



2019 Annual Report

THE PENN MUTUAL LIFE INSURANCE COMPANY



\$2.3 billion
OF STATUTORY SURPLUS

\$1.7 billion
PAID TO POLICYHOLDERS
OR BENEFICIARIES

92 years in-a-row
RATED "A" OR HIGHER BY A.M. BEST

\$3.7 billion
IN REVENUE

\$396 million
IN CONSOLIDATED NET INCOME

\$215 million
IN NEW LIFE INSURANCE SALES

\$173 billion
OF LIFE INSURANCE IN FORCE

To Our Valued Policyholders

Almost a decade ago in my annual report letter, I noted that our people are at the core of Penn Mutual's strength. Today, those words continue to ring true. Over the past several months we have witnessed the devastating impact of COVID-19 (Coronavirus) around the globe, volatile markets and low interest rates.

Despite today's significant challenges, Penn Mutual continues to operate from a position of strength because of our people. You can rely on Penn Mutual during challenging times like these. Our financial professionals and associates have dedicated themselves to support you as you navigate life's uncertainties.

A hallmark of our success over 173 years has been stability and consistency—in our financial strength, prudent risk management and diversified investment strategy. We have protected what matters most through recessions, wars and pandemics, and have always taken a long-term view, so that we will be there for you when you need us most. Please let us know if we can help in any way.

Our 2019 results and our history of financial strength and stability have positioned us well to face the challenges and opportunities that lie ahead. You can read about our results in this report.

Our success couldn't have been accomplished without the dedicated people of Penn Mutual, two of whom retired this year. We thank Bob Chappell, who retired from the Board of Trustees, for his 27 years of service to Penn Mutual, during which time he served as President, CEO and Chairman of the Board of Trustees. We also thank Sue Deakins for her 38 years of service to Penn Mutual, most recently as Executive Vice President & Chief Financial Officer.

Whether you're new to the company, or have been with us for many decades, we look forward to serving you in the years to come. Thank you for the trust and confidence you have placed in us, and we hope that you and your loved ones are safe and healthy.

**"A hallmark of our success
over 173 years has been
stability and consistency."**



Eileen C. McDonnell

Eileen C. McDonnell

Chairman
& Chief Executive Officer

A portrait of Cara Drew, a woman with curly brown hair, smiling and resting her chin on her hand. She is wearing a black blazer over a white top, a ring, a necklace, and a bracelet. The background is a blurred office hallway. A teal gradient bar is at the bottom of the image.

Focused

We're motivated to help our financial professionals deliver the broadest and highest-performing life insurance products and solutions to our policyholders. It's this focus that has allowed us to develop strong relationships with financial professionals, such as Cara Drew, of Penn Mutual's Concord Wealth Management in Waltham, MA. Cara has created a practice focused on educating clients on the value of permanent life insurance, particularly whole life, as part of a long-term financial strategy.

According to Cara, “Whole life insurance can be a phenomenal tool in your overall financial plan. But to get the most value from it, you should purchase it from a company with a strong and consistent dividend history. That’s why I like Penn Mutual. The company has never missed making a dividend payment to its eligible policyholders, and it’s had one of the most consistent dividend records among mutual companies over the past two decades. That’s made a huge difference to my clients.”

Cara says that for many of her clients, whole life brings tremendous long-term value. “Clients see increasing value in their policies the longer they own them. Over the course of a lifetime, a client’s financial plan will typically experience economic and market volatility, and they will see their market-based dollars fluctuating,” she says. “But if their plan includes whole life insurance, they can minimize their exposure to market downturns in their retirement years. With the steady, increasing value of whole life insurance, they likely won’t have to tap into their market-based money, or reduce their standard of living, or work longer than they want. They can use some of the cash value inside their policy, allowing their other assets to recover with the market.”

But Cara’s clients know that they don’t have to wait until retirement to benefit from their cash value. “I’ve had several clients who’ve needed cash quickly, whether to start a business or buy

a home, and they were able to use some of their cash value rather than overextend themselves with a bank loan.”

She adds, “Whole life can also be a brilliant strategy for a parent or grandparent to provide for a child. When a whole life policy is gifted to a child, the child’s insurability is locked in for a lifetime—and the policy continues to build significant cash value for the child. Many people who are uninsurable today wish they had purchased life insurance while they were young and healthy.”

Given the many benefits of whole life insurance, both its death benefit and living benefits, oftentimes clients don’t understand how life insurance fits into their overall financial plan. So, Cara prides herself on educating her clients, not just advising them. “I tell my clients that I am just giving them the map to their destination—they are in the driver’s seat. It is their plan, and it’s very important that I educate them on the ‘whys’ behind the plan, and I emphasize that it’s not once and done. Their planning is in fact a journey.”

“At the end of the day, clients want their family’s standard of living maintained in the event of an untimely death,” Cara says. “Owning a life insurance policy is the only certainty one has to ensure their family’s well-being. That’s why I focus on educating my clients on the lifetime value of whole life insurance.”

“I tell my clients that I am just giving them the map to their destination—they are in the driver’s seat. It is their plan, and it’s very important that I educate them on the ‘whys’ behind the plan, and I emphasize that it’s not once and done.”

CARA DREW

We are connected to the communities in which we live and work, and we are a good neighbor in those communities. Our long-standing commitment to veterans gives our nation's heroes the chance to once again serve others honorably in the financial services profession, helps veterans connect with civilians, and provides companion dogs to veterans with physical and emotional needs.

Throughout Penn Mutual's long history, the company has been welcoming to veterans, and many veterans have found a professional home here. While our commitment to veterans has always been part of our fabric, it has significantly grown over the last decade, beginning in 2011, with a \$2.5 million pledge to launch the Penn Mutual Center for Veterans Affairs (PMCVA) at The American College of Financial Services, the nation's largest nonprofit educational institution devoted to financial services.

