or increase the amount of your death benefit.
- Penn Mutual will inform you should limiting the premium become necessary.
- The initial level annual premium that may be paid into your policy is \$50,000.00.
- The initial maximum single premium that may be paid into your policy is \$226,221.20.



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7-Pay Premium Test

Initial: \$52,954.16

In order to receive favorable tax treatment of distributions such as policy loans or partial withdrawals, 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 \$52,954.16. 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, interest on the accumulated value of a life insurance policy is tax deferred but may be subject to taxation at the time of a full or partial withdrawal.

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

- The tax treatment of any death benefit provided under the contract will still qualify for income tax free treatment.
- Partial withdrawals 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%.

**Standard & Poor's 500®
 and S&P Global BMI™**

"S&P® is a registered trademark of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed for use by S&P Dow Jones Indices LLC. S&P®, S&P 500®, S&P Global BMI™ are trademarks of S&P and have been sublicensed for certain purposes by The Penn Insurance and Annuity Company and its affiliates. The S&P 500 and S&P Global BMI are products of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by The Penn Insurance and Annuity Company and its affiliates. Penn Mutual's Accumulation Builder Choice IUL is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates and neither S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates make any representation regarding the advisability of investing in such product(s)."



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Standard & Poor's 500® and S&P Global BMI™ (continued)

The S&P 500 Index is an unmanaged index of 500 stocks from a broad range of industries, considered to be representative of the stock market in general. Indexes do not have sales charges and it is not possible to invest directly in an index.

The S&P Global BMI (Broad Market Index) is a comprehensive, rules-based index measuring global stock market performance. The S&P Global BMI covers approximately 11,000 companies from 46 countries.

Penn Mutual's Address

The Penn Mutual Life Insurance Company
Philadelphia, PA 19172

**WE APPRECIATE YOUR CONFIDENCE IN THE PENN MUTUAL LIFE
INSURANCE COMPANY AND LOOK FORWARD TO SERVICING YOU.**



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1 Year S&P 500 Indexed Account Overview

1 Year S&P 500 Indexed Account

Your policy offers a 1 Year S&P 500 Indexed Account that provides interest growth potential based on the performance (excluding dividends) of the S&P 500® Index.

- Each net premium payment you allocate to the 1 Year S&P 500 Indexed Account creates a 1 year segment. Segments can only be created on a segment date which is the monthly anniversary of the policy issue date. You could have up to 12 segments in a year.
- If premiums allocated to the 1 Year S&P 500 Indexed Account are received between segment dates, they are held in a Holding Account. The Holding Account balance (including interest earned at the Holding Account's declared interest rate) is transferred to the Indexed Account on the next segment date. This illustration assumes premiums are paid on a monthly policy anniversary and therefore are deposited directly into the 1 Year S&P 500 Indexed Account per the illustrated premium allocation.
- Each 1 year segment is credited with interest at the segment's guaranteed interest rate of 1.00% per year (0.08295% applied monthly) set at the segment start date.
- Index Credits are earned on the segment's maturity date (1 year after the segment start date). The index credit on a 1 year segment is based on one year point-to-point crediting method:
 - Performance is calculated based on the percentage change in the segment's starting and ending S&P 500® Index value.
 - The S&P 500® Index performance is adjusted by a participation percentage up to a cap percentage set at the segment start date. The index performance also has downside protection such that it will never be less than the segment's minimum interest rate of 1.00%.

<u>1 Year Segment</u>	<u>Participation%</u>	<u>Cap%</u>
Current:	100%	13.00%
Guaranteed Minimum:	100%	4.00%

Interest Rates Used in Your Illustration

The maximum rate that can be illustrated for this account is 8.05%. It is based on the daily average of the annual, compounded index return rates for a 25-year historical period through 12/31/2011. This rate applies the current participation percentage (100%), the current cap percentage (13.00%), and the guaranteed interest rate (1.00%) to the past performance of the S&P 500® Index.

The rate of return using the same methodology but with other historical reference periods is shown in the table below:

	Assumed Look-Back Periods				
	10 Yrs	20 Yrs	25 Yrs	30 Yrs	40 Yrs
Interest Rates:	6.85%	7.95%	8.05%	8.17%	7.68%



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1 Year S&P 500 Indexed Account Overview (continued)

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Initial Total Specified Amount: \$1,221,705

Index Performance Example

To help you understand the impact of index performance on the 1 Year S&P 500 Indexed Account, the example to the right shows how an indexed segment would have performed if the segment were created at the beginning of year 1992 and then continued to rollover each year, assuming 100% participation, 13.00% cap, and 1.00% floor.

The difference between what is credited and what is charged on an Indexed Loan is shown in the Indexed Loan Spread column. Indexed Account performance can exceed the loan rate creating a positive spread, like in the year 2010. However, Indexed Account performance will fluctuate and could be significantly less than the Loan Rate charged, as seen in the year 2011.

Calendar Year	Beginning S&P 500® Index Value	Ending S&P 500® Index Value	Uncapped Index Growth Rate	Indexed Account Performance	Indexed Loan Spread
1992	417.09	435.71	4.46%	4.46%	-1.54%
1993	435.71	466.45	7.06%	7.06%	1.06%
1994	466.45	459.27	-1.54%	1.00%	-5.00%
1995	459.27	615.93	34.11%	13.00%	7.00%
1996	615.93	740.74	20.26%	13.00%	7.00%
1997	740.74	970.43	31.01%	13.00%	7.00%
1998	970.43	1,229.23	26.67%	13.00%	7.00%
1999	1,229.23	1,469.25	19.53%	13.00%	7.00%
2000	1,469.25	1,320.28	-10.14%	1.00%	-5.00%
2001	1,320.28	1,148.08	-13.04%	1.00%	-5.00%
2002	1,148.08	879.82	-23.37%	1.00%	-4.50%
2003	879.82	1,111.92	26.38%	13.00%	7.50%
2004	1,111.92	1,211.92	8.99%	8.99%	3.49%
2005	1,211.92	1,248.29	3.00%	3.00%	-2.50%
2006	1,248.29	1,418.30	13.62%	13.00%	7.50%
2007	1,418.30	1,468.36	3.53%	3.53%	-1.97%
2008	1,468.36	903.25	-38.49%	1.00%	-4.50%
2009	903.25	1,115.10	23.45%	13.00%	7.50%
2010	1,115.10	1,257.64	12.78%	12.78%	7.28%
2011	1,257.64	1,257.60	0.00%	1.00%	-4.50%

Cap Percentage = 13.00% Guaranteed Interest Rate = 1.00%
Participation Percentage = 100% Indexed Loan Rate = Guaranteed 6.00% in Years 1-10 and 5.50% in Years 11+

Note that different periods of time and different Participation Percentages and Cap Percentages will produce different results that could be higher or lower than those shown. This example is not intended to predict or project future policy performance.

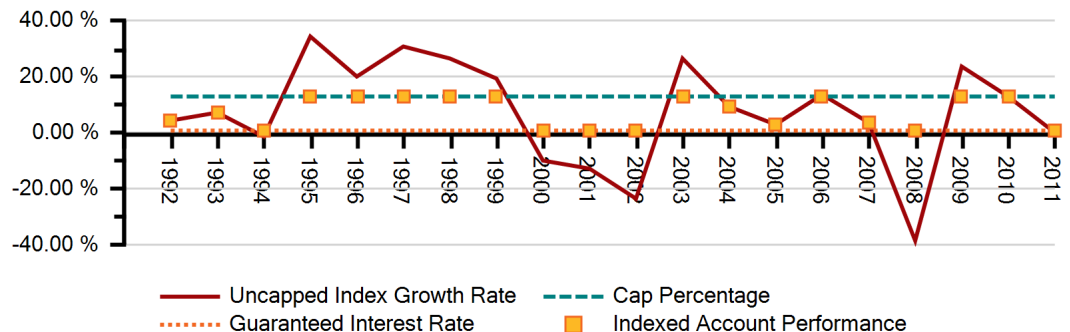
Index Credit Example:

The index credit equals the amount of guaranteed interest credited to the indexed segment multiplied by the ratio of the Indexed Performance over the guaranteed interest rate, subtracting 1 from the ratio.

$$\$100 \times [12.78\% / 1.00\% - 1] = \$1,178.27$$

Based on the example in the 20 Year Historical Table, if you were credited a total amount of \$100 guaranteed interest for a segment beginning December 31, 2009 and ending December 31, 2010, your Index Credit for 2010 would have been \$1,178.27.

