



Prospectus

Penn Mutual Variable Life Account I

■ Diversified Advantage Variable Universal Life

May 1, 2021

PROSPECTUS
FOR
DIVERSIFIED ADVANTAGE VUL
a flexible premium adjustable variable life insurance policy with index-linked options issued by
THE PENN MUTUAL LIFE INSURANCE COMPANY
and funded through
PENN MUTUAL VARIABLE LIFE ACCOUNT I
The Penn Mutual Life Insurance Company
PO Box 178, Philadelphia, Pennsylvania 19105
800-523-0650

Overview

The Policy provides life insurance and a cash surrender value that varies with the investment performance of one or more of the funds set forth below. The Policy also provides options in the fixed account in which amounts may be held to accumulate interest (including interest based on index credits). The life insurance (or death benefit) provided under the Policy will never be less than the amount specified in the Policy. The Policy described in this Prospectus is not available in New York.

Penn Series Funds, Inc.	Manager
Money Market Fund	Penn Mutual Asset Management, LLC
Limited Maturity Bond Fund	Penn Mutual Asset Management, LLC
Quality Bond Fund	Penn Mutual Asset Management, LLC
High Yield Bond Fund	Penn Mutual Asset Management, LLC
Flexibly Managed Fund	T. Rowe Price Associates, Inc.
Balanced Fund	Penn Mutual Asset Management, LLC
Large Growth Stock Fund	T. Rowe Price Associates, Inc.
Large Cap Growth Fund	Massachusetts Financial Services Company
Large Core Growth Fund	Morgan Stanley Investment Management Inc.
Large Cap Value Fund	AllianceBernstein L.P.
Large Core Value Fund	Eaton Vance Management
Index 500 Fund	SSGA Funds Management, Inc.
Mid Cap Growth Fund	Ivy Investment Management Company
Mid Cap Value Fund	Janus Capital Management LLC
Mid Core Value Fund	American Century Investment Management, Inc.
SMID Cap Growth Fund	Goldman Sachs Asset Management, L.P.
SMID Cap Value Fund	AllianceBernstein L.P.
Small Cap Growth Fund	Janus Capital Management LLC
Small Cap Value Fund	Goldman Sachs Asset Management L.P.
Small Cap Index Fund	SSGA Funds Management, Inc.
Developed International Index Fund	SSGA Funds Management, Inc.
International Equity Fund	Vontobel Asset Management, Inc.
Emerging Markets Equity Fund	Vontobel Asset Management, Inc.
Real Estate Securities Fund	Cohen & Steers Capital Management, Inc.
Aggressive Allocation Fund	Penn Mutual Asset Management, LLC
Moderately Aggressive Allocation Fund	Penn Mutual Asset Management, LLC
Moderate Allocation Fund	Penn Mutual Asset Management, LLC
Moderately Conservative Allocation Fund	Penn Mutual Asset Management, LLC
Conservative Allocation Fund	Penn Mutual Asset Management, LLC

Please note that the U.S. Securities and Exchange Commission (the "Commission") has not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

May 1, 2021

GUIDE TO READING THIS PROSPECTUS

This prospectus contains information that you should know before you buy the flexible premium adjustable variable life insurance policy with index-linked options (the “Policy”) described in this prospectus or exercise any of your rights under the Policy. The purpose of this prospectus is to provide information on the essential features and provisions of the Policy and the investment options available under the Policy. When you receive your Policy, read it carefully for more information about your rights and obligations under the Policy.

The prospectus is arranged as follows:

- Pages 4 to 6 provide a summary of the benefits and risks of the Policy.
- Pages 7 to 16 provide tables showing fees and charges under the Policy.
- Pages 17 to 18 provides tables showing fees and expenses of the funds underlying the Policy.
- Pages 19 to 47 provide additional information about the Policy, in question and answer format.
- Pages 48 to 51 provide information about The Penn Mutual Life Insurance Company (“Penn Mutual”), Penn Mutual Variable Life Account I (the “Separate Account”) and the underlying variable investment options (“Variable Investment Options”) to which Policy reserves may be allocated.
- Appendix A, which is at the end of the prospectus and is referred to in the prospectus, describes the fixed account investment options (the “Fixed Account Options”) available under the Policy.

The prospectus of the Penn Series Funds that accompanies this prospectus contains important information that you should know about the investments that may be made under the Policy. You should read the prospectus carefully before you invest.

SUMMARY OF THE BENEFITS AND RISKS OF THE POLICY

The following is a summary of the benefits and the risks of the Policy. Please read the entire prospectus before you invest.

Benefit Summary

The Policy provides life insurance on you or another individual you name. In your application for the Policy, you will tell us how much life insurance coverage you want on the life of the insured person (the “Specified Amount”). The value of your Policy will increase or decrease based upon the performance of the Variable Investment Options you choose. The death benefit may also increase or decrease based on investment performance. In addition, the Policy allows you to allocate a part of your policy value to both traditional and indexed Fixed Account Options where the value will accumulate interest (including interest based on index credits).

Death Benefit — While the Policy is in effect, we will pay the beneficiary the death benefit less the amount of any outstanding loan when the insured dies. We offer two different types of death benefit options under the Policy, a level death benefit option or an increasing death benefit option. You choose which one you want in the application.

Premium Flexibility — Amounts you pay to us under your Policy are called premiums or premium payments. Within limits, you can make premium payments when you wish. That is why the Policy is called a “flexible premium” Policy. Additional premiums may be paid in any amount and at any time. A premium may not be less than the minimum shown in your contract (generally at least \$25).

Free Look Period — You have the right to cancel your Policy within 10 days after you receive it (or longer in some states). This is referred to as the free look period. To cancel your Policy, please notify us within the required state mandated time frame.

No-Lapse Feature — If the total premiums you have paid, less any partial withdrawals you made, equal or exceed the no-lapse premium specified in your Policy, multiplied by the number of months the Policy has been in force, your Policy will remain in force, regardless of investment performance for a specified period. The specified period is the shorter of 20 years, or the time until the policy anniversary nearest the Insured’s attained age 80. However, in no case will the specified period be less than 5 years. Outstanding loans will nullify the no-lapse guarantee if the loans equal or exceed the cash surrender value. The no-lapse premium will generally be less than the monthly equivalent of the planned premium you specified.

Variable Investment Options — The Policy allows you to allocate your policy value to the different Variable Investment Options which invest in underlying funds of Penn Series Funds, Inc. (each, a “Fund”, and collectively, the “Funds”) listed on page 17 of this prospectus.

Fixed Account Options — In addition to the Variable Investment Options described above, the Policy allows you to allocate your policy value to both traditional and indexed Fixed Account Options which are described in Appendix A.

Transfers — Within limitations, you may transfer investment amounts from one Variable Investment Option to another and to and from some of the Fixed Account Options. In addition, the Policy offers three automated transfer programs — two dollar cost averaging programs and one asset rebalancing program.