The PMCVA provides education and financial services career opportunities for those who have served honorably in our armed forces. Full academic scholarships are available to active duty, veterans and their spouses. The 500th such scholarship was awarded in 2019. According to George Nichols III, President & CEO of the College, "The PMCVA is one of our most successful Centers of Excellence, and it's great to have a partner like Penn Mutual. The company is truly invested in ensuring that veterans and their spouses successfully transition into our industry."

While 500 scholarships is commendable, the PMCVA is poised to award another 200 scholarships in 2020, and has its sights set on taking an active role in job placement for the scholarship recipients. "This is a good example of our partnership with Penn Mutual. The first step was to provide scholarships, but we all want to do more to make an even bigger difference," George says.

Making a difference in the lives of veterans is the driving force behind another organization supported by Penn Mutual—The Travis Manion Foundation (TMF). The Foundation's mission is to empower veterans and the families of our nation's fallen heroes to develop character in America's future generations. Penn Mutual began its support of TMF in 2014, when it helped sponsor TMF's 9/11 Heroes Run in Doylestown, PA, near the company's

corporate headquarters. Since then our support of TMF has grown to a national level.

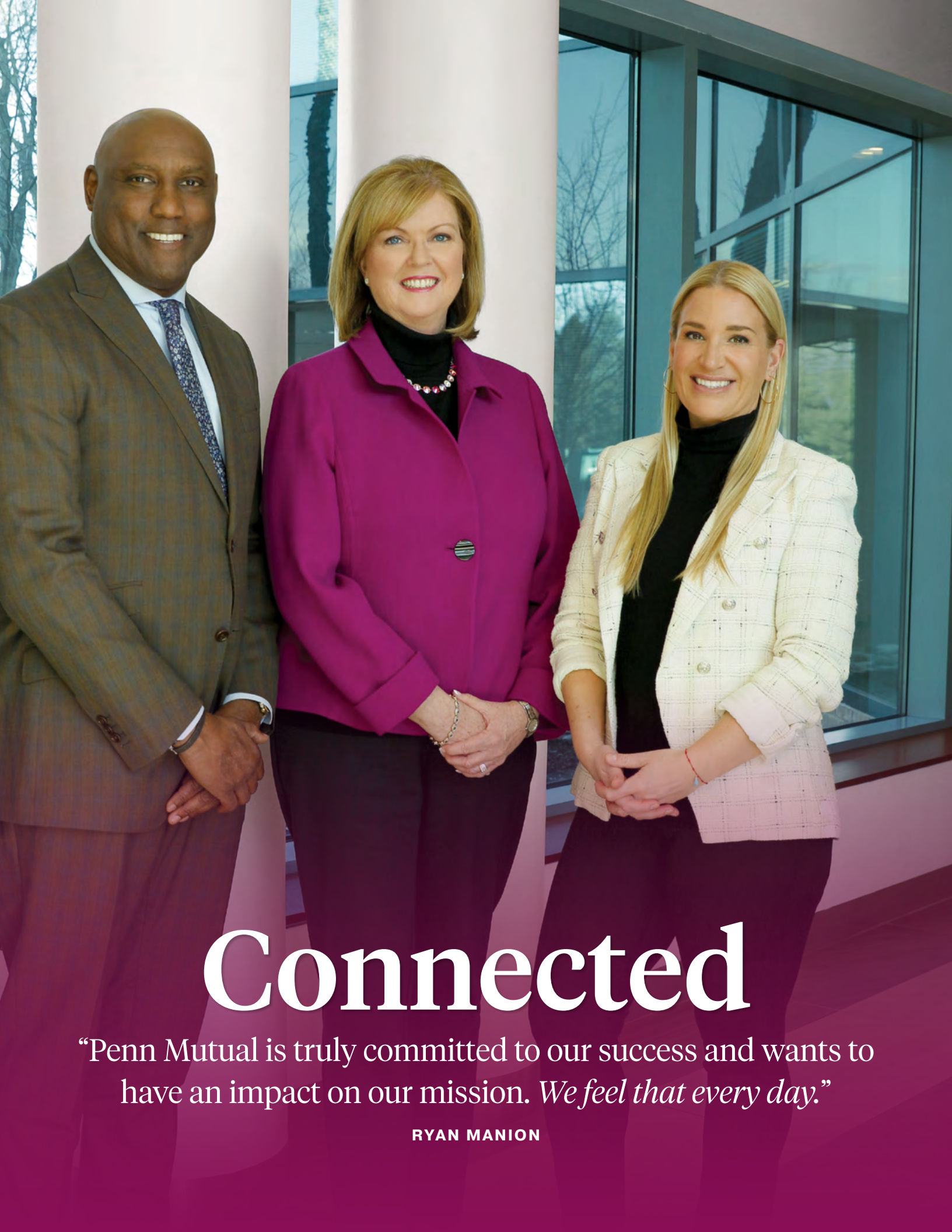
Ryan Manion, President of TMF says, "Penn Mutual is truly committed to our success and wants to have an impact on our mission. We feel that every day." One program that continues to grow, in part because of Penn Mutual's support, is Operation Legacy. This unique program brings veterans and civilians together during two national weeks of service in May and November, with each service project completed in honor of a fallen service member.

Penn Mutual is supporting TMF not only from its corporate headquarters, but is also engaging its field offices across the country, which helps expand the national footprint of TMF and Penn Mutual. According to Ryan, "TMF has grown nationally, in part because of Penn Mutual's growing support. Penn Mutual believes in our vision, which allows us to help more and more veterans serve in meaningful ways once they take the uniform off."

This year, Penn Mutual is further increasing our support for veterans by supporting Pets for Vets, contributing \$1 for every proxy vote submitted by our policyholders for our annual election of Trustees. Pets for Vets is a national program that rescues and trains shelter animals and matches them with U.S. Veterans who could benefit from a companion animal. It's a win-win for the veteran and the dog, each providing and receiving the support they need.