The graph to the right shows the relationship of the different components outlined in the chart above.





Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

1 Year S&P Global BMI Indexed Account Overview

1 Year S&P Global BMI Indexed Account

Your policy offers a 1 Year S&P Global BMI Indexed Account that provides interest growth potential based on the performance (excluding dividends) of the S&P Global BMI™ Index.

- Each net premium payment you allocate to the 1 Year S&P Global BMI Indexed Account creates a 1 year segment. Segments can only be created on a segment date which is a monthly anniversary of the policy issue date. You could have up to 12 segments in a policy loan.
- If premiums allocated to the 1 Year S&P Global BMI Indexed Account are received between segment dates, they are held in a Holding Account. The Holding Account balance (including interest earned at the Holding Account's declared interest rate) is transferred to the Indexed Account on the next segment date. This illustration assumes premiums are paid on a monthly anniversary and therefore are deposited directly into the 1 Year S&P Global BMI Indexed Account per the illustrated allocation.
- Each 1 year segment is credited with interest at the segment's guaranteed interest rate of 1.00% per year (0.08295% applied monthly) set at the segment start date.
- Indexed Credits are earned on the segment's maturity date (1 year after the segment start date). The index credit on a 1 year segment is based on a 1 year point-to-point crediting method:
 - Performance is calculated based on the percentage change in the segment's starting and ending S&P Global BMI™ Index value.
 - The S&P Global BMI™ Index performance is adjusted by a participation percentage up to a cap percentage set at the segment start date. The index performance also has downside protection such that it will never be less than the segment's minimum interest rate of 1.00%.

1 Year Segment	Participation%	Cap%
Current:	100%	12.50%
Guaranteed Minimum:	100%	3.00%

Interest Rates Used in Your Illustration

The maximum rate that can be illustrated for this account is 8.02%. It is based on the daily average of the annual, compounded S&P Global BMI™ index return rates for a 22-year historical period through 12/31/2011. This rate applies the current participation percentage (100%), the current cap percentage (12.50%), and the guaranteed interest rate (1.00%) to the past performance of the index.

The rate of return using the same methodology but with other historical reference periods is shown in the table below:

	Assumed Look-Back Periods		
	10 Yrs	20 Yrs	22 Yrs
Interest Rates:	7.78%	7.94%	8.02%



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

1 Year S&P Global BMI Indexed Account Overview (continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Index Performance Example

To help you understand the impact of index performance on the 1 Year S&P Global BMI Indexed Account, the example to the right shows how an indexed segment would have performed if the segment were created at the beginning of year 1992 and then continued to rollover each year, assuming 100% participation, 12.50% cap, and 1.00% floor.

The difference between what is credited and what is charged on an Indexed Loan is shown in the Indexed Loan Spread column. Indexed Account performance can exceed the loan rate creating a positive spread, like in the year 2010. However, Indexed Account performance will fluctuate and could be significantly less than the Loan Rate charged as seen in the year 2011.

Calendar Year	Beginning S&P Global BMI™ Index Value	Ending S&P Global BMI™ Index Value	Uncapped Index Growth Rate	Indexed Account Performance	Indexed Loan Spread
1992	57.91	54.68	-5.58%	1.00%	-5.00%
1993	54.68	64.29	17.58%	12.50%	6.50%
1994	64.29	65.60	2.04%	2.04%	-3.96%
1995	65.60	77.56	18.23%	12.50%	6.50%
1996	77.56	87.45	12.75%	12.50%	6.50%
1997	87.45	100.00	14.35%	12.50%	6.50%
1998	100.00	116.76	16.76%	12.50%	6.50%
1999	116.76	144.04	23.36%	12.50%	6.50%
2000	144.04	129.29	-10.24%	1.00%	-5.00%
2001	129.29	108.54	-16.05%	1.00%	-5.00%
2002	108.54	87.30	-19.57%	1.00%	-4.50%
2003	87.30	117.06	34.09%	12.50%	7.00%
2004	117.06	134.43	14.84%	12.50%	7.00%
2005	134.43	147.96	10.06%	10.06%	4.56%
2006	147.96	176.28	19.14%	12.50%	7.00%
2007	176.28	193.15	9.57%	9.57%	4.07%
2008	193.15	108.14	-44.01%	1.00%	-4.50%
2009	108.14	144.94	34.03%	12.50%	7.00%
2010	144.94	162.97	12.44%	12.44%	6.94%
2011	162.97	146.56	-10.07%	1.00%	-4.50%

Cap Percentage = 100% Guaranteed Interest Rate = 1.00%
Participation Percentage = 12.50% Indexed Loan Rate = Guaranteed 6.00% in Years 1-10 and 5.50% in Years 11+

Note that different periods of time and different Participation Percentages and Cap Percentages will produce different results that could be higher or lower than those shown. This example is not intended to predict or project future policy performance.

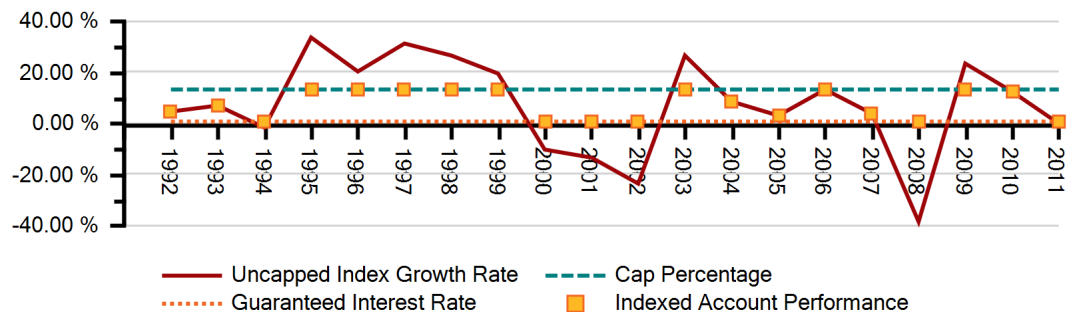
Index Credit Example:

The index credit equals the amount of guaranteed interest credited to the indexed segment multiplied by the ratio of the Indexed Performance over the guaranteed interest rate, subtracting 1 from the ratio.

$$\$100 \times [12.44\% / 1.00\% - 1] = \$1,143.96$$

Based on the example in the 20 Year Historical Table, if you were credited a total amount of \$100 guaranteed interest for a segment beginning December 31, 2009 and ending December 31, 2010, your Index Credit for 2010 would have been \$1,143.96.

The graph to the right shows the relationship of the different components outlined in the chart above.





Insured: Mr Valued Client
Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

5 & 1 Year Blend S&P 500 Indexed Account Overview

5 & 1 Year Blend S&P 500 Indexed Account

Your policy offers a 5 & 1 Year Blend S&P 500 Indexed Account that provides interest growth potential based on the performance (excluding dividends) of the S&P 500[®] Index.

- Each net premium payment you allocate to the 5 & 1 Year Blend S&P 500 Indexed Account creates a 5 year segment and a 1 year segment. Segments can only be created on a segment date, which is a monthly anniversary of the policy issue date.
- If premiums allocated to the 5 & 1 Year Blend S&P 500 Indexed Account are received between segment dates, they are held in a Holding Account. The Holding Account balance (including interest earned at the Holding Account's declared interest rate) is transferred to the Indexed Account on the next segment date. This illustration assumes premiums are paid on a monthly anniversary and therefore are deposited directly into the 5 & 1 Year Blend S&P 500 Indexed Account per the illustrated premium allocation.
- The 5 Year segment is made up of 1 year segments that mature and roll over to another 1 year segment each year with the 5-year duration.
- Each 1 year segment is credited with interest at the segment's guaranteed interest rate of 1.00% per year (0.08295% applied monthly) set at the segment start date.
- Indexed Credits are earned on a 1 year segment's maturity date (1 year after the 1 year segment start date). The index credit on a 1 year segment is based on a one year point-to-point crediting method:
 - Performance is calculated based on the percentage change in the 1 year segment's starting and ending S&P 500[®] Index value.
 - The S&P 500[®] Index performance is adjusted by a participation percentage up to a cap percentage set at the segment start date. The index performance also has downside protection such that it will never be less than the segment's minimum interest rate of 1.00%.