Loans — You may take a loan on your Policy. You may borrow up to 99% of your cash surrender value. The minimum amount you may borrow is \$250. There will be two loan options: a Traditional Loan and an Indexed Loan. Both options cannot be active at the same time. For Traditional Loans, funds will be transferred from the Variable Investment Options or the Fixed Account Options into a traditional loan account. Interest on Traditional Loans will be charged at an adjustable loan interest rate declared by the Company and is payable at the end of each policy year. Indexed Loans are described in Appendix A. You may repay all or part of a loan at any time.

Surrenders and Withdrawals — You may surrender your Policy in full at any time. If you do, we will pay you the policy value, less any policy loan outstanding and less any surrender charge that then applies. This is called your net cash surrender value. You may make partial withdrawals (subject to limitations) from your net cash surrender value.

Taxes — Death benefits paid under life insurance policies are not subject to federal income tax, but may be subject to federal and state estate taxes. Investment gains from your Policy are not taxed as long as the gains remain in the Policy. If the Policy is not treated as a modified endowment contract under federal income tax law, depending on the policy year when the distribution is made, distributions from the Policy may be treated first as the return of investments in the Policy and then, only after the return of all investment in the Policy, as distributions of taxable income. Distributions include partial withdrawals and surrenders. See **How Is the Policy Treated Under Federal Income Tax Law?** in this prospectus for additional information.

Riders — For an additional charge, Penn Mutual offers supplemental riders that may be added to your Policy. If any of these riders are added, any applicable monthly charges for the supplemental riders will be deducted from your policy value as part of the monthly deduction.

Risk Summary

Suitability — The Policy is designed to provide life insurance and should be used in conjunction with long-term financial planning. The Policy is not suitable as a short-term savings vehicle. You will pay a surrender charge should you surrender your Policy within the first 9 policy years or within 9 years of an increase in the Specified Amount of insurance.

Investment Performance — The value of your Policy, which may be invested in Variable Investment Options, will vary with the investment performance of the options you select. There is a risk that the investment performance of the Variable Investment Options may be unfavorable or may not perform up to your expectations, which may decrease the amount of your net cash surrender value. If the Variable Investment Options you select for your Policy perform poorly you could lose money, including some or all of the premiums paid. Each Variable Investment Option invests in an underlying Fund, and a comprehensive discussion of the investment risks of each of the underlying Funds may be found in the prospectus for each of the Funds. Before allocating money to a Variable Investment Option, please read the prospectus for the underlying Fund carefully.

Lapse — Your Policy may terminate, or lapse, if the net cash surrender value of the Policy is not sufficient to pay policy charges (including payment of interest on any loan that may be outstanding under the Policy) and the no-lapse feature is not in effect. This can happen because you have not paid enough premium, because the investment performance of the Variable Investment Options you have chosen has been poor, or because of a combination of both factors. We will notify you how much additional premium you will need to pay to keep the Policy in force. You will have a 61 day grace period to make that payment. Subject to certain conditions, if the Policy terminates, you can apply to reinstate it within five years from the date of lapse if the insured is alive.

Access to Cash Value — If you surrender your Policy for cash within the first 9 policy years, you will incur a surrender charge at a rate specified for the year of surrender. In addition, any increase to your Specified Amount will have a 9-year surrender charge schedule attached to it. A partial withdrawal of your Policy for cash will also be subject to a processing fee, not to exceed \$25.

Risk of an Increase in Current Fees and Expenses — Certain insurance charges are currently assessed at less than their maximum levels. We may increase these current charges in the future up to the guaranteed maximum levels, as determined in the Company's sole discretion. Without limiting the foregoing, the Company may increase current charges due to the Company's experience with respect to mortality, expenses, reinsurance costs, taxes, persistency, capital requirements, reserve requirements, and changes in applicable laws. Although some underlying funds may have expense limitation agreements, the operating expenses of the underlying funds are not guaranteed and may increase or decrease over time. If fees and expenses are increased, you may need to increase the amount and/or frequency of premium payments to keep the Policy in force.

General Account — Unlike the assets in our Separate Account, the assets in our General Account are subject to liabilities arising from any of our other business. Our ability to pay General Account guarantees, including amounts under the Fixed Account Options, the Death Benefit, and other insurance guarantees is subject to our financial strength and claims paying ability.

Taxes — The federal income tax law that applies to life insurance companies and to the Policy is complex and subject to change. Changes in the law could adversely affect the current tax advantages of purchasing the Policy. Death benefits paid under life insurance policies are not subject to federal income tax, but may be subject to federal and state estate taxes. The information in this prospectus is based on our understanding of the present federal income tax laws as they are currently interpreted by the Internal Revenue Service. We reserve the right to make changes in the Policy in the event of a change in the tax law for the purpose of preserving the current tax treatment of the Policy. You may wish to consult counsel or other competent tax advisers for more complete information.

FEE TABLES

The following tables summarize fees and expenses that a policy owner may pay when buying, owning and surrendering the Policy.¹ The first table describes the fees and expenses that a policy owner may pay at the time he or she buys the Policy, surrenders the Policy, or transfers cash value from Variable Investment Options, the Indexed Fixed Accounts, and/or the Traditional Fixed Account.

Transaction Fees		
Charge	When Charge is Deducted	Amount Deducted
Maximum Percent of Premium Charge ²	When a premium is paid.	8% of premium payments
Surrender Charge ³ if the Policy is surrendered within the first 9 policy years or within the first 9 years following an increase in the Specified Amount or upon a decrease in the Specified Amount within the first five policy years	When the Policy is surrendered and upon a decrease in the Specified Amount	The surrender charge premium multiplied by the appropriate surrender factor. The surrender charge premium is a maximum of \$42.00 to a minimum of \$6.75 per \$1000 of Specified Amount or decrease in Specified Amount. The surrender factor is equal to 1.00 in the first year of the coverage and grades to 0.34 in the 9th year.
Charge for a representative non-tobacco male insured, age 45 in the first policy year		(\$21.50 per \$1,000 of Specified Amount or decrease in Specified Amount) x the surrender factor of 1.00
Partial Withdrawal Processing Fee	When you take a partial withdrawal from your Policy.	Lesser of \$25 or 2.0% of the amount withdrawn.
Transfer Charge		
Maximum Charge	When you make a transfer.	\$10.00
Current Charge		\$0.00 ⁴

1 See **What Are the Fees and Charges Under the Policy?** in this prospectus for additional information.

2 The percent of premium charge imposed is currently reduced to 5% on premiums paid in the second policy year and thereafter.

3 The surrender charge premium is determined separately for each Policy and takes into account the individual underwriting characteristics of the insured, such as sex, age and risk classification, and the Specified Amount of the Policy. The table shows the lowest and the highest surrender charge premiums for an insured, based on our current rates and on guaranteed maximum rates for individuals in standard risk classifications. The table also shows the surrender charge premium under a Policy issued to an individual who is representative of individuals we insure. The surrender charge premium shown in the table may not be representative of the charge that you will pay. Your Policy will state your surrender charge premium. More detailed information concerning your surrender charge premium is available from our administrative offices upon request. For additional information on the surrender charge premiums, see **What Are the Fees and Charges Under the Policy? — Surrender Charge** in this prospectus.