Eileen McDonnell, Penn Mutual Chairman & CEO, says, "Returning veterans and their families have differing needs as they re-enter civilian life—physical, emotional, and financial. The value system of our veterans and these fine organizations we support matches that of Penn Mutual, and we are proud to help open doors for our nation's heroes."





Connected

“Penn Mutual is truly committed to our success and wants to have an impact on our mission. *We feel that every day.*”

RYAN MANION

“These cases are extremely *time sensitive*, so we work diligently with our new business & underwriting team to **prioritize them.**”

CONNOR BROWN





Energized

We are energized to help our financial professionals serve their clients, by empowering our associates to make doing business easier. In 2015, we launched InSight, a powerful digital platform that helps our financial professionals build their business and support their clients. In 2017, we launched our award-winning Accelerated Client Experience (ACE).

Our associates know that InSight and ACE are game changers, but they also know that the personal touch is critical in providing a great experience.

A few years ago, Penn Mutual revolutionized the life insurance purchasing process with ACE, an automated digital experience that uses data to minimize or eliminate the need for medical testing for many. When it was launched, ACE reduced the time from application to policy issue to as little as 24 hours. Since then, we have released more than 40 updates of the app. Today, with the addition of some associate-powered process changes, some policies can be issued as quickly as four hours after application.

Rob Perry, Regional Marketing Director of Penn Mutual's Gulf Coast Region, has seen for himself the competitive advantage of ACE. According to Rob, it's not just the technology, but the people behind it that energize the entire life insurance buying experience. Rob works with a financial professional in Tampa who works with leading small business lenders across the country, many of whom require a life insurance policy as collateral before issuing a business loan. Rob says, "The window of time between the business owner applying for the loan and when the funds are needed for his or her business is typically very short. Traditional life insurance underwriting often takes far too long to meet the tight deadline."

Enter ACE. Rob notes, "This financial professional sells thousands of policies a year, so saving time and simplifying the process are paramount. When he learned about what ACE can do, he was thrilled to have access to an accelerated tool for clients up to age 65, backed by a highly rated carrier (Penn Mutual)

that could quickly provide up to \$5 million of coverage with a simple e-signature. He could get a policy issued and delivered in a few days instead of a month or more. But ACE's advantage is more than the technology."

Connor Brown of Penn Mutual's Life Services department, and underwriter Melissa Butcher share their perspectives on the people behind ACE. Connor, who is the ACE lead on this account, says, "These cases are extremely time sensitive, so we work diligently with our new business/underwriting team to prioritize them. Eventually, Melissa became the lead underwriter and streamlined the process further, creating a fantastic template of the requirements for the financial professional to gather up-front, which increased efficiency and speed of issue."

According to Melissa, "If anything is missing before the underwriting decision is made, Rob and Connor know they can get me the details and I'll review the application immediately. I make it a priority to review these cases, knowing the time sensitivity involved for both the client and financial professional, while not jeopardizing the service for other clients."

Rob and the financial professionals he works with appreciate Connor and Melissa's efforts. Rob says, "From the responsiveness of Connor through email or the dedicated ACE phone line, to Melissa's keen understanding of the business needs, the ACE team consistently goes above and beyond to help financial professionals serve their clients better, and to make my business relationships an ongoing success. It's a wonderful example of how great technology and great people can make great things happen."

Financial Results

2019

Condensed, Consolidated Balance Sheets; for the year ended (in thousands)

Assets	December 31, 2019	December 31, 2018
Debt securities, at fair value	\$17,692,416	\$15,563,402
Equity securities, at fair value	85,599	64,920
Real estate, net of accumulated depreciation	36,807	38,128
Other invested assets	3,176,887	2,345,938
Total investments	20,991,709	18,012,388
Other assets	7,266,112	7,813,799
Separate account assets	8,420,820	7,337,964
Total assets	\$36,678,641	\$33,164,151
Liabilities		
Reserves and funds for payment of future benefits	\$17,112,552	\$16,415,723
Accrued income tax payable	669,954	433,339
Other liabilities	5,377,358	5,014,072
Separate account liabilities	8,420,820	7,337,964
Total liabilities	31,580,684	29,201,098
Equity		
Accumulated other comprehensive income	770,132	17,010
Retained earnings	4,280,242	3,900,938
Non-controlling interest	47,583	45,105
Total equity	5,097,957	3,963,053
Total liabilities and equity	\$36,678,641	\$33,164,151

Condensed, Consolidated Income Statements; for the year ended (in thousands)

Revenues	December 31, 2019	December 31, 2018
Premium and other product revenue	\$1,707,215	\$1,418,545
Investment income	880,836	867,299
Broker-dealer fees and commissions	875,895	864,931
Other revenue (including realized capital gains and (losses))	241,203	80,477
Total revenue	3,705,149	3,231,252
Benefits and Expenses		
Policyholder benefits	960,833	980,340
Change in reserve for payment of future benefits	834,806	537,565
Policyholder dividends	92,199	81,088
Broker-dealer sales expense	488,445	488,878
Other expenses	879,997	737,084
Total expenses	3,256,280	2,824,955
Income before income taxes	448,869	406,297
Income tax expenses	49,974	72,518
Net income	398,895	333,779
Net income attributable to non-controlling interest	(2,846)	(387)
Net income attributable to Penn Mutual	\$396,049	\$333,392

Dividends are not guaranteed. They are declared annually by Penn Mutual's Board of Trustees.

The Story Behind Our Strength

At Penn Mutual, we are passionate about serving you, our policyholders, and we believe that life insurance is central to a sound financial plan. Our team of financial professionals builds lasting relationships with clients, empowering them to make financial decisions that have a positive impact on their lives, now and into the future.

As a mutual company, we make our decisions with your long-term best interests in mind. We focus on continuously improving and identifying opportunities to elevate the service we provide.