<u>1 Year Segment</u>	<u>Participation%</u>	<u>Cap%</u>
Current:	100%	6.50%
Guaranteed Minimum:	100%	3.00%

- An additional indexed credit may apply on the maturity date of the 5 year segment if the 5 year performance is greater than the compounded performance of the 1 year segments:
 - Performance is calculated based on the percentage change in the 5 year segment's starting and ending S&P 500[®] Index value.
 - The S&P 500[®] Index performance is adjusted by a participation percentage up to a cap percentage set at the 5 year segment start date.

<u>5 Year Segment</u>	<u>Participation%</u>	<u>Cap%</u>
Current:	100%	80.00%
Guaranteed Minimum:	100%	15.00%

- The 5 year segment interest credit can never be less than \$0.00.



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

5 & 1 Year Blend S&P 500 Indexed Account Overview (continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Interest Rates Used in Your Illustration

The maximum rate that can be illustrated for this account is 8.26% (consisting of 4.79% per year for the 1 Year segments and 48.71% for the 5 Year segment). It is based on the daily average of the annual, compounded index return rates for a 25-year historical period through 12/31/2011. This rate applies the current participation percentages, the current cap percentages, and the guaranteed interest rate to the past performance of the index.

The rate of return using the same methodology but with other historical reference periods is shown in the table below:

Interest Rates:	Assumed Look-Back Periods				
	10 Yrs	20 Yrs	25 Yrs	30 Yrs	40 Yrs
1 Year	4.31%	4.79%	4.79%	4.79%	4.57%
5 Year	23.49%	46.19%	48.71%	52.95%	45.17%
5 Year Annualized	4.31%	7.89%	8.26%	8.87%	7.74%

Index Performance Example

To help you understand the impact of index performance on the 5 & 1 Year S&P 500 Indexed Account, the example to the right shows how an indexed segments would have performed if the 5 Year segments were created at the beginning of each year beginning in 1992 and then continued to rollover, assuming the current participation percentages, current cap percentages, and current floor percentages.

Indexed Account Performance can exceed the loan rate creating a positive spread. However, Indexed Account performance will fluctuate and could be significantly less than the Loan Rate charged.

Calendar Year	Beginning S&P 500® Index Value	Ending S&P 500® Index Value	1 Year Uncapped Index Growth Rate	5 Year Uncapped Index Growth Rate	1 Year * Indexed Account Performance	5 Year * Indexed Account Performance	Annulized 5 Year Indexed Account Performance
1992	417.09	435.71	4.46%	76.34%	4.46%	0.00%	0.00%
1993	435.71	466.45	7.06%	67.96%	6.50%	0.00%	0.00%
1994	466.45	459.27	-1.54%	29.96%	1.00%	0.00%	0.00%
1995	459.27	615.93	34.11%	86.52%	6.50%	0.00%	0.00%
1996	615.93	740.74	20.26%	77.60%	6.50%	77.60%	12.17%
1997	740.74	970.43	31.01%	122.72%	6.50%	80.00%	12.47%
1998	970.43	1,229.23	26.67%	163.53%	6.50%	80.00%	12.47%
1999	1,229.23	1,469.25	19.53%	219.91%	6.50%	80.00%	12.47%
2000	1,469.25	1,320.28	-10.14%	114.36%	1.00%	80.00%	12.47%
2001	1,320.28	1,148.08	-13.04%	54.99%	1.00%	54.99%	9.16%
2002	1,148.08	879.82	-23.37%	-9.34%	1.00%	16.86%	3.17%
2003	879.82	1,111.92	26.38%	-9.54%	6.50%	16.86%	3.17%
2004	1,111.92	1,211.92	8.99%	-17.51%	6.50%	16.86%	3.17%
2005	1,211.92	1,248.29	3.00%	-5.45%	3.00%	19.17%	3.57%
2006	1,248.29	1,418.30	13.62%	23.54%	6.50%	25.66%	4.67%
2007	1,418.30	1,468.36	3.53%	66.89%	3.53%	66.89%	10.79%
2008	1,468.36	903.25	-38.49%	-18.77%	1.00%	22.16%	4.08%
2009	903.25	1,115.10	23.45%	-7.99%	6.50%	22.16%	4.08%
2010	1,115.10	1,257.64	12.78%	0.75%	6.50%	26.31%	4.78%
2011	1,257.64	1,257.60	0.00%	-11.33%	1.00%	19.79%	3.68%

1 Year Segment Participation Percentage = 100.00%

5 Year Segment Participation Percentage = 100.00%

1 Year Segment Cap Percentage = 6.50%

5 Year Segment Cap Percentage = 80.00%

1 Year Segment Guaranteed Interest Rate = 1.00%

Indexed Loan Rate = Guaranteed 6.00% in Years 1-10 and 5.50% in Years 11+

Note that different periods of time and different Participation Percentages and Cap Percentages will produce different results that could be higher or lower than those shown. This example is not intended to predict or project future policy performance.

The Penn Mutual Life Insurance Company



Accumulation Builder Choice IUL
Flexible Premium Adjustable Indexed Life

5 & 1 Year Blend S&P 500
Indexed Account Overview
 (continued)

Insured: Mr Valued Client
 Male, Age 43, Preferred Non-Tobacco
 Initial Death Benefit Option: Increasing
 Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
 Initial Supplemental Term Specified Amount: \$1,099,535
 Initial Total Specified Amount: \$1,221,705

Index Credit Example:

* The 1 Year Indexed Account Performance is used to calculate the Index Credit at the maturity of the 1 Year Segment. The 1 Year Indexed Credit equals the amount of guaranteed interest credited to the Segment, multiplied by the ratio of the 1 Year Indexed Account Performance over the 5 & 1 Year Blend S&P 500 Indexed Account's guaranteed interest rate, subtracting 1 from the ratio.

For Example, if you credited a total amount of \$100 of guaranteed interest for each 1 Year Segment beginning December 31, 2002 and ending December 31, 2007, your Index Credit for 2003-2007 would have been:

Calendar Year

2003	$\$100 \times [6.50\% / 1.00\% - 1] =$	\$550.00
2004	$\$100 \times [6.50\% / 1.00\% - 1] =$	\$550.00
2005	$\$100 \times [3.00\% / 1.00\% - 1] =$	\$200.10
2006	$\$100 \times [6.50\% / 1.00\% - 1] =$	\$550.00
2007	$\$100 \times [3.53\% / 1.00\% - 1] =$	\$252.96
Total Guaranteed Interest + 1 Year Interest Credited =		\$2,603.06
Compounded 1 Year Interest =		28.81%

** The 5 Year Indexed Account Performance is used to calculate the Index Credit at the maturity of the 5 Year Segment. The 5 Year Indexed Credit equals the amount of interest credited over the 5 Year Segment multiplied by the ratio of the 5 Year Indexed Account Performance over the compounded 1 Year Indexed Account Performance subtracting 1 from the ratio.

Calendar Year

2007	$\$2,603.06 \times [66.89\% / 28.81\% - 1] =$	\$3,440.60
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Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Definitions

Assumptions

Guaranteed

For the illustrated premium outlay, the values produced under these assumptions are based on guaranteed maximum policy charges and guaranteed interest. Any loans or partial withdrawals illustrated are not guaranteed.

Non-Guaranteed Mid-Point

For the illustrated premium outlay, the values produced under these assumptions are not guaranteed and are based on mid-point policy charges and mid-point illustrated interest. Mid-point means the average of the guaranteed and non-guaranteed illustrated policy charges and interest. Any loans or partial withdrawals illustrated are not guaranteed.

Non-Guaranteed Illustrated

For the illustrated premium outlay, the values produced under these assumptions are not guaranteed and are based on current policy charges and illustrated interest. Any loans or partial withdrawals illustrated are also not guaranteed.

Column Headings

Age

The insured's attained age as of the end of the policy year.

Cumulative Income

The sum of all loans and partial withdrawals taken up to a specific point in time. Loan interest borrowed from the policy is not included in this amount.

Cumulative Premium Outlay

The sum of all premium payments made into the policy up to a specific point in time.

Duration of Coverage

How long your life insurance policy will last based on the illustrated assumptions.