4 No transaction fee is currently imposed for making a transfer among Variable Investment Options and/or the Fixed Account Options. While we do not currently intend to impose a transfer fee, we reserve the right to impose a \$10 fee in the future on any transfer that exceeds twelve transfers in a policy year.

The next table describes charges that a policy owner may pay periodically during the time the Policy is owned. The charges do not include fees and expenses incurred by the funds that serve as investment options under the Policy.

Periodic Charges Under the Policy Not Including Operating Expenses of Underlying Investment Funds		
Policy Charges	When Charge is Deducted	Amount Deducted
<i>Cost of Insurance Charges¹:</i>		
Maximum Charges	Monthly	Maximum of \$83.33 to minimum of \$0.0067 per \$1,000 of net amount at risk.
Current Charges	Monthly	Maximum of \$45.8333 to minimum of \$0.0049 per \$1,000 of net amount at risk.
First year charge for a representative non-tobacco male insured, age 45		
Maximum Charge	Monthly	\$0.2117 per \$1,000 of net amount at risk.
Current Charge	Monthly	\$0.1355 per \$1,000 of net amount at risk.
Expense charge per \$1,000 of Specified Amount or increase in Specified Amount ²	Monthly	For first 120 months following the policy date or an increase in a policy's Specified Amount, the charges range from a maximum of \$1.15 per \$1,000 of Specified Amount of insurance or increase in Specified Amount, to a minimum of \$0.35 per \$1,000 of Specified Amount of insurance or increase in Specified Amount.
First year charge for a representative non-tobacco male insured, age 45		
Maximum Charge	Monthly	\$0.49 per \$1,000 of initial Specified Amount of insurance or an increase in the Specified Amount.
Current Charge	Monthly	For the first 60 months following the policy date or an increase in the Specified Amount, \$0.26 per \$1,000 of initial Specified Amount of insurance or increase in Specified Amount. For months 61 through 120 following the policy date or an increase in the Specified Amount, \$0.13 per \$1,000 of initial Specified Amount of insurance or increase in Specified Amount.
Mortality and Expense Risk Asset Charge	Monthly	0.05% monthly (annual rate of 0.60%) of the first \$50,000 of policy value allocated to the Separate Account and 0.025% monthly (annual rate of 0.30%) of the policy value allocated to the Separate Account in excess of that amount. ³
Per Policy Expense Charge	Monthly	\$9.00 ⁴

Periodic Charges Under the Policy Not Including Operating Expenses of Underlying Investment Funds		
Policy Charges	When Charge is Deducted	Amount Deducted
Asset Charge for Enhanced S&P 500 Indexed Account Uncapped S&P 500 Indexed Account	Monthly	0.20833% of segment value (annual rate of 2.5%) ⁵
Traditional Loans ⁶ Net Interest Charge ⁷	End of each policy year.	Annual rate of 1% until year 11 and then an annual rate of 0.25% (after credit from interest paid on collateral held in traditional loan account). ⁸
Indexed Loans ⁶ Net Interest Charge ⁷	End of each policy year.	Maximum annual rate of 5.0%

1. The Cost of Insurance Charges under the Policies vary depending on the individual circumstances of the insured, such as sex, age and risk classification. The charges also vary depending on the amount of insurance specified in the Policy and the policy year in which the charge is deducted. The table shows the lowest and the highest cost of insurance charges for an insured, based on our current rates and on guaranteed maximum rates for individuals in standard risk classifications. The table also shows the first year cost of insurance charges under a Policy issued to an individual who is representative of individuals we insure. The charge shown in the table may not be representative of the charge that you will pay. Your Policy will state your guaranteed maximum cost of insurance charges. More detailed information concerning your cost of insurance charges is available from our administrative offices upon request. Also, before you purchase the Policy, we will provide you with hypothetical illustrations of policy values based upon the insured's age and risk classification, the death benefit option selected, the amount of insurance specified in the Policy, planned periodic premiums, and riders requested. The net amount at risk referred to in the tables is based upon the difference between the current death benefit provided under the Policy and the current value of the Policy. For additional information on cost of insurance charges, see **What Are the Fees and Charges Under the Policy? — Monthly Deductions — Insurance Charge** in this prospectus.
2. The maximum monthly expense charges per \$1,000 of Specified Amount are currently reduced. During the first 60 months following the policy date, the charges range from \$0.11 per \$1,000 of initial Specified Amount of insurance to \$0.92 per \$1,000 of initial Specified Amount of insurance. For months 61 through 120 following the policy date, the charges range from \$0.06 per \$1,000 of initial Specified Amount of insurance up to \$0.46 per \$1,000 of initial Specified Amount of insurance. The charge on an additional Specified Amount of insurance is similarly reduced. The Expense Charges under the Policies vary depending on the risk classification, sex, and age of the insured and the amount of insurance specified in the Policy. The table shows the lowest and the highest expense charges for an insured, based on our current rates and on guaranteed maximum rates. The table also shows the first year expense charges under a Policy issued to an individual who is representative of individuals we insure. The charge shown in the table may not be representative of the charge that you will pay. Your Policy will state the guaranteed maximum expense charges. More detailed information concerning your expense charges is available from our administrative offices upon request. For additional information on expense charges, see **What Are the Fees and Charges Under the Policy? — Monthly Deductions — Expense Charge per Thousand of Specified Amount** in this prospectus.
3. This charge is currently reduced to zero in all policy years. See **What Are the Fees and Charges Under the Policy? — Monthly Deductions — Mortality and Expense Risk Change** in this prospectus for additional information about this charge.
4. The charge is currently reduced to \$8.00.
5. The Asset Charge is assessed to help cover administrative and other expenses, including but not limited to the cost of hedging, associated with making available the Indexed Fixed Accounts.
6. You may borrow up to 99% of your cash surrender value. The minimum amount you may borrow is \$250. An amount equivalent to the loan is withdrawn from the Variable Investment Options and certain accounts in the Fixed Account on a pro-rata basis and is transferred to a traditional or indexed loan account, as applicable, as collateral for the loan. See **What Is a Policy Loan?** in this prospectus and Appendix A for additional information about Policy Loans.
7. Net Interest Charge for a Loan means the difference between the amount of interest we charge on the loan and the amount of interest we credit to your Policy in the loan account.
8. The traditional loan account is guaranteed to earn interest at 2.0% during the first ten policy years and 2.75% thereafter. On a guaranteed basis, the Net Interest Charge during the first ten policy years is 1.0% and 0.25% thereafter. On a current basis, the Net Interest Charge during the first five policy years is 1.0% and 0.0% thereafter.