Financial strength makes it possible for us to keep the promises we make to our policyholders and contract owners. In 2019, we paid \$1.7 billion in benefits to our policyholders or their beneficiaries, demonstrating our continued ability to deliver on our promises.

In this relationship-based business, the financial professionals we partner with help clients like you make smart decisions by offering the support, solutions and guidance needed to live life with confidence.

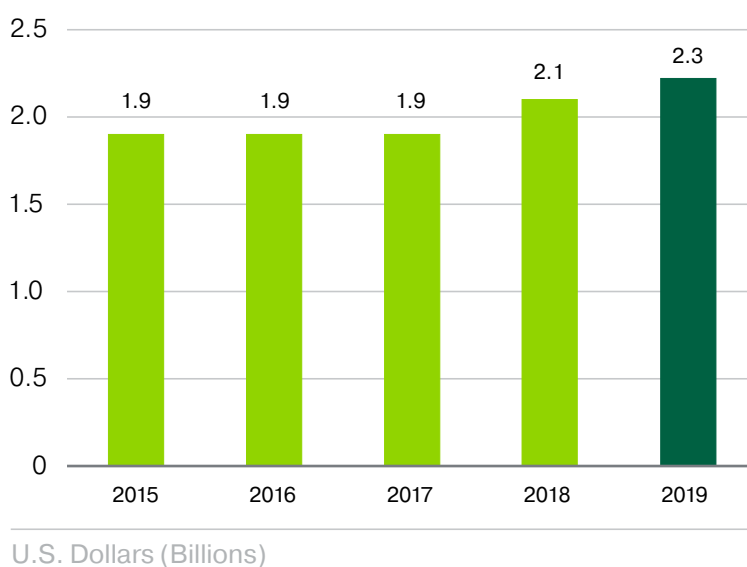
Our mutuality, financial strength, and focus on relationships are foundational, allowing Penn Mutual to build and grow so we will always be here for our policyholders, their families and businesses. As we enter our 173rd year of service, we are proud of the story behind our strength, and how it supports the momentum driving our commitment to you.

Financial Strength

One of our foundational elements is, and always will be, our financial strength and stability. That foundation begins with capital strength.

Total Surplus (Capital) was a very strong \$2.3 billion as of December 31, 2019. Total surplus is the amount set aside for unexpected losses from operations, and is our financial protection against business volatility. Our surplus position is a testament to our high-quality investment portfolio and our ability to manage the guarantees we provide our policyholders and contract owners through appropriate investment techniques.

TOTAL SURPLUS: \$2.3 BILLION

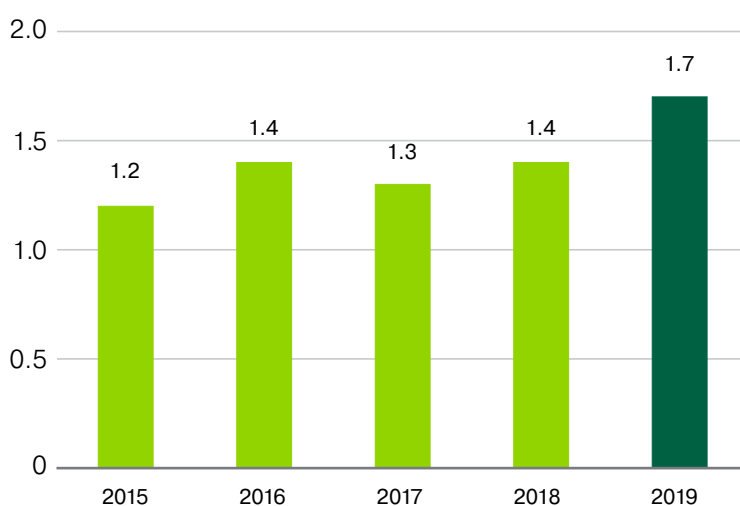


As detailed in rating agency outlooks, Penn Mutual remains very well capitalized. Additionally, surplus is one of the key indicators of the company's long-term financial strength and stability, which helps ensure we continue to meet the future obligations to policyholders.

In 2019, we paid **\$1.7 billion** in benefits to our policyholders or their beneficiaries, demonstrating our continued ability to *deliver on our promises*.

In 2019, we paid our policyholders \$1.7 billion, fulfilling the promises we make through the death benefits, annuity benefits and other benefits available with our products.

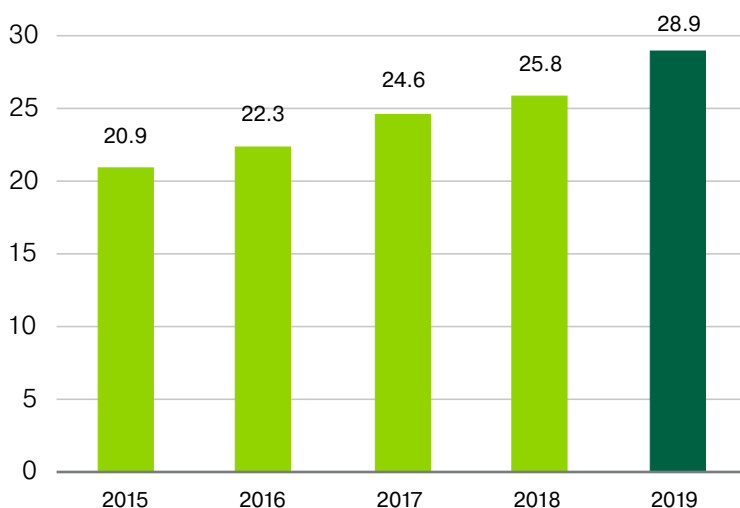
BENEFITS PAID: \$1.7 BILLION



U.S. Dollars (Billions)

Total Statutory Assets Under Management, including the funds we safeguard for our policyholders, was \$28.9 billion, an increase of \$3.1 billion from 2018.