Loan Interest

Amount of the loan interest due as of the end of the policy year. This illustration assumes the loan interest will be borrowed from the policy. The loan rate for a Traditional Loan is adjustable and is currently 3.95%. The adjustable Loan Interest Rate is subject to change by Penn Mutual as of the first day of each calendar year. The loan rate for the Indexed Loan option is fixed at 6.00% for policy years 1-10 and 5.50% for years 11 and after.

Net Cash Surrender Value

The net policy value less the surrender charge. This amount is available to the policy owner upon full surrender of the policy.

Net Death Benefit Incl Term Rdr

The amount of death benefit the beneficiary would be paid assuming the insured's death occurs at the end of the policy year. It has been reduced by any outstanding loans. The illustrated amounts also include the Supplemental Term Insurance Rider death benefit.

Net Policy Value

The total net value in the policy, which is made up of premiums paid and credited interest, minus policy charges, partial withdrawals, and outstanding policy loans plus interest.



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Definitions
(continued)

Insured: **Mr Valued Client**

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

NLG Req. Met

This column indicates whether or not the base policy No-Lapse Guarantee (NLG) requirement has been met. "Yes" indicates that it has and "No" indicates that it has not. Even if the requirement has not been met, the policy will not necessarily lapse provided the cash surrender value is sufficient to cover monthly deductions and is greater than any policy indebtedness. The NLG provision does not apply beyond policy year 30.

For an explanation of the NLG provision see the No-Lapse Guarantee paragraph in the Policy Overview section of this illustration.

Premium Outlay

The amount of premium and any loan repayments you plan to pay into the life insurance policy for the specific policy year. Illustrated premiums are assumed to be paid annually with payments occurring at the beginning of the period. Actual values will vary based on the timing of these payments.

Total Income

The total amount which has been taken from the policy. It may be comprised of partial withdrawals and/or loans. It does not include loan interest borrowed from the policy.

Total Loan

The total amount of loans taken during a specific policy year. Loans are assumed to be taken as of the beginning of the policy year if taken annually, or beginning of the policy month if taken monthly.

Total Loan Balance

The total loan balance as of the end of the policy year, reflecting the total amount of loans taken plus loan interest borrowed from the policy.

Year

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



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Signature Page

Insured: Mr Valued Client
Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Policy Value Summary

Interest Rate Assumptions

				Guaranteed Assumptions		Non-Guaranteed Mid-Point Assumptions		Non-Guaranteed Illustrated Assumptions	
Fixed Account				1.00%		2.50%		4.00%	
Indexed Account:									
1 Year S&P 500				1.00%		4.25%		7.50%	
Policy Value Enhancement (yrs 11+)				0.30%		0.30%		0.30%	
STR Policy Value Enhancement (yrs 11+)				0.15%		0.15%		0.15%	
Charges				Maximum Guaranteed		Average of Maximum Guaranteed and Non-Guaranteed Current		Non-Guaranteed Current	
Year	Age	Cumulative Premium Outlay	Cumulative Income	Net Cash Surrender Value	Net Death Benefit	Net Cash Surrender Value	Net Death Benefit	Net Cash Surrender Value	Net Death Benefit
5	48	250,000	0	166,810	1,398,220	202,837	1,434,246	243,427	1,474,836
10	53	500,000	0	355,502	1,577,207	484,799	1,706,504	647,264	1,868,969
20	63	750,000	0	570,294	1,808,162	1,026,300	2,072,953	1,776,873	2,453,413
27	70	750,000	1,331,484	0	0	0	0	1,350,660	1,825,794
42	85	750,000	4,184,664	0	0	0	0	702,350	1,137,596
Duration of Coverage:				Coverage will cease in year 23		Coverage will cease in year 26		Coverage will remain in force to age 121	

All values are based on your planned premium outlay and premium allocation. 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 Partial Surrenders will reduce your values and benefits. Policy Loans are reflected in this illustration.

I have received a copy of this Penn Mutual illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The representative has told me they are not guaranteed. I also understand that any projections or examples under the Indexed Loan Option are based upon assumptions which are subject to change and could be either higher or lower, and that Index Credits to Indexed Account Loan Values could be significantly less than the Loan Rate charged.

Signature of Owner

Date

I certify that this Penn Mutual illustration has been presented to the owner 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 Representative

Date



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

**Ledger
Basic Ledger**

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Basic Ledger

Assumptions

Guaranteed:

For the illustrated premium outlay, the values produced under these assumptions are based on guaranteed maximum policy charges and guaranteed interest. Any loans or partial surrenders illustrated are not guaranteed.

Non-Guaranteed:

For the illustrated premium outlay, the values produced under these assumptions are not guaranteed and are based on current policy charges and illustrated interest. Any loans or partial withdrawals illustrated are not guaranteed.

Fixed Account:
1 Year S&P 500 Indexed Acct:

Premium Allocations	Guaranteed Interest	Non-Guaranteed Interest
0%	1.00%	4.00%
100%	1.00%	7.50%

Year	Age	NLG Req. Met	Premium Outlay	Total Income	Total Loan	Loan Interest	Total Loan Balance	Guaranteed Assumptions			Non-Guaranteed Assumptions		
								Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rdr	Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rdr
1	44	Yes	50,000	0	0	0	0	35,131	17,801	1,256,836	42,521	25,191	1,264,226
2	45	Yes	50,000	0	0	0	0	70,368	54,945	1,292,073	89,783	74,359	1,311,488
3	46	Yes	50,000	0	0	0	0	105,675	92,158	1,327,380	140,463	126,946	1,362,168
4	47	Yes	50,000	0	0	0	0	141,066	129,455	1,362,771	194,823	183,212	1,416,528
5	48	Yes	50,000	0	0	0	0	176,515	166,810	1,398,220	253,131	243,427	1,474,836
6	49	Yes	50,000	0	0	0	0	212,147	204,349	1,433,852	321,202	313,404	1,542,907
7	50	Yes	50,000	0	0	0	0	247,939	242,047	1,469,644	394,296	388,404	1,616,001
8	51	Yes	50,000	0	0	0	0	283,807	279,822	1,505,512	472,751	468,765	1,694,456
9	52	Yes	50,000	0	0	0	0	319,702	317,622	1,541,407	556,948	554,869	1,778,653
10	53	Yes	50,000	0	0	0	0	355,502	355,502	1,577,207	647,264	647,264	1,868,969

The Penn Mutual Life Insurance Company



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Ledger
Basic Ledger
(continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Year	Age	NLG Req. Met	Premium Outlay	Total Income	Total Loan	Loan Interest	Total Loan Balance	Guaranteed Assumptions			Non-Guaranteed Assumptions		
								Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rdr	Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rdr
11	54	Yes	50,000	0	0	0	0	401,811	401,811	1,623,516	747,548	747,548	1,969,253
12	55	Yes	50,000	0	0	0	0	448,160	448,160	1,669,865	855,539	855,539	2,077,244
13	56	Yes	50,000	0	0	0	0	494,402	494,402	1,716,107	971,787	971,787	2,193,492
14	57	Yes	50,000	0	0	0	0	540,522	540,522	1,762,227	1,096,949	1,096,949	2,318,654
15	58	Yes	50,000	0	0	0	0	586,457	586,457	1,808,162	1,231,708	1,231,708	2,453,413
16 ¹	59	Yes	0	0	0	0	0	585,402	585,402	1,808,162	1,324,757	1,324,757	2,453,413
17	60	Yes	0	0	0	0	0	583,484	583,484	1,808,162	1,425,196	1,425,196	2,453,413
18	61	Yes	0	0	0	0	0	580,506	580,506	1,808,162	1,533,584	1,533,584	2,453,413
19	62	Yes	0	0	0	0	0	576,214	576,214	1,808,162	1,650,564	1,650,564	2,453,413
20	63	Yes	0	0	0	0	0	570,294	570,294	1,808,162	1,776,873	1,776,873	2,453,413
21	64	No	0	190,212	190,212	5,620	195,832	366,262	366,262	1,612,329	1,717,155	1,717,155	2,257,581
22	65	No	0	190,212	195,832	16,391	402,436	148,637	148,637	1,405,726	1,657,074	1,657,074	2,110,166
23	66	No	0	190,212	206,603	27,754	620,402	Lapse	Lapse	Lapse	1,596,831	1,596,831	2,040,277
24	67	No	0	190,212	217,966	39,742	850,356				1,535,890	1,535,890	1,989,277
25	68	No	0	190,212	229,954	52,390	1,092,958				1,474,433	1,474,433	1,936,563
26	69	No	0	190,212	242,602	65,733	1,348,903				1,412,655	1,412,655	1,882,120
27	70	No	0	190,212	255,945	79,810	1,618,926				1,350,660	1,350,660	1,825,794
28	71	No	0	190,212	270,022	94,661	1,903,799				1,288,663	1,288,663	1,767,532
29	72	No	0	190,212	284,873	110,329	2,204,340				1,227,354	1,227,354	1,673,474
30	73	No	0	190,212	300,541	126,859	2,521,411				1,167,150	1,167,150	1,572,891
31	74		0	190,212	317,071	144,298	2,855,921				1,108,701	1,108,701	1,465,516
32	75		0	190,212	334,510	162,696	3,208,829				1,052,719	1,052,719	1,351,027
33	76		0	190,212	352,908	182,106	3,581,147				999,975	999,975	1,229,031
34	77		0	190,212	372,318	202,583	3,973,943				949,789	949,789	1,195,975
35	78		0	190,212	392,795	224,187	4,388,342				902,609	902,609	1,167,157