The next table describes charges that a policy owner may pay periodically for various optional Supplemental Riders to the Policy. They are in addition to the charges applicable under the base Policy. The charges do not include fees and expenses incurred by the funds that serve as investment options under the Policy.

The expense charges vary depending on the individual circumstances of the insured. All charges shown in these tables which are based on the individual circumstances of an insured may not be representative of the charge you would pay. Information concerning your charge is available upon request from our administrative offices.

Periodic Charges Under Optional Supplemental Riders Not Including Operating Expenses of Underlying Investment Funds		
Supplemental Rider/Charges	When Charge Is Deducted	Amount Deducted
1. Accidental Death Benefit:		
<i>Cost of Insurance Charges¹</i>		
Current and Maximum Charges	Monthly	Maximum of \$0.1108 to minimum of \$0.0533, per \$1,000 of accidental death benefit.
First year charge for a representative non-tobacco male insured, age 45		
Current and Maximum Charges	Monthly	\$0.0592 per \$1,000 of accidental death benefit.
2. Additional Insured Term Insurance:		
<i>Cost of Insurance Charges¹</i>		
Maximum Charges	Monthly	Maximum of \$83.33 to minimum of \$0.0067 per \$1,000 of additional insured term insurance benefit.
Current Charges	Monthly	Maximum of \$45.8333 to minimum of \$0.0049 per \$1,000 of additional insured term insurance benefit.
First year charge for a representative non-tobacco male insured, age 45		
Maximum Charge	Monthly	\$0.2117 per \$1,000 of additional insured term insurance benefit.
Current Charge	Monthly	\$0.1355 per \$1,000 of additional insured term insurance benefit.
<i>Expense Charge for each additional insured under the Rider</i>		
First year of Rider and first year of increase in term insurance benefit under Rider	Monthly	\$0.10 per \$1,000 of additional insured term insurance benefit.

Periodic Charges Under Optional Supplemental Riders Not Including Operating Expenses of Underlying Investment Funds		
Supplemental Rider/Charges	When Charge Is Deducted	Amount Deducted
3. Waiver of Surrender Charges²:		
Maximum Charges	Monthly	Maximum of \$0.57 to minimum of \$0.20 per \$1,000 of original or increase in Specified Amount of insurance of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider for the first nine years of the Policy or the first nine years after an increase in the Specified Amount of insurance of the Policy or Term Insurance Benefit, as applicable.
Current Charges	Monthly	Maximum of \$0.075 to minimum of \$0.02 per \$1,000 of original or increase in Specified Amount of insurance of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider for the first nine years of the Policy or the first nine years after an increase in the Specified Amount of insurance of the Policy or Term Insurance Benefit, as applicable.
Charge for a representative non-tobacco male insured, age 45		
Maximum Charge	Monthly	\$0.32 per \$1,000 of original or increase in Specified Amount of insurance of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider.
Current Charge	Monthly	\$0.045 per \$1,000 of original or increase in Specified Amount of insurance of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider.
4. Children's Term Insurance:		
<i>Cost of Insurance Charges</i>		
Maximum Charge	Monthly	\$0.24 per \$1,000 of children's term insurance benefit.
Current Charge	Monthly	\$0.15 per \$1,000 of children's term insurance benefit.
5. Disability Waiver of Monthly Deductions:		
<i>Cost of Insurance Charges^{1,3}</i>		
Maximum Charges	Monthly	Maximum of \$0.5992 to minimum of \$0.0117 per \$1,000 of net amount at risk.

Periodic Charges Under Optional Supplemental Riders Not Including Operating Expenses of Underlying Investment Funds		
Supplemental Rider/Charges	When Charge Is Deducted	Amount Deducted
Current Charges	Monthly	Maximum of \$0.3192 to minimum of \$0.0092 per \$1,000 of net amount at risk.
First year charge for a representative non-tobacco male insured, age 45		
Maximum Charge	Monthly	\$0.0508 per \$1,000 of net amount at risk.
Current Charge	Monthly	\$0.0275 per \$1,000 of net amount at risk.
6. Disability Completion Benefit (AKA Disability Waiver of Stipulated Premium)⁴:		
<i>Disability Waiver of Monthly Deduction Benefit</i>		
<i>Cost of Insurance Charges^{1,3}</i>		
Maximum Charges	Monthly	Maximum of \$0.5992 to minimum of \$0.0117 per \$1,000 of net amount at risk.
Current Charges	Monthly	Maximum of \$0.3192 to minimum of \$0.0092 per \$1,000 of net amount at risk.
First year charge for a representative non-tobacco male insured, age 45		
Maximum Charge	Monthly	\$0.0508 per \$1,000 of net amount at risk.
Current Charge	Monthly	\$0.0275 per \$1,000 of net amount at risk.
<i>Disability Waiver of Stipulated Premium Benefit</i>		
<i>Cost of Insurance Charges¹</i>		
Current and Maximum Charges	Monthly	Maximum of \$0.96 to minimum of \$0.03 per \$100 of the stipulated premium in the Policy.
First year charge for a representative non-tobacco male insured, age 45		
Current and Maximum Charge	Monthly	\$0.12 per \$100 of the stipulated premium in the Policy.
7. Cash Value Enhancement Rider²:		
<i>Expense Charge</i>		
Maximum Charges	Monthly	Maximum of \$0.605 to minimum of \$0.20 per \$1,000 of Specified Amount of insurance of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider for the first 9 policy years.

Periodic Charges Under Optional Supplemental Riders Not Including Operating Expenses of Underlying Investment Funds		
Supplemental Rider/Charges	When Charge Is Deducted	Amount Deducted
Current Charges	Monthly	Maximum of \$0.225 to minimum of \$0.02 per \$1,000 of Specified Amount of insurance of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider for the first 9 policy years.
Charge for a representative non-tobacco male insured, age 45		
Maximum Charges	Monthly	\$0.360 per \$1,000 of original or increase in Specified Amount of insurance of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider for the first 9 policy years.
Current Charges	Monthly	\$0.165 for policy years 1 through 3 and \$0.045 for policy years 4 through 9. This charge is per \$1,000 of original or increase in Specified Amount of insurance of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider for the first 9 policy years.
8. Guaranteed Option to Increase Specified Amount:		
<i>Cost of Insurance Charges¹</i>		
Current and Maximum Charge	Monthly	Maximum of \$0.1967 to minimum of \$0.0442 per \$1,000 of the Specified Amount of this Rider.
First year charge for a representative non-tobacco male insured, age 25		
Current and Maximum Charge	Monthly	\$0.1133 per \$1,000 of the Specified Amount of this Rider.
9. Supplemental Term Insurance^{5,6}:		
Surrender Charge if the Policy is surrendered within the first 9 policy years or within the first 9 years following an increase in the Term Insurance Benefit or upon a decrease in the Term Insurance Benefit in the first five policy years.	When the Policy is surrendered and upon a decrease.	The Surrender Charge for the policy is modified for this rider to include the term insurance benefit.
Charge for a representative non-tobacco male insured, age 45 in the first policy year		\$21.50 per \$1,000 of the term insurance benefit or decrease in this benefit all multiplied by the surrender factor of 100%.