TOTAL STATUTORY ASSETS UNDER MANAGEMENT: \$28.9 BILLION

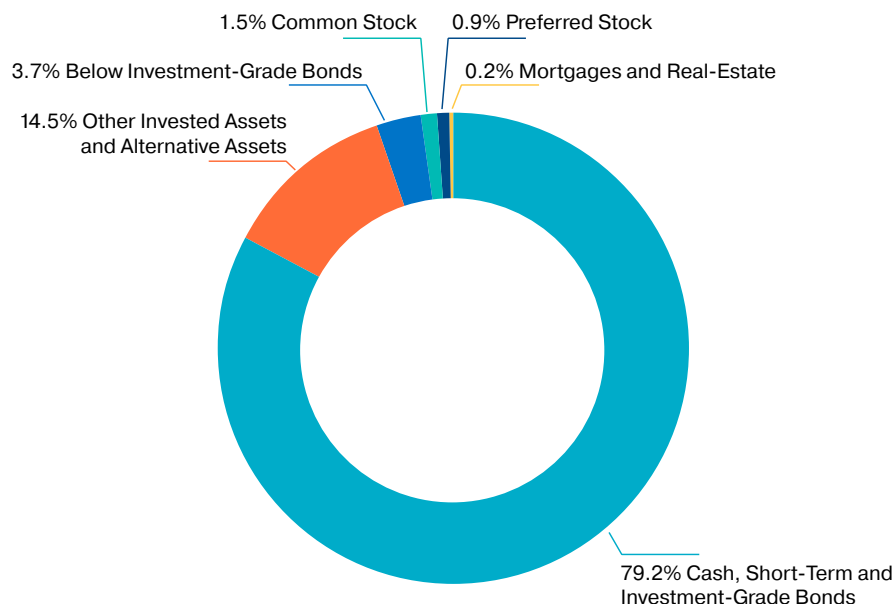


U.S. Dollars (Billions)

Total Surplus (Capital), Total Assets, Benefits Paid and Investment Portfolio information are reported according to a statutory accounting basis. Total liabilities were \$19.0, \$20.4, \$22.7, \$23.7 and \$26.6 billion for years 2015-2019 respectively.

High Quality Investment Portfolio

We manage our investments with one goal in mind: to fulfill our obligations to policyholders while protecting the long-term viability of Penn Mutual. Our investment philosophy stresses rigorous asset/liability management diversification, good liquidity, and a conservative approach to portfolio risk. This philosophy has provided us with strong and superior performance for our policyholders. Because of our mutual structure, we can take a longer-term view of the economy, which helps us mitigate market volatility.



Penn Mutual holds a high-quality portfolio of assets, with investment grade bonds representing the single largest class of investments. As of December 31, 2019, 79.2 percent, or \$14.7 billion, of the company's total invested assets of \$18.6 billion (excluding policy loans), represented cash, short-term and investment grade bonds.

Our second largest asset class, "Other Invested Assets and Alternative Assets," represents 14.5 percent of the investment portfolio (excluding policy loans). Included in this growing asset class is our investment in Janney Montgomery Scott LLC, one of our broker-dealer affiliates; investments in limited partnerships, focused on other investment opportunities like venture capital and private equity; investments in private funds; and hedging assets that protect the company against fluctuation in equity markets and interest rates.

Our valued policyholders can take comfort in knowing that Penn Mutual avoids risk that might jeopardize our ability to keep the promises we make to them.

With an average credit quality rating of A, Penn Mutual holds a higher percentage of NAIC 1 bonds than the industry, as classified by the National Association of Insurance Commissioners (NAIC). And, Penn Mutual holds a lower percentage of below investment grade bonds than the industry.

This is the story behind our strength. You can be confident that your life insurance policy or annuity contract has the full backing of a company with an incomparable record of integrity — a company with a 173-year history of safety, stability and security.

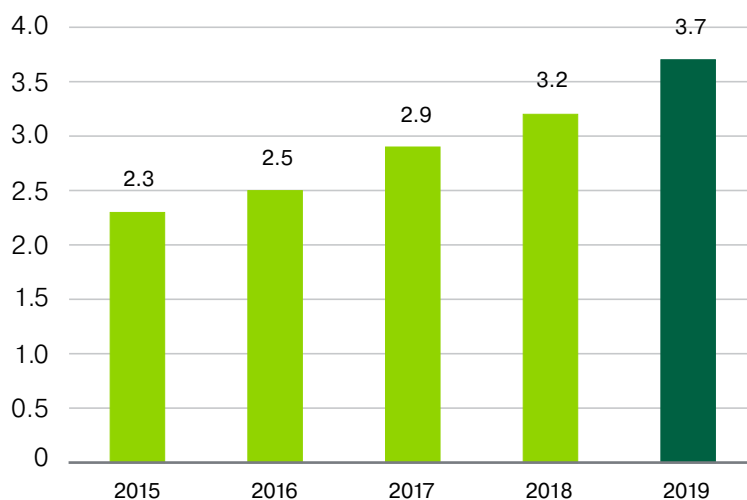
Financial Performance

Our results for the 12 months ended December 31, 2019, underscore our continued focus on and commitment to meeting our obligations to our policyholders and contract owners and protecting Penn Mutual's long-term viability. We achieved solid financial results for the year, following our strong performance in 2018.

Total Revenue for the year was \$3.7 billion. This includes premium and product revenue from life and annuity products, investment income on our assets, and broker-dealer fees and commissions, which have shown solid growth over the past five years.