The Penn Mutual Life Insurance Company



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Ledger
Basic Ledger
(continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Year	Age	NLG Req. Met	Premium Outlay	Total Income	Total Loan	Loan Interest	Total Loan Balance	Guaranteed Assumptions			Non-Guaranteed Assumptions		
								Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rdr	Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rdr
36	79		0	190,212	414,399	246,979	4,825,533				858,933	858,933	1,143,156
37	80		0	190,212	437,191	271,025	5,286,770				819,183	819,183	1,124,480
38	81		0	190,212	461,237	296,393	5,773,375				784,246	784,246	1,112,127
39	82		0	190,212	486,605	323,156	6,286,743				754,491	754,491	1,106,553
40	83		0	190,212	513,368	351,391	6,828,346				730,506	730,506	1,108,449
41	84		0	190,212	541,603	381,179	7,399,737				712,915	712,915	1,118,547
42	85		0	190,212	571,391	412,606	8,002,555				702,350	702,350	1,137,596
43	86		0	190,212	602,818	445,761	8,638,528				699,214	699,214	1,166,101
44	87		0	190,212	635,973	480,739	9,309,479				703,604	703,604	1,204,258
45	88		0	190,212	670,951	517,642	10,017,333				715,736	715,736	1,252,389
46	89		0	190,212	707,854	556,574	10,764,119				736,105	736,105	1,311,116
47	90		0	190,212	746,786	597,647	11,551,978				764,064	764,064	1,379,867
48	91		0	190,212	787,859	640,979	12,383,169				799,385	799,385	1,458,513
49	92		0	190,212	831,191	686,695	13,260,076				855,850	855,850	1,420,487
50	93		0	190,212	876,907	734,925	14,185,212				940,025	940,025	1,393,782
51	94		0	190,212	925,137	785,807	15,161,231				1,060,336	1,060,336	1,384,767
52	95		0	190,212	976,019	839,488	16,190,931				1,227,646	1,227,646	1,401,832
53	96		0	190,212	1,029,700	896,122	17,277,265				1,424,660	1,424,660	1,611,679
54	97		0	190,212	1,086,334	955,870	18,423,347				1,686,325	1,686,325	1,706,435
55	98		0	190,212	1,146,082	1,018,904	19,632,463				1,991,480	1,991,480	2,013,104
56	99		0	190,212	1,209,116	1,085,406	20,908,081				2,344,803	2,344,803	2,368,056
57	100		0	190,212	1,275,618	1,155,565	22,253,858				2,751,401	2,751,401	2,776,406
58	101		0	0	1,155,565	1,223,962	23,477,820				3,413,066	3,413,066	3,439,957
59	102		0	0	1,223,962	1,291,280	24,769,100				4,151,255	4,151,255	4,180,175
60	103		0	0	1,291,280	1,362,301	26,131,401				4,973,339	4,973,339	5,004,444

The Penn Mutual Life Insurance Company



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Ledger
Basic Ledger
(continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Year	Age	NLG Req. Met	Premium Outlay	Total Income	Total Loan	Loan Interest	Total Loan Balance	Guaranteed Assumptions			Non-Guaranteed Assumptions		
								Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rdr	Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rdr
61	104		0	0	1,362,301	1,437,227	27,568,628				5,887,349	5,887,349	5,920,805
62	105		0	0	1,437,227	1,516,275	29,084,902				6,902,029	6,902,029	6,938,016
63	106		0	0	1,516,275	1,599,670	30,684,572				8,026,887	8,026,887	8,065,598
64	107		0	0	1,599,670	1,687,651	32,372,224				9,272,210	9,272,210	9,313,855
65	108		0	0	1,687,651	1,780,472	34,152,696				10,649,231	10,649,231	10,694,033
66	109		0	0	1,780,472	1,878,398	36,031,094				12,170,190	12,170,190	12,218,391
67	110		0	0	1,878,398	1,981,710	38,012,804				13,848,372	13,848,372	13,900,233
68	111		0	0	1,981,710	2,090,704	40,103,509				15,698,218	15,698,218	15,754,020
69	112		0	0	2,090,704	2,205,693	42,309,202				17,735,439	17,735,439	17,795,484
70	113		0	0	2,205,693	2,327,006	44,636,208				19,977,077	19,977,077	20,041,690
71	114		0	0	2,327,006	2,454,991	47,091,199				22,441,641	22,441,641	22,511,174
72	115		0	0	2,454,991	2,590,016	49,681,215				25,149,231	25,149,231	25,224,062
73	116		0	0	2,590,016	2,732,467	52,413,682				28,121,668	28,121,668	28,202,203
74	117		0	0	2,732,467	2,882,752	55,296,434				31,382,767	31,382,767	31,469,446
75	118		0	0	2,882,752	3,041,304	58,337,738				34,958,264	34,958,264	35,051,560
76	119		0	0	3,041,304	3,208,576	61,546,314				38,876,087	38,876,087	38,976,509
77	120		0	0	3,208,576	3,385,047	64,931,361				43,166,538	43,166,538	43,274,636
78	121		0	0	3,385,047	2,564,789	67,496,150				46,566,323	46,566,323	46,680,386

The Penn Mutual Life Insurance Company



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Ledger
Basic Ledger
(continued)

Insured: **Mr Valued Client**

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

¹Death benefit option changed in this year. Please see the Scheduled Assumptions page for additional information.

The non-guaranteed values illustrated in this policy avoid Modified Endowment Contract (MEC) status. Please see Important Tax Information in the Policy Overview section of this illustration for additional information.

In Years 11+ policy values are also enhanced by the Policy Value Enhancement provision: Guaranteed Annual Rate: 0.30%; Current Annual Rate: 0.30%.

In Years 11+ policy values are also enhanced by the STR Policy Value Enhancement provision: Guaranteed Annual Rate: 0.15%; Current Annual Rate: 0.15% times the ratio of STR to Total Specified Amount.

Under the Guaranteed Assumptions, the income amounts available based on that set of assumptions were exceeded and the Guaranteed Assumptions illustration was discontinued. The income amounts available based on the Guaranteed Assumptions can be approximated from the previous year's cash surrender value. The illustrated Partial Surrenders and/or Loans columns are based on what is available under the Non-Guaranteed Assumptions.



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Ledger
Scheduled Assumptions

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Scheduled Assumptions

You have illustrated to vary some of the assumptions over the policy years. These scheduled assumptions may be further modified by the exercise of provisions in the base policy and elected riders. Some of these illustrated changes are not automatic and must be elected by contacting Penn Mutual. Any increases in coverage will require additional underwriting.

Death Benefit Option

Your illustration shows the following elected changes to the Death Benefit Option:

Policy Years	Death Benefit Option
1 through 15	Increasing Level
16 through 78	



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life



Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

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Our Noble Purpose

Since 1847, Penn Mutual has been driven by our noble purpose — to create a world of possibilities, one individual, one family and one small business at a time. As an original pioneer of mutual life insurance in America, we believe that life insurance is the most protective, responsible and rewarding action a person can take to build a solid foundation today and create a brighter future for generations to come.