Periodic Charges Under Optional Supplemental Riders Not Including Operating Expenses of Underlying Investment Funds		
Supplemental Rider/Charges	When Charge Is Deducted	Amount Deducted
<i>Cost of Insurance Charges¹</i>		
Maximum Charges	Monthly	Maximum of \$83.33 to minimum of \$0.0067 per \$1,000 of net amount at risk attributable to the term insurance benefit.
Current Charges	Monthly	Maximum of \$41.67 to minimum of \$0.004 per \$1,000 of net amount at risk attributable to the term insurance benefit.
First year charge for a representative non-tobacco male insured, age 45		
Maximum Charge	Monthly	\$0.2117 per \$1,000 of net amount at risk attributable to the term insurance benefit.
Current Charge	Monthly	\$0.1109 per \$1,000 of net amount at risk attributable to the term insurance benefit.
<i>Expense Charge</i>		
Maximum Charge	Monthly	For the first 120 months following the policy date or an increase in the term insurance benefit, the charges range from a maximum of \$1.25 per \$1,000 of the term insurance benefit or increase of the term insurance benefit to a minimum of \$0.40 per \$1,000 of the term insurance benefit or increase of the term insurance benefit.
Current Charge	Monthly	For the first 60 months following the policy date or an increase in the term insurance benefit, the charges range from a maximum of \$1.104 per \$1,000 of the term insurance benefit or increase of the term insurance benefit to a minimum of \$0.132 per \$1,000 of the term insurance benefit or increase of the term insurance benefit. After 60 months, the charge is zero.
Charge for a representative non-tobacco male insured, age 45		
Maximum Charge	Monthly	\$0.79 per \$1,000 of the term insurance benefit or increase of the term insurance benefit.

Periodic Charges Under Optional Supplemental Riders Not Including Operating Expenses of Underlying Investment Funds		
Supplemental Rider/Charges	When Charge Is Deducted	Amount Deducted
Current Charge	Monthly	\$0.312 per \$1,000 of the term insurance benefit or increase of the term insurance benefit.
10. Overloan Protection Benefit:		
Current and Maximum Charge	When Benefit is Exercised	One time charge of 3.5% of policy value.
11. Accelerated Death Benefit:		
Current and Maximum Charge	When Benefit is Exercised	One time charge of 12 months' worth of policy charges on the accelerated amount, plus an interest adjustment, which is equal to 12 months' worth of interest on the accelerated amount based on a rate that is the greater of (a) the current 90-day Treasury bill rate, or (b) the current maximum statutory adjustable policy loan rate.
12. Chronic Illness Accelerated Benefit:		
Current and Maximum Charge	No charge	No charge.
13. Supplemental Exchange:		
Current and Maximum Charge	No charge	No charge.

- The cost of insurance charges under the Riders vary depending on the individual circumstances of the insured, such as sex, age and risk classification. The charges also vary depending on the amount of insurance specified in the Rider and the year in which the charge is deducted. The table shows the lowest and the highest cost of insurance charges for an insured, based on current rates and on guaranteed maximum rates for individuals in standard risk classifications. The table also shows the first year cost of insurance charges under a Rider issued to an individual who is representative of individuals we insure. The specifications pages of the Policy will indicate the guaranteed maximum cost of insurance charge for the Rider applicable to your Policy. More detailed information concerning your cost of insurance charges is available from our administrative offices upon request. Also, before you purchase the Policy, we will provide you with hypothetical illustrations of policy values based upon the insured's age and risk classification, the death benefit option selected, the amount of insurance specified in the Policy, planned periodic premiums, and riders requested. The net amount at risk referred to in the table is based upon the difference between the current benefit provided under the Rider and the current policy value allocated to the Rider. For additional information about the Riders, see **What Are the Supplemental Riders That I Can Buy?** in this prospectus.
- This Rider is not available to all persons. See **What Are the Supplemental Riders That I Can Buy? — Waiver of Surrender Charges Rider** or **What Are the Supplemental Riders That I Can Buy? — Cash Value Enhancement Rider** in this prospectus for additional information.
- If the Policy also has a Children's Term Insurance Rider in addition to one of the Disability Waiver riders, there will be an additional charge for the Disability Waiver rider that is based on each per \$1,000 of Specified Amount of the Children's Term Insurance Rider. The current additional charge is between \$0.0050 and \$0.0242, and the maximum is between \$0.0092 and \$0.0408. If the Policy also has an Additional Insured Term Insurance Rider in addition to one of the Disability Waiver riders, there will be an additional charge for the Disability Waiver rider that is based on each per \$1,000 of Specified Amount of the Additional Insured Term Insurance Rider. The current additional charge is between \$0.0050 and \$2.33, and the maximum is between \$0.0083 and \$3.2675.
- The Disability Completion Benefit Rider (AKA Disability Waiver of Stipulated Premium) consists of two benefits, the Disability Waiver of Monthly Deductions plus the Disability Waiver of Stipulated Premium Benefit, and is therefore subject to two separate charges for the two benefits.
- For purposes of determining the allocation of net amount at risk between the Specified Amount of insurance in the Policy, and the term insurance benefit, the policy value will be allocated as follows: first to the initial Specified Amount

segment, then to any segments resulting from increases in the Specified Amount in the order of the increases, to the initial term insurance benefit segment, and then to any segments resulting from increases in the term insurance benefit in the order of the increases. Any increase in the death benefit in order to maintain the required minimum margin between the death benefit and the policy value will be allocated to the most recent increase in the Specified Amount in the Policy.

6. The surrender charge premium takes into account the individual underwriting characteristics of the insured, such as sex, age and risk classification, and the term insurance benefit of the policy. The table shows the lowest and the highest surrender charge premiums for an insured, based on our current rates and on guaranteed maximum rates for individuals in standard risk classifications. The table also shows the surrender charge premium under a rider issued to an individual who is representative of individuals we insure. The surrender charge premium shown in the table may not be representative of the charge that you will pay. Your Policy will state your surrender charge for the Policy and rider. More detailed information concerning your surrender charge premium is available from our administrative offices upon request. For additional information on the surrender charge premiums, see **What are the Fees and Charges under the Policy? — Surrender Charge** in this Prospectus.

The next item shows the minimum and maximum total operating expenses charged by the Funds that you may pay periodically during the time that you own the Policy. The information is based on data for the year ended December 31, 2020. More detail concerning each Fund's fees and expenses is contained in the prospectus for each Fund.

	Minimum:	Maximum:
Maximum and Minimum Total Fund Operating Expenses (expenses that are deducted from assets of the Funds, including management fees and other expenses)	0.36%	1.30%

The following table provides more specific detail about the total fund operating expenses for each Fund.

Penn Series Funds, Inc.