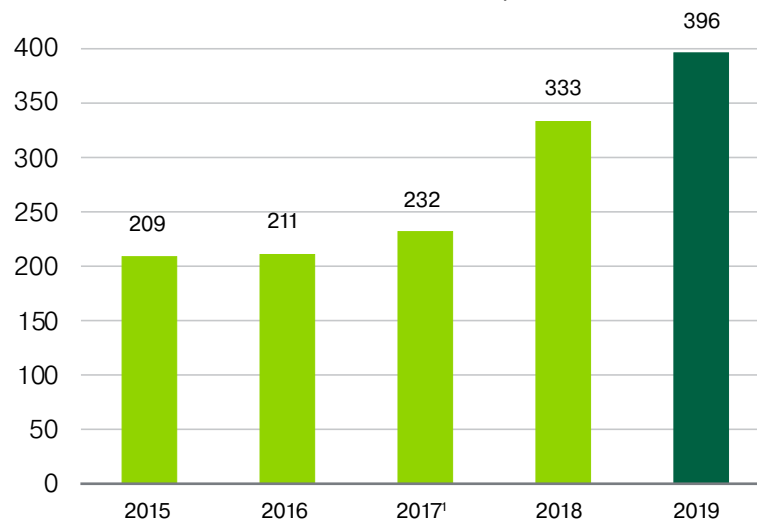
Consolidated Net Income, which includes income from all business segments—Insurance, Broker-Dealer and Asset Management—was a record \$396 million, for the year ended December 31, 2019, compared to \$333 million in 2018.

TOTAL REVENUE: \$3.7 BILLION



U.S. Dollars (Billions)

CONSOLIDATED NET INCOME: \$396 MILLION



U.S. Dollars (Millions)

¹ Excludes one-time impact of 2017 Tax Cuts and Jobs Act.

NAIC 1 Bonds

62.6%
PENN MUTUAL
12/31/19

60.2%
INDUSTRY
9/30/19

NAIC Below Investment Grade Bonds

4.4%
PENN MUTUAL
12/31/19

5.3%
INDUSTRY
9/30/19

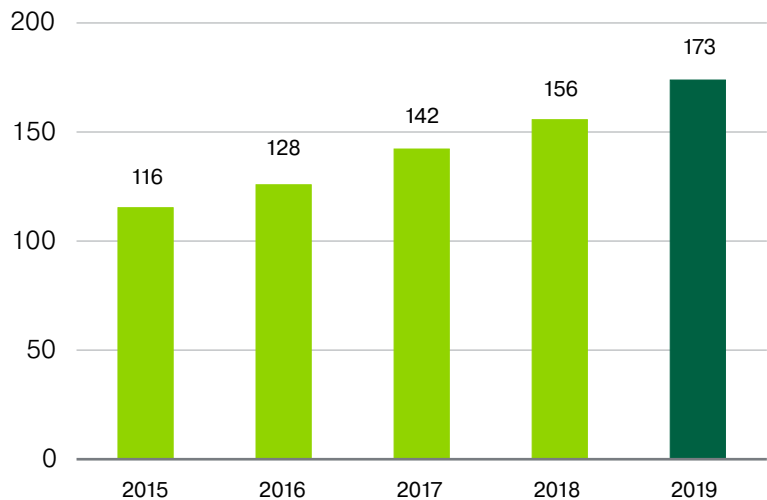
Sales Performance

Individual Life Insurance In Force, the amount of life insurance protection we provide to policyholders, reached a new high of \$173 billion, a very strong 11 percent increase over 2018. This growth demonstrates that policyholders value the protection and living benefits offered by Penn Mutual products based on the advice of their trusted financial professionals.

Life insurance sales for the year were \$215 million. This premium measures life sales based on internal formulas for specific products. Individual New Life Premiums were \$452 million. Our results are evidence of our belief that life insurance is central to a sound financial plan.

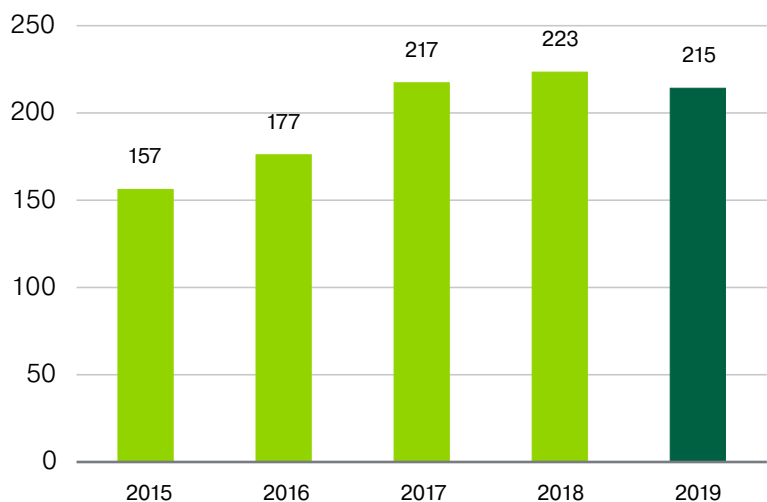
New annuity sales were a strong \$657 million in 2019. We continue to manage annuity sales in the current rate environment and the role they play in our clients' financial plans.

INDIVIDUAL LIFE INSURANCE IN FORCE: \$173 BILLION



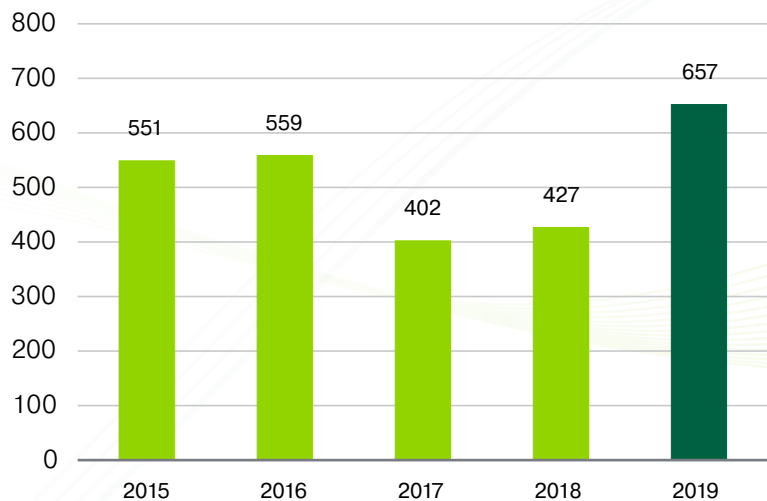
U.S. Dollars (Billions)