"S&P®", "Standard & Poor's®", S&P 500®, "Standard & Poor's 500™", "S&P Global BMI™", "Standard & Poor's Global PMI™", "S&P Global Broad Market Index™", and "Standard & Poor's Global Market Index™" are trademarks of Standard & Poor's Financial Services LLC and have been licensed for use by The Penn Insurance and Annuity Company and its affiliates. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing this product.

The S&P 500 Index is an unmanaged index of 500 stocks from a broad range of industries, considered to be representative of the stock market in general. Indexes do not have sales charges and it is not possible to invest directly in an index.

The S&P Global BMI (Broad Market Index) is a comprehensive, rules-based index measuring global stock market performance. The S&P Global BMI covers approximately 11,000 companies from 46 countries.

Version #: 1.9.1



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

IUL Historical Report 20 Year History

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

IUL Historical Report - 20 Year History

Purpose of this Report 20 Year History 12/31/1992 to 12/31/2011

This report shows what the values and death benefits would have been if the current participation and cap percentages for each illustrated Indexed Account had existed over the 20 year period shown, using actual historical Index rates of return without dividends. These values use all of the non-guaranteed assumptions from the Basic Ledger except for the Indexed Account interest.

Non-Guaranteed Assumptions

Calendar Year	Net Premium Outlay	Historical S&P 500® Index Return	Historical 1 Year S&P 500 Indexed Acct Return	Policy Value	Cash Surrender Value	Death Benefit Incl Term Rider
1992	50,000	4.46%	4.46%	41,234	23,904	1,262,939
1993	50,000	7.06%	7.06%	88,020	72,597	1,309,725
1994	50,000	-1.54%	1.00%	130,000	116,483	1,351,705
1995	50,000	34.11%	13.00%	193,131	181,520	1,414,836
1996	50,000	20.26%	13.00%	264,336	254,632	1,486,041
1997	50,000	31.01%	13.00%	350,343	342,544	1,572,048
1998	50,000	26.67%	13.00%	447,445	441,552	1,669,150
1999	50,000	19.53%	13.00%	557,045	553,059	1,778,750
2000	50,000	-10.14%	1.00%	608,348	606,268	1,830,053
2001	50,000	-13.04%	1.00%	659,974	659,974	1,881,679
2002	50,000	-23.37%	1.00%	715,258	715,258	1,936,963
2003	50,000	26.38%	13.00%	862,652	862,652	2,084,357
2004	50,000	8.99%	8.99%	993,067	993,067	2,214,772
2005	50,000	3.00%	3.00%	1,073,077	1,073,077	2,294,782
2006	50,000	13.62%	13.00%	1,267,606	1,267,606	2,489,311
2007	0	3.53%	3.53%	1,313,128	1,313,128	2,489,311
2008	0	-38.49%	1.00%	1,327,054	1,327,054	2,489,311
2009	0	23.45%	13.00%	1,500,130	1,500,130	2,489,311
2010	0	12.78%	12.78%	1,693,449	1,693,449	2,489,311
2011	0	0.00%	1.00%	1,712,992	1,712,992	2,489,311

Death benefit option changed in year 16 for this scenario. Please see the Scheduled Assumptions page for additional information.

Under the Non-Guaranteed Assumptions of the Basic Ledger this policy avoids Modified Endowment Contract (MEC) status. The MEC status test was not performed on this scenario and MEC Status results could vary. Please see Important Tax Information in the Policy Overview section of this illustration for additional information.

In Years 11+ policy values are also enhanced by the Policy Value Enhancement provision: Guaranteed Annual Rate: 0.30%; Current Annual Rate: 0.30%.

In Years 11+ policy values are also enhanced by the STR Policy Value Enhancement provision: Guaranteed Annual Rate: 0.15%; Current Annual Rate: 0.15% times the ratio of STR to Total Specified Amount.

Past Performance is not indicative of future results. Different historical periods will produce different results.



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

IUL Historical Report 30 Year History

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

IUL Historical Report - 30 Year History

Purpose of this Report 30 Year History 12/31/1982 to 12/31/2011

This report shows what the values and death benefits would have been if the current participation and cap percentages for each illustrated Indexed Account had existed over the 30 year period shown, using actual historical Index rates of return without dividends. This illustration also shows how fluctuations in the rate of return can impact the net cost of a loan. These values use all of the non-guaranteed assumptions from the Basic Ledger except for the Indexed Account interest.

Non-Guaranteed Assumptions

Calendar Year	Net Premium Outlay	Historical S&P 500® Index Return	Historical 1 Year S&P 500 Indexed Acct Return	Loan Rate	Historical Loan Spread	Loan Adjusted Net Rate of Return	Total Loan Balance	Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rider
1982	50,000	14.76%	13.00%	6.00%	7.00%	13.00%	0	44,853	27,523	1,266,558
1983	50,000	17.27%	13.00%	6.00%	7.00%	13.00%	0	97,169	81,746	1,318,874
1984	50,000	1.40%	1.40%	6.00%	-4.60%	1.40%	0	139,805	126,288	1,361,510
1985	50,000	26.33%	13.00%	6.00%	7.00%	13.00%	0	204,211	192,600	1,425,916
1986	50,000	14.62%	13.00%	6.00%	7.00%	13.00%	0	276,856	267,152	1,498,561
1987	50,000	2.03%	2.03%	6.00%	-3.97%	2.03%	0	329,013	321,214	1,550,718
1988	50,000	12.40%	12.40%	6.00%	6.40%	12.40%	0	421,092	415,200	1,642,797
1989	50,000	27.25%	13.00%	6.00%	7.00%	13.00%	0	527,267	523,281	1,748,972
1990	50,000	-6.56%	1.00%	6.00%	-5.00%	1.00%	0	578,271	576,192	1,799,976
1991	50,000	26.31%	13.00%	6.00%	7.00%	13.00%	0	704,532	704,532	1,926,237



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

IUL Historical Report
30 Year History
(continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Non-Guaranteed Assumptions

Calendar Year	Net Premium Outlay	Historical S&P 500® Index Return	Historical 1 Year S&P 500 Indexed Acct Return	Loan Rate	Historical Loan Spread	Loan Adjusted Net Rate of Return	Total Loan Balance	Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rider
1992	50,000	4.46%	4.46%	5.50%	-1.04%	4.46%	0	786,528	786,528	2,008,233
1993	50,000	7.06%	7.06%	5.50%	1.56%	7.06%	0	893,908	893,908	2,115,613
1994	50,000	-1.54%	1.00%	5.50%	-4.50%	1.00%	0	951,977	951,977	2,173,682
1995	50,000	34.11%	13.00%	5.50%	7.50%	13.00%	0	1,130,566	1,130,566	2,352,271
1996	50,000	20.26%	13.00%	5.50%	7.50%	13.00%	0	1,332,838	1,332,838	2,554,543
1997	0	31.01%	13.00%	5.50%	7.50%	13.00%	0	1,507,161	1,507,161	2,554,543
1998	0	26.67%	13.00%	5.50%	7.50%	13.00%	0	1,705,198	1,705,198	2,554,543
1999	0	19.53%	13.00%	5.50%	7.50%	13.00%	0	1,930,188	1,930,188	2,554,543
2000	0	-10.14%	1.00%	5.50%	-4.50%	1.00%	0	1,954,035	1,954,035	2,554,543
2001	0	-13.04%	1.00%	5.50%	-4.50%	1.00%	0	1,978,023	1,978,023	2,554,543
2002	-190,212	-23.37%	1.00%	5.50%	-4.50%	0.72%	195,832	1,805,937	1,805,937	2,358,711
2003	-190,212	26.38%	13.00%	5.50%	7.50%	12.21%	402,436	1,862,936	1,862,936	2,361,318
2004	-190,212	8.99%	8.99%	5.50%	3.49%	7.82%	620,402	1,852,473	1,852,473	2,347,047
2005	-190,212	3.00%	3.00%	5.50%	-2.50%	1.47%	850,356	1,699,950	1,699,950	2,184,508
2006	-190,212	13.62%	13.00%	5.50%	7.50%	11.06%	1,092,958	1,791,513	1,791,513	2,310,717
2007	-190,212	3.53%	3.53%	5.50%	-1.97%	1.37%	1,348,903	1,639,648	1,639,648	2,147,701
2008	-190,212	-38.49%	1.00%	5.50%	-4.50%	-1.54%	1,618,926	1,400,833	1,400,833	1,883,994
2009	-190,212	23.45%	13.00%	5.50%	7.50%	10.05%	1,903,799	1,508,800	1,508,800	2,020,690
2010	-190,212	12.78%	12.78%	5.50%	7.28%	9.75%	2,204,340	1,644,796	1,644,796	2,145,183
2011	-190,212	0.00%	1.00%	5.50%	-4.50%	-2.12%	2,521,411	1,366,612	1,366,612	1,794,295



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

IUL Historical Report
30 Year History
(continued)

Insured: **Mr Valued Client**

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Death benefit option changed in year 16 for this scenario. Please see the Scheduled Assumptions page for additional information.