Underlying Fund Annual Expenses (as a % of an Underlying Fund's average daily net assets) as of December 31, 2020

Fund	Investment Advisory Fees	Other Expenses	Acquired Fund Fees and Expenses	Total Fund Operating Expenses	Less Expense Waivers; Plus Recapture	Total Fund Operating Expenses (After Expense Waivers/ Recapture)	Expense Limitation⁽¹⁾
Money Market	0.33%	0.25%	0.03%	0.61% ⁽²⁾⁽³⁾	0.00%	0.61% ⁽³⁾	0.64%
Limited Maturity Bond . . .	0.46%	0.24%	0.00%	0.70%	0.00%	0.70%	0.74%
Quality Bond	0.44%	0.23%	0.00%	0.67%	0.00%	0.67%	0.73%
High Yield Bond	0.46%	0.26%	0.01%	0.73% ⁽³⁾	0.00%	0.73% ⁽³⁾	0.92%
Flexibly Managed	0.69%	0.19%	0.00%	0.88%	0.00%	0.88%	0.94%
Balanced	0.00%	0.20%	0.48%	0.68% ⁽³⁾	0.00%	0.68% ⁽³⁾	0.79%
Large Growth Stock	0.71%	0.24%	0.00%	0.95%	0.00%	0.95%	1.02%
Large Cap Growth	0.55%	0.33%	0.00%	0.88%	0.00%	0.88%	0.89%
Large Core Growth	0.60%	0.25%	0.00%	0.85%	0.00%	0.85%	0.90%
Large Cap Value	0.67%	0.25%	0.01%	0.93% ⁽³⁾	0.00%	0.93% ⁽³⁾	0.96%
Large Core Value	0.67%	0.24%	0.00%	0.91%	0.00%	0.91%	0.96%
Index 500	0.13%	0.23%	0.00%	0.36%	0.00%	0.36%	0.42%
Mid Cap Growth	0.70%	0.25%	0.00%	0.95%	0.00%	0.95%	1.00%
Mid Cap Value	0.55%	0.27%	0.00%	0.82%	0.00%	0.82%	0.83%
Mid Core Value	0.69%	0.35%	0.01%	1.05% ⁽³⁾	0.00%	1.05% ⁽³⁾	1.11%
SMID Cap Growth	0.75%	0.30%	0.00%	1.05%	0.00%	1.05%	1.07%
SMID Cap Value	0.84%	0.33%	0.00%	1.17%	0.00%	1.17%	1.26%
Small Cap Growth	0.73%	0.28%	0.00%	1.01%	0.00%	1.01%	1.13%
Small Cap Value	0.72%	0.30%	0.00%	1.02%	0.00% ⁽⁴⁾	1.02%	1.02%
Small Cap Index	0.30%	0.45%	0.00%	0.75%	0.00% ⁽⁴⁾	0.74%	0.74%
Developed International Index	0.30%	0.59%	0.00%	0.89%	0.00%	0.89%	0.94%
International Equity	0.78%	0.27%	0.00%	1.05% ⁽⁵⁾	0.00%	1.05%	1.20%
Emerging Markets Equity	0.87%	0.43%	0.00%	1.30% ⁽⁵⁾	0.00%	1.30%	1.78%
Real Estate Securities	0.70%	0.27%	0.00%	0.97%	0.00%	0.97%	1.02%
Aggressive Allocation	0.12%	0.21%	0.92%	1.25% ⁽³⁾	0.00%	1.25% ⁽³⁾	0.40%
Moderately Aggressive Allocation	0.12%	0.18%	0.88%	1.18% ⁽³⁾	0.00%	1.18% ⁽³⁾	0.34%
Moderate Allocation	0.12%	0.18%	0.83%	1.13% ⁽³⁾	0.00%	1.13% ⁽³⁾	0.34%
Moderately Conservative Allocation	0.12%	0.20%	0.77%	1.09% ⁽³⁾	0.00%	1.09% ⁽³⁾	0.35%
Conservative Allocation . . .	0.12%	0.21%	0.71%	1.04% ⁽³⁾	0.00%	1.04% ⁽³⁾	0.38%

(1) The Funds are subject to an expense limitation agreement under which a portion of each Fund's fees and expenses will be waived and/or reimbursed to the extent necessary to keep total operating expenses of each Fund from exceeding the amounts shown in the table. This agreement is limited to a Fund's direct operating expenses and, therefore, does not apply to nonrecurring account fees, fees on portfolio transactions, such as exchange fees, dividends and interest on securities sold short, acquired fund fees and expenses ("AFFE"), service fees, interest, taxes, brokerage commissions, other expenditures which are capitalized in accordance with generally accepted accounting principles, and other non-routine expenses or extraordinary expenses not incurred in the ordinary course of the Fund's business. Notwithstanding the foregoing, for the Balanced Fund, AFFE shall be included as a direct operating expense of the Fund for purposes of the expense limitation agreement. To the extent Penn Mutual and the Fund's investment adviser do not have an obligation to waive fees and/or reimburse expenses, Penn Mutual and

the Fund's investment adviser may seek to recapture from the Fund amounts previously waived or reimbursed during the Fund's preceding three fiscal years, subject to certain limitations. This agreement is expected to continue through April 30, 2022, and may be terminated prior to April 30, 2022 only by a majority vote of the Board of Directors of Penn Series Funds, Inc. for any reason and at any time.

- (2) The Money Market Fund's Total Fund Operating Expenses were less than the Fund's Expense Limitation amount shown because the Fund's investment adviser and Penn Mutual voluntarily waived and/or reimbursed expenses to the extent necessary to maintain the Fund's net yield at a certain level, as determined by Penn Mutual and the Fund's investment adviser. Penn Mutual and the Fund's investment adviser may seek to recapture from the Fund amounts previously waived or reimbursed during the Fund's preceding three fiscal years, subject to certain limitations. This recapture could negatively affect the Fund's future yield. During the prior fiscal year, neither the Fund's investment adviser nor Penn Mutual recaptured any previously waived or reimbursed fees and expenses from the Money Market Fund.
- (3) The Fund's Total Annual Fund Operating Expenses may not correlate to the expense ratios in the Fund's financial statements because financial statements reflect only the operating expenses of the Fund and do not include AFPE, which are fees and expenses incurred indirectly by the Fund through its investments in certain underlying investment companies.
- (4) During the most recent fiscal year, the Fund's investment adviser recaptured previously waived fees amounting to approximately 0.01% of the Fund's average daily net assets. During this same period, the Fund's investment adviser waived fees in approximately the same amount. The difference in the amounts recaptured and waived was less than 0.01% of the Fund's average daily net assets and, as a result, is reflected as 0.00% in the Less Expense Waivers; Plus Recapture column in the Underlying Fund Expenses table.
- (5) The Fund's expense information has been restated to reflect a reduction in the Fund's Investment Advisory Fee rate, effective May 1, 2020. As such, the Fund's Total Fund Operating Expenses may not correlate to the expense ratio in the Fund's financial statements, which reflect the prior Investment Advisory Fee rate.