NEW LIFE INSURANCE SALES: \$215 MILLION



U.S. Dollars (Millions)

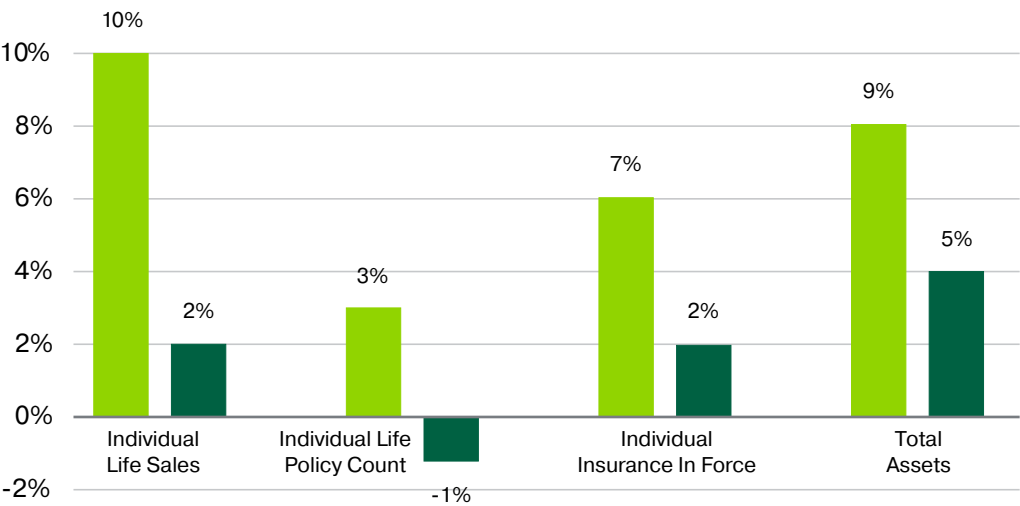
NEW ANNUITY SALES: \$657 MILLION



U.S. Dollars (Millions)

Outpacing the Industry

For ten years (2010-2019), Penn Mutual has outpaced the industry in several key categories, measured in compound annual growth rate.



● PENN MUTUAL
● INDUSTRY

Source: Policy Count, Insurance In Force, Assets – S&P Global
Life Sales – LIMRA

Our Family of Companies



The Penn Insurance and Annuity Company (PIA) is a wholly owned life insurance subsidiary of Penn Mutual. Domiciled in Delaware, PIA is licensed to do business in 49 states and the District of Columbia. It markets its products through Penn Mutual's distribution systems and has its in force business serviced by Penn Mutual.

— **Eileen C. McDonnell, Chairman & Chief Executive Officer**



Penn Mutual Asset Management, LLC (PMAM) is a registered investment adviser and a wholly owned subsidiary of Penn Mutual. PMAM offers investment management services to: affiliated insurance company general and separate accounts and other affiliated corporate entities; third-party U.S. institutional clients; registered investment companies; private funds; separately managed portfolios; and other pooled investment vehicles.

— **David M. O'Malley, Chairman & Chief Executive Officer**



Hornor, Townsend & Kent, LLC (HTK) is a wholly owned broker-dealer subsidiary of Penn Mutual. HTK financial professionals access a full range of product choices, including mutual funds, stocks, bonds, and proprietary and non-proprietary variable life insurance and annuity products. HTK is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

Penn Mutual's variable products are principally offered through HTK.

— **Timothy N. Donahue, President & Chief Executive Officer**



Janney Montgomery Scott LLC (Janney) is a full-service regional securities broker dealer. Janney offers clients a complete range of investment vehicles, from individual securities to mutual funds, insurance, money management and other financial service products. It also provides investment banking services to corporations and institutional clients. Janney is a member of the New York Stock Exchange, all other major U.S. exchanges, the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

— **Timothy C. Scheve, President & Chief Executive Officer**



Vantis Life Insurance Company is a Connecticut domiciled stock company and a wholly owned subsidiary of Penn Mutual. Vantis Life markets its products direct to the consumer in all states except New York.

— **Scott E. Smith, President & Chief Operating Officer**

Our Leadership



Raymond Caucci,
FSA, MAAA, ChFC®

Senior Vice President,
Product Management
& Underwriting



Nina M. Mulrooney,
CLU®, CPA, FLMI

Executive Vice President,
Governance & Auditor



Greg Driscoll

Senior Vice President,
Service Operations
& Chief Information Officer



David M. O'Malley

President
& Chief Operating Officer



Thomas H. Harris,
CLU®, ChFC®, FLMI

Executive Vice President,
Chief Distribution Officer



David Raszeja, FSA

Senior Vice President,
Chief Financial Officer



Eileen C. McDonnell

Chairman
& Chief Executive Officer



Victoria Robinson

Senior Vice President,
Chief Ethics & Compliance
Officer



Thank You to Our Retiring Executive Leader

With profound gratitude, respect and admiration, we thank Susan T. Deakins for her service to Penn Mutual as Executive Vice President, Chief Financial Officer & Treasurer.



The Penn Mutual Board of Trustees

(In order from left to right, back row first)

Carol J. Johnson

Former President & Chief Operating Officer AlliedBarton Security Services (Allied Universal)

Helen P. Pudlin

Retired Executive Vice President & General Counsel The PNC Financial Services Group, Inc.