Under the Non-Guaranteed Assumptions of the Basic Ledger this policy avoids Modified Endowment Contract (MEC) status. The MEC status test was not performed on this scenario and MEC Status results could vary. Please see Important Tax Information in the Policy Overview section of this illustration for additional information.

In Years 11+ policy values are also enhanced by the Policy Value Enhancement provision: Guaranteed Annual Rate: 0.30%; Current Annual Rate: 0.30%.

In Years 11+ policy values are also enhanced by the STR Policy Value Enhancement provision: Guaranteed Annual Rate: 0.15%; Current Annual Rate: 0.15% times the ratio of STR to Total Specified Amount.

Past Performance is not indicative of future results. Different historical periods will produce different results.



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

IUL Historical Report 40 Year History

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

IUL Historical Report - 40 Year History

Purpose of this Report
40 Year History
12/31/1972 to 12/31/2011

This report shows what the values and death benefits would have been if the current participation and cap percentages for each illustrated Indexed Account had existed over the 40 year period shown, using actual historical Index rates of return without dividends. This illustration also shows how fluctuations in the rate of return can impact the net cost of a loan. These values use all of the non-guaranteed assumptions from the Basic Ledger except for the Indexed Account interest.

Non-Guaranteed Assumptions

Calendar Year	Net Premium Outlay	Historical S&P 500® Index Return	Historical 1 Year S&P 500 Indexed Acct Return	Loan Rate	Historical Loan Spread	Loan Adjusted Net Rate of Return	Total Loan Balance	Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rider
1972	50,000	15.63%	13.00%	6.00%	7.00%	13.00%	0	44,853	27,523	1,266,558
1973	50,000	-17.37%	1.00%	6.00%	-5.00%	1.00%	0	86,523	71,099	1,308,228
1974	50,000	-29.72%	1.00%	6.00%	-5.00%	1.00%	0	128,487	114,970	1,350,192
1975	50,000	31.55%	13.00%	6.00%	7.00%	13.00%	0	191,422	179,811	1,413,127
1976	50,000	19.15%	13.00%	6.00%	7.00%	13.00%	0	262,405	252,700	1,484,110
1977	50,000	-11.50%	1.00%	6.00%	-5.00%	1.00%	0	311,094	303,296	1,532,799
1978	50,000	1.06%	1.06%	6.00%	-4.94%	1.06%	0	360,413	354,521	1,582,118
1979	50,000	12.31%	12.31%	6.00%	6.31%	12.31%	0	455,888	451,902	1,677,593
1980	50,000	25.77%	13.00%	6.00%	7.00%	13.00%	0	566,440	564,360	1,788,145
1981	50,000	-9.73%	1.00%	6.00%	-5.00%	1.00%	0	617,647	617,647	1,839,352



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

IUL Historical Report 40 Year History (continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Non-Guaranteed Assumptions

Calendar Year	Net Premium Outlay	Historical S&P 500® Index Return	Historical 1 Year S&P 500 Indexed Acct Return	Loan Rate	Historical Loan Spread	Loan Adjusted Net Rate of Return	Total Loan Balance	Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rider
1982	50,000	14.76%	13.00%	5.50%	7.50%	13.00%	0	752,173	752,173	1,973,878
1983	50,000	17.27%	13.00%	5.50%	7.50%	13.00%	0	904,538	904,538	2,126,243
1984	50,000	1.40%	1.40%	5.50%	-4.10%	1.40%	0	966,577	966,577	2,188,282
1985	50,000	26.33%	13.00%	5.50%	7.50%	13.00%	0	1,147,133	1,147,133	2,368,838
1986	50,000	14.62%	13.00%	5.50%	7.50%	13.00%	0	1,351,637	1,351,637	2,573,342
1987	0	2.03%	2.03%	5.50%	-3.47%	2.03%	0	1,380,101	1,380,101	2,573,342
1988	0	12.40%	12.40%	5.50%	6.90%	12.40%	0	1,552,246	1,552,246	2,573,342
1989	0	27.25%	13.00%	5.50%	7.50%	13.00%	0	1,756,060	1,756,060	2,573,342
1990	0	-6.56%	1.00%	5.50%	-4.50%	1.00%	0	1,776,716	1,776,716	2,573,342
1991	0	26.31%	13.00%	5.50%	7.50%	13.00%	0	2,010,750	2,010,750	2,573,342
1992	-190,212	4.46%	4.46%	5.50%	-1.04%	4.19%	195,832	1,908,914	1,908,914	2,414,053
1993	-190,212	7.06%	7.06%	5.50%	1.56%	6.30%	402,436	1,854,899	1,854,899	2,351,512
1994	-190,212	-1.54%	1.00%	5.50%	-4.50%	-0.18%	620,402	1,663,073	1,663,073	2,119,768
1995	-190,212	34.11%	13.00%	5.50%	7.50%	11.35%	850,356	1,732,901	1,732,901	2,223,720
1996	-190,212	20.26%	13.00%	5.50%	7.50%	11.09%	1,092,958	1,828,822	1,828,822	2,354,742
1997	-190,212	31.01%	13.00%	5.50%	7.50%	10.88%	1,348,903	1,955,213	1,955,213	2,516,913
1998	-190,212	26.67%	13.00%	5.50%	7.50%	10.73%	1,618,926	2,116,936	2,116,936	2,714,674
1999	-190,212	19.53%	13.00%	5.50%	7.50%	10.62%	1,903,799	2,319,643	2,319,643	2,953,159
2000	-190,212	-10.14%	1.00%	5.50%	-4.50%	-1.48%	2,204,340	2,063,365	2,063,365	2,618,166
2001	-190,212	-13.04%	1.00%	5.50%	-4.50%	-1.82%	2,521,411	1,790,327	1,790,327	2,264,618



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

IUL Historical Report
40 Year History
(continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Non-Guaranteed Assumptions

Calendar Year	Net Premium Outlay	Historical S&P 500® Index Return	Historical 1 Year S&P 500 Indexed Acct Return	Loan Rate	Historical Loan Spread	Loan Adjusted Net Rate of Return	Total Loan Balance	Net Policy Value	Net Cash Surrender Value	Net Death Benefit Incl Term Rider
2002	-190,212	-23.37%	1.00%	5.50%	-4.50%	-2.17%	2,855,921	1,499,809	1,499,809	1,891,825
2003	-190,212	26.38%	13.00%	5.50%	7.50%	9.50%	3,208,829	1,713,821	1,713,821	2,058,406
2004	-190,212	8.99%	8.99%	5.50%	3.49%	5.52%	3,581,147	1,786,111	1,786,111	2,054,474
2005	-190,212	3.00%	3.00%	5.50%	-2.50%	-0.56%	3,973,943	1,555,524	1,555,524	1,831,997
2006	-190,212	13.62%	13.00%	5.50%	7.50%	9.20%	4,388,342	1,859,562	1,859,562	2,171,958
2007	-190,212	3.53%	3.53%	5.50%	-1.97%	-0.20%	4,825,533	1,641,997	1,641,997	1,965,373
2008	-190,212	-38.49%	1.00%	5.50%	-4.50%	-2.96%	5,286,770	1,242,461	1,242,461	1,568,923
2009	-190,212	23.45%	13.00%	5.50%	7.50%	8.75%	5,773,375	1,599,265	1,599,265	1,967,897
2010	-190,212	12.78%	12.78%	5.50%	7.28%	8.68%	6,286,743	2,021,738	2,021,738	2,437,162
2011	-190,212	0.00%	1.00%	5.50%	-4.50%	-3.00%	6,828,346	1,555,326	1,555,326	1,974,509

Death benefit option changed in year 16 for this scenario. Please see the Scheduled Assumptions page for additional information.