Please review these tables carefully. They show the expenses that you pay directly and indirectly when you purchase a Policy. Your expenses include Policy expenses and the expenses of the Funds that you select. See the prospectus of Penn Series Funds, Inc. for additional information on Fund expenses.

QUESTIONS AND ANSWERS

This part of the prospectus provides answers to important questions about the Policy. The questions, and answers to the questions, are on the following pages.

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What Is the Policy?

The Policy provides life insurance on you or another individual you name. The value of your Policy will increase or decrease based upon the performance of the Funds you choose. The death benefit may also increase or decrease based on investment performance but will never be less than the amount specified in your Policy (less the amount of any outstanding loan, unpaid policy charges, or partial withdrawals). The Policy allows you to allocate your policy value to Variable Investment Options (which hold shares of the Funds listed on the first page of this prospectus) and to the Fixed Account Options where the value will accumulate interest (including interest based on index credits).

You will have several options under the Policy. Here are some major ones:

- Determine when and how much you pay to us
- Determine when and how much to allocate to the Variable Investment Options and to the Fixed Account Options
- Borrow money
- Change the beneficiary
- Change the amount of insurance protection
- Change the death benefit option you have selected
- Surrender your Policy for all its net cash surrender value
- Take partial withdrawals from your Policy
- Choose the form in which you would like the death benefit or other proceeds paid out from your Policy

Most of these options are subject to limits that are explained later in this prospectus.

If you want to purchase a Policy, you must complete an application and submit it to one of our authorized financial professionals. We require satisfactory evidence of insurability, which may include a medical examination. We evaluate the information provided in accordance with our underwriting rules and then decide whether to accept or not accept the application. Insurance coverage under the Policy is effective on the policy date after we accept the application, receive the initial premium payment, and all underwriting and administrative requirements have been met.

The maturity date of a Policy is the policy anniversary nearest the insured's 121st birthday. If the Policy is still in force on the maturity date, a maturity benefit will be paid. The maturity benefit is equal to the policy value less any policy loan, including any capitalized interest on any such loan (Net Policy Value), on the maturity date. Upon written request of the owner, the Policy will continue in force beyond the maturity date. Thereafter, the death benefit will be the Net Policy Value.

Who Owns the Policy?

You decide who owns the Policy when you apply for it. The owner of the Policy is the person who can exercise most of the rights under the Policy, such as the right to choose the death benefit option, the beneficiary, the Variable Investment Options and Fixed Account Options, and the right to surrender the Policy. Whenever we have used the term "you" in this prospectus, we have assumed that you are the owner or the person who has whatever right or privilege we are discussing.

What Payments Must I Make Under the Policy?

Premium Payments

Amounts you pay to us under your Policy are called premiums or premium payments. The amount we require as your first premium depends on a number of factors, such as age, sex, rate classification, the amount of insurance specified in the application, and any supplemental riders. Within limits, you can make premium payments when you wish. That is why the Policy is called a flexible premium Policy.

Additional premiums may be paid in any amount and at any time. A premium may not be less than the minimum shown in your contract (generally at least \$25). We may require satisfactory evidence of insurability before accepting any premium which increases our net amount at risk.

If you have chosen to qualify your Policy as life insurance under the Guideline Premium/Cash Value Corridor Test of the Internal Revenue Code of 1986, as amended (the “Code”), federal tax law limits the amount of premium payments you may make in relation to the amount of life insurance provided under the Policy. We will not accept or retain a premium payment that exceeds the maximum permitted under federal tax law, unless it is necessary to continue coverage. See **How Is the Policy Treated Under Federal Income Tax Law?** in this prospectus.

If you make a premium payment that exceeds certain other limits imposed under federal tax law, your Policy could become a modified endowment contract under the Code; you could incur a penalty on the amount you take out of a modified endowment contract. You are solely responsible for monitoring your Policy and meeting applicable requirements; however, we will endeavor to notify you on a timely basis, and may elect to refund certain amounts of premium paid, if we believe you have exceeded this limit and the Policy has become a modified endowment contract under the Code. See **How Much Life Insurance Does the Policy Provide?** and **How Is the Policy Treated Under Federal Income Tax Law?** in this prospectus.

Planned Premiums

The policy specifications page of your Policy will show the planned premium for the Policy. You choose this amount in the policy application. We will send a premium reminder notice to you based upon the planned premium that you specified in your application, with the exception of monthly premiums being paid via electronic fund transfer program. You also choose in your application how often to pay planned premiums — annually, semi-annually, quarterly or monthly. You are not required to pay the planned premium as long as your Policy has sufficient value to pay policy charges or the No-Lapse Feature is in effect. See **No-Lapse Feature** and **Lapse and Reinstatement** below.

Ways to Pay Premiums

If you pay premiums by check, your check must be drawn on a U.S. bank in U.S. dollars and made payable to The Penn Mutual Life Insurance Company. Premiums after the first must be sent as follows: 1) checks sent by mail: The Penn Mutual Life Insurance Company, Payment Processing Center, P.O. Box 7460, Philadelphia, Pennsylvania 19101-7460, and 2) checks sent by overnight delivery: The Penn Mutual Life Insurance Company, Payment Processing Center, ATTN: L/B 7460,312 West Route 38, Moorestown, New Jersey 08057.

We will also accept premiums:

- by wire or by exchange from another insurance company;
- via an electronic funds transfer program (any owner interested in making monthly premium payments must use this method);

- online at www.pennmutual.com for initial premium payments which will be drawn electronically from your bank account (you will need to have your policy number and checking or savings account information on hand); or
- if we agree to it, through a salary deduction plan with your employer.

You can obtain information on these other methods of premium payment by contacting your Penn Mutual representative or by contacting our office.

No-Lapse Feature

Your Policy will remain in force during the no-lapse period, regardless of investment performance and your net cash surrender value, if (a) equals or exceeds (b), where:

- (a) is the total premiums you have paid, less any partial withdrawals you have made; and
- (b) is the no-lapse premium specified in your Policy, multiplied by the number of months the Policy has been in force.

The no-lapse period is determined at issue and is the earlier of 20 years or to the policy anniversary nearest the insured's attained age 80, with a minimum of 5 years.

The no-lapse premium will generally be less than the monthly equivalent of the planned premium you specified.

Outstanding loans equal to or in excess of the cash surrender value will nullify the no-lapse guarantee. See **What Is a Policy Loan?** in this prospectus.

Lapse and Reinstatement

If the net cash surrender value of your Policy is not sufficient to pay policy charges, and the no-lapse feature is not in effect, you will have a 61 day grace period to make that payment. During the grace period, the policy value, cash surrender value and death benefit are calculated in the same manner as before the Policy entered the grace period. We will notify you of how much premium you will need to pay to keep the Policy in force. If you don't pay at least the required amount by the end of the grace period, your Policy will terminate (*i.e.*, lapse). All coverage under the Policy will then cease. If you die after the end of the grace period, when the Policy has terminated, your beneficiary will not receive any death benefit.