William C. Goings

Former Executive Vice President, TD Bank Financial Group & President, TD Insurance

Eileen C. McDonnell

Chairman & Chief Executive Officer The Penn Mutual Life Insurance Company

James S. Hunt

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Robert H. Rock

Chairman MLR Holdings, LLC

Gerard P. Cuddy

Former President & Chief Executive Officer Beneficial Bank

Anthony M. Santomero

Former President Federal Reserve Bank of Philadelphia

Susan D. Waring

Retired Executive Vice President & Chief Administrative Officer State Farm Life Insurance Company

David M. O'Malley

President & Chief Operating Officer The Penn Mutual Life Insurance Company

Robert E. Chappell

Retired Chairman The Penn Mutual Life Insurance Company

Charisse R. Lillie

Retired Vice President, Community Investment, Comcast Corporation & President, Comcast Foundation

Thank You to Our Retiring Board Member

With profound gratitude, respect and admiration, we thank Robert E. Chappell for his service as a member of the Penn Mutual Board of Trustees.



Robert E. Chappell

Trustee
1994-2020

The 2021 Election of Trustees

Penn Mutual's annual election of trustees will be held on Tuesday, March 2, 2021 at 10:00 a.m. in the company's office at 600 Dresher Road, Horsham, PA, 19044.

All policyholders with policies in force at the time of the election are eligible to vote. Voting can be done by mail, online or telephone. Proxy forms or additional information may be obtained through the Secretary's office at 600 Dresher Road, Horsham, PA 19044.

Our Legacy

Our legacy of financial strength, our mutual structure, and our long-term perspective continue to stand the test of time and are foundational to the company and our success. The rating agencies recognize this and have, once again, given us a vote of confidence in 2020, with a stable outlook.

A+ Superior

A.M. BEST

Penn Mutual's A+ Superior rating, which was reaffirmed in April 2020, ranks the second highest out of 15 rankings.

Aa3 Excellent

MOODY'S INVESTORS SERVICE

Penn Mutual's Aa3 Excellent rating, which was reaffirmed in April 2020, ranks the fourth highest out of 21 ratings.

A+ Strong

STANDARD & POOR'S

Penn Mutual's A+ Strong rating, which was reaffirmed in August 2019, ranks the fifth highest out of 22 ratings.

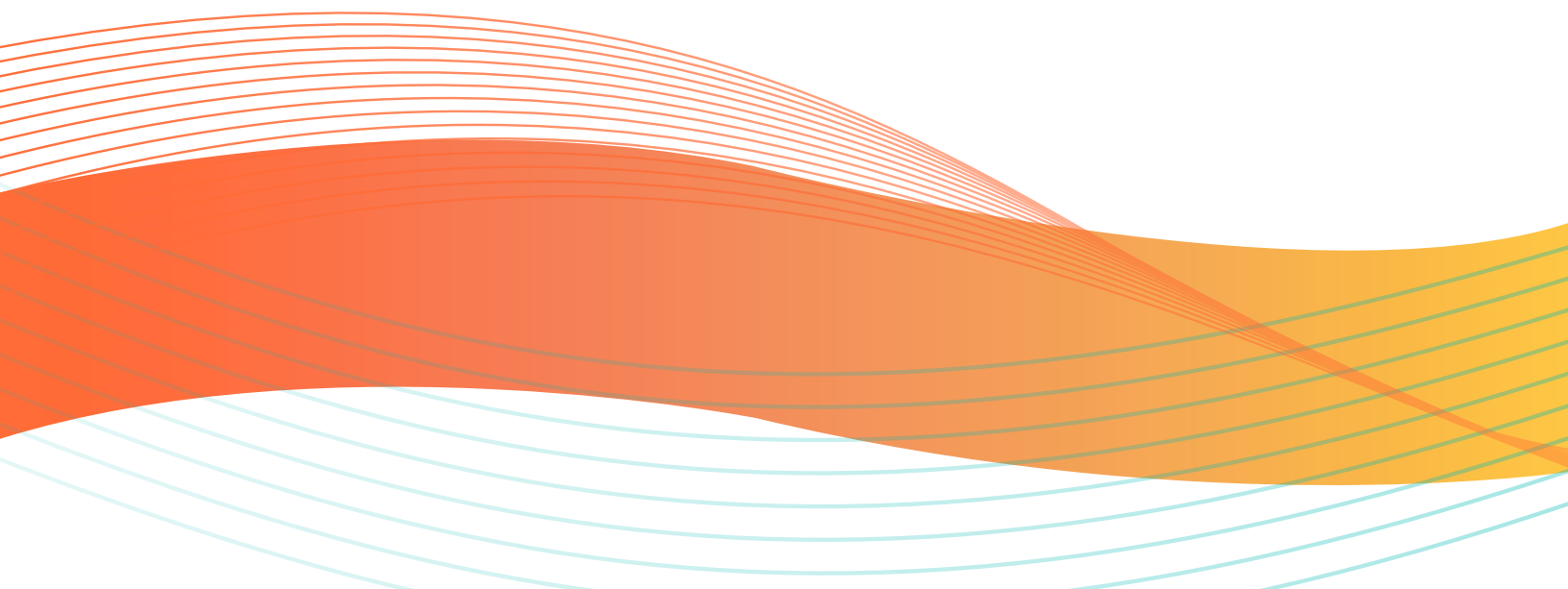
AA Strong

KROLL BOND RATING AGENCY

Penn Mutual's insurance financial strength rating of AA Strong was upgraded in December 2019, ranks the third highest out of 22 ratings, and includes a stable outlook.

All guarantees are based upon the claims-paying ability of the issuer.

The ratings quoted above are subject to change and apply only to Penn Mutual's claims-paying ability and not to the products we offer or their underlying investments.



Our continued **financial strength** is not possible without your *confidence* in our ability to help you meet your financial needs, by providing the *protection* that allows you to **live life with confidence**. On behalf of Penn Mutual's executive team, financial professionals, and all of our field and home office associates, we *thank you* for the trust you place in us, and pledge to keep earning your trust in the years to come.