Under the Non-Guaranteed Assumptions of the Basic Ledger this policy avoids Modified Endowment Contract (MEC) status. The MEC status test was not performed on this scenario and MEC Status results could vary. Please see Important Tax Information in the Policy Overview section of this illustration for additional information.

In Years 11+ policy values are also enhanced by the Policy Value Enhancement provision: Guaranteed Annual Rate: 0.30%; Current Annual Rate: 0.30%.

In Years 11+ policy values are also enhanced by the STR Policy Value Enhancement provision: Guaranteed Annual Rate: 0.15%; Current Annual Rate: 0.15% times the ratio of STR to Total Specified Amount.

Past Performance is not indicative of future results. Different historical periods will produce different results.



Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
 Initial Death Benefit Option: Increasing
 Initial Premium: \$50,000.00

Initial Specified Amount: \$122,171
 Initial Supplemental Term Specified Amount: \$1,099,535
 Initial Total Specified Amount: \$1,221,705

Important Information About This Report

Please note that this illustration assumes that the Indexed Account's cap percentage remains the same in all years, but in reality, the cap percentage is set by The Penn Mutual Life Insurance Company each month and can change. Illustrated rates of return are not indicative of future results.

Standard & Poor's 500[®] and S&P Global BMI[™]

"S&P[®]", "Standard & Poor's[®]", "S&P 500[®]", "Standard & Poor's 500[™]", "S&P Global BMI[™]", "Standard & Poor's Global BMI[™]", "S&P Global Broad Market Index[™]", and "Standard & Poor's Global Market Index[™]" are trademarks of Standard & Poor's Financial Services LLC and have been licensed for use by The Penn Insurance and Annuity Company and its affiliates. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing this product.

Column Headings

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

Calendar Year

The calendar year that 1 year historical returns are based.

Historical 1 Year S&P 500 Indexed Acct Return

The S&P 500[®] Index Annual Return for the calendar year, multiplied by the current 1 Year S&P 500 Indexed Account's participation percentage of 100%, and adjusted so that it is no more than the 1 Year S&P 500 Indexed Account's current 13.00%, and no less than the 1 Year S&P 500 Indexed Account's guaranteed minimum interest rate of 1.00%.

Historical Loan Spread

The difference between the interest rate credited and the loan rate charged on any outstanding loans.

Historical S&P 500[®] Index Return

For each calendar year, the Annual Return of the S&P 500[®] Index, which is the percentage change in the Index Value (excluding dividends) from the end of the previous calendar year to the end of this calendar year.

Loan Adjusted Net Rate Of Return

Indexed Loan

The non-loaned Indexed Account Value earns the historical indexed account interest rates and the non-loaned Fixed Account is credited interest using your illustrated interest rate assumptions, not historical returns. The loaned value earns the historical indexed account interest rates, less the loan interest charge (6.00% in years 1 - 10; 5.50% in years 11 and thereafter.)

Loan Rate

The loan rate for the Traditional Loan Option is adjustable and is set by Penn Mutual the beginning of each calendar year. The current loan rate is 3.95%. Historical loan rates are based on the Moody's Corporate Bond Yield Average for the calendar year. The loan rate for the Indexed Loan Option is fixed and is 6.00% for Yrs 1-10; 5.50%% for 11+.

Net Premium Outlay

Premiums paid net of any loans and/or partial surrenders.

Total Loan Balance

Loan balance including accrued interest as of the end of the calendar year.



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Illustration Details

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
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Initial Specified Amount: \$122,171
Initial Supplemental Term Specified Amount: \$1,099,535
Initial Total Specified Amount: \$1,221,705

Illustration Details - Ledger Case File: Untitled

Screen: Insured

Issue State	NV	Risk Class	Preferred Non-Tobacco
First Name	Mr Valued	Rating?	No
Last Name	Client	Owner Type	Insured
Male/Female	Male	Tax Bracket	28%
Issue Age or DOB (mm/dd/yyyy)	43		

Screen: Policy Design

Definition of Life Insurance	GPT	Prevent MEC?	Yes
Total Specified Amount Option	Minimum Non-MEC	Enforce NLG Premium	No
STR Specified Amount	Maximum	Premium Allocation	100% 1 Year S&P 500
Death Benefit Option	Increasing From 1 To 15 Level From 16 To Max	Lump Sum Premium?	No
Scheduled Premium	50,000.00 From 1 To 15	1035 Exchange?	No
Premium Mode	Annual	Term Conversion?	No

Screen: Interest Rate

Indexed Account Crediting Rate	7.50%	Alternate Interest Rate - Scenario #2	No
Indexed Account Crediting Rate	Maximum	Current Cap %	13.00%
Maximum Indexed Interest Rate	8.02%	Current Cap %	12.50%
Indexed Account Crediting Rate	Maximum	Current Cap % 1 Yr	6.50%
Annualized 5 Yr Rate	8.26%	Current Cap % 5 Yr	80.00%
Fixed Account Crediting Rate	Current		
Current Fixed Interest Rate	4.00%		
Alternate Interest Rate - Scenario #1	No		

Screen: Income and Targeting

Distribution Amounts	Solve Loans From 21 To a100	Repay Loan by Gross Up Withdrawal	No
Withdrawal Cap	Basis	Target Cash Value	Endow
Loan Option	Indexed Loan	Target Death Benefit Year	1
Loan Interest Payment Method	Borrow	Target Year	Lifetime
Distribution Mode	Monthly		



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Illustration Details (continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
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Screen: Riders

Accidental Death Benefit	No	Over-Loan Protection Rider	No
Waiver of Surrender Charge Rider	No	Waiver Riders	No
Surrender Benefit Enhancement Rider	No	Return of Premium	No
Children's Term Insurance	No	Additional Insured Rider #1	No
Guaranteed Increase Option	No		

Screen: Output Design

Chronic Illness Accelerated Benefit Payment Year	42	60 Years	No
Percent of Maximum Accelerated Benefit Payment	100%	Internal Rate of Return	No
Revised Illustration	No	Annual Cost Summary	No
Subtotals	None	Monthly Cost Summary	No
Basic & Supp Ledger Pages-Switch to Landscape	Yes	Hypothetical Disability Report	No
IUL Historical Report	Yes	Income Summary	No
20 Years	Yes	Tax Summary	No
30 Years	Yes	Illustration Details	Yes
40 Years	Yes	Presentation Cover Page	No
50 Years	No	Policy Summary	No
		Guideline/7 Pay Report (for Producers Only)	No

Additional Information

Initial Specified Amount	122,171	Initial Indexed Account Interest Rate	7.50%
Initial STR Specified Amount	1,099,535	Initial Guideline Single Premium	226,221.20
Initial Annual Policy Premium	50,000.00	Initial Guideline Annual Premium	50,000.00
Total Annualized Premium Outlay for Year 1	50,000.00	Initial 7-Pay MEC Premium	52,954.16
Version #	1.9.1.2	Is Policy a MEC?	No
Underwriting Amount at Issue	1,221,705	Initial Monthly No-Lapse Premium	607.00
		TP	11,997.14
		Qualified Pension	No
		User ID	Irogers1

Medical Evidence Requirements: Medical Evidence Underwriting Requirements are based on the Issue Age of the Insured and the Underwriting Amount. The Underwriting Amount is the policy's total Face Amount (including Supplemental Term coverage).

Requirements: Paramedical Examination, Insurance Risk Profile - Blood & Urine specimen

Surrender Charges	Year 1: \$17,330	Year 2: \$15,423	Year 3: \$13,517
	Year 4: \$11,611	Year 5: \$9,705	Year 6: \$7,798
	Year 7: \$5,892	Year 8: \$3,986	Year 9: \$2,080

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 Mutal or Penn Insurance and Annuity on the life of the insured(s) exceeds underwriting limits.



Accumulation Builder Choice IUL Flexible Premium Adjustable Indexed Life

Illustration Details (continued)

Insured: Mr Valued Client

Male, Age 43, Preferred Non-Tobacco
Initial Death Benefit Option: Increasing
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Initial Specified Amount: \$122,171
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Initial Total Specified Amount: \$1,221,705