If the Policy terminates, you can apply to reinstate it within five years from the date of lapse if the insured is alive. You will have to provide evidence that the insured person still meets our requirements for issuing insurance. You will also have to pay a minimum amount of premium and be subject to the other terms and conditions applicable to reinstatements. The minimum amount of premium to be paid on reinstatement is equal to an amount to make the net cash surrender value positive plus the Monthly Deductions for the two policy months following the reinstatement date, or the amount necessary to satisfy the No-Lapse Feature at the date of reinstatement and for two policy months following the reinstatement date (if applicable). Policy debt which existed at the end of the grace period must either be repaid or reinstated.

Following reinstatement, the No-Lapse Feature is available. Any supplemental riders attached to the Policy prior to lapse may be reinstated with the exception of the Overloan Protection Benefit Rider.

Premiums Upon an Increase in the Specified Amount

If you increase the Specified Amount of insurance, you may wish to pay an additional premium or make a change in planned premiums. See **Can I Change Insurance Coverage Under the Policy?** in this prospectus. We will notify you if an additional premium or a change in planned premiums is necessary.

How Are Amounts Credited to the Separate Account?

From each premium payment you make, we deduct a premium charge. We allocate the rest to the Variable Investment Options and Fixed Account Options you have selected (except, in some states, the initial net premium will be allocated to the Penn Series Money Market Fund subaccount during the free look period).

When a payment is allocated to a Variable Investment Option, or transferred from one of the Fixed Account Options to a Variable Investment Option, or from one Variable Investment Option to another, accumulation units of the receiving investment option are credited to the Policy in accordance with the Company's standard procedures, generally based on the net asset value next computed after receipt. The number of accumulation units credited is determined by dividing the amount allocated or transferred by the value of an accumulation unit of the investment option for the current valuation period. A valuation period is the period from one valuation of investment option assets to the next.

For each Variable Investment Option, the value of an accumulation unit is valued each day shares of the Fund held in the subaccount are valued (normally as of the close of business each day the New York Stock Exchange is opened for business). It is valued by multiplying the accumulation unit value for the prior valuation period by the net investment factor for the current valuation period.

The net investment factor is an index used to measure the investment performance of each Variable Investment Option from one valuation period to the next. The net investment factor is determined by dividing (a) by (b), where

- (a) is the net asset value per share of the Fund held in the subaccount, as of the end of the current valuation period, plus the per share amount of any dividend or capital gain distributions by the fund if the ex-dividend date occurs in the valuation period; and
- (b) is the net asset value per share of the Fund held in the subaccount as of the end of the last prior valuation period.

For information on how amounts are credited to the various Fixed Account Options, see Appendix A.

How Much Life Insurance Does the Policy Provide?

In your application for the Policy, you tell us how much life insurance coverage you want on the life of the insured. This is called the Specified Amount of insurance. The minimum Specified Amount of insurance that you can purchase is \$50,000 (\$100,000 for issue ages 71 to 85).

Death Benefit Options

When the insured dies, we will pay the beneficiary the death benefit less the amount of any outstanding loan and any unpaid policy charges. We offer two different types of death benefits payable under the Policy- Option 1 which is a level death benefit option and Option 2 which is an increasing death benefit option. You choose which one you want in the application.

- Option 1 — The death benefit is the greater of (a) the Specified Amount of insurance, or (b) the applicable percentage of the policy value on the date of the insured's death.
- Option 2 — The death benefit is the greater of (a) the Specified Amount of insurance *plus* your policy value on the date of death, or (b) the applicable percentage of the policy value on the date of the insured's death.

For purposes of both death benefits, policy value includes amounts in the Variable Investment Options and/or the Fixed Account Options.

The applicable percentages depend on the life insurance qualification test you chose on the application. If you chose the Guideline Premium Test/Cash Value Corridor Test, the applicable percentage is 250% when the insured has attained age 40 or less and decreases to 100.1% when the insured attains ages 96 through 120. For the Cash Value Accumulation Test, the applicable percentages will vary by attained age and the insurance risk characteristics. Tables showing “applicable percentages” are included in the Policy.

If the investment performance of the investment options you have chosen is favorable, the amount of the death benefit may increase. However, under Option 1, favorable investment performance will not ordinarily increase the death benefit for several years and may not increase it at all, whereas under Option 2, the death benefit will vary directly with the investment performance of the policy value.

Assuming favorable investment performance, the death benefit under Option 2 will tend to be higher than the death benefit under Option 1. On the other hand, the monthly insurance charge will be higher under Option 2 to compensate us for the additional insurance risk we take. Because of that, the policy value will tend to be higher under Option 1 than under Option 2 for the same premium payments.

Can I Change Insurance Coverage Under the Policy?

Change of Death Benefit Option

You may change your insurance coverage from Option 1 to Option 2 and vice-versa, subject to the following conditions:

- after the change, the Specified Amount of insurance must be at least equal to the minimum Specified Amount under your Policy; and
- no change may be made in the first policy year and no more than one change may be made in any policy year.

Changes in the Specified Amount of Insurance

You may increase the Specified Amount of insurance, subject to the following conditions:

- you must submit an application along with evidence of insurability acceptable to Penn Mutual;
- no change may be made in the first policy year;
- any increase in the Specified Amount must be at least \$10,000; and
- no change may be made if it would cause the Policy not to qualify as insurance under federal income tax law.

You may decrease the Specified Amount of insurance, subject to the following conditions:

- no change may be made in the first policy year;
- no change may be made if it would cause the Policy not to qualify as insurance under federal income tax law;
- no decrease may be made within one year of an increase in the Specified Amount;
- any decrease in the Specified Amount of insurance must be at least \$10,000 and the Specified Amount after the decrease must be at least equal to the minimum Specified Amount under your Policy; and

- any decrease in the Specified Amount of insurance in the first five policy years will be subject to a surrender charge.

Exchange of Policies

For a Policy issued in a business relationship, you may obtain a rider that permits you to exchange the Policy for a new Policy covering a new insured in the same business relationship, subject to the terms of the rider. See **What Are the Supplemental Riders That I Can Buy? — Supplemental Exchange Rider** in this prospectus.

Tax Consequences of Changing Insurance Coverage

See **How Is the Policy Treated Under Federal Income Tax Law?** in this prospectus to learn about possible tax consequences of changing your insurance coverage under the Policy.

What Is the Value of My Policy?

You may allocate or transfer your policy value to Variable Investment Options and/or the Fixed Account Options.

Your policy value, which is allocated (or transferred) to Variable Investment Options in accordance with your direction, will vary with the investment performance of the shares of the Funds held by the applicable Variable Investment Options, increasing with positive investment performance and decreasing with negative performance.

The amount you allocate to the Traditional and Holding Fixed Accounts will earn interest at a rate we declare from time to time. We guarantee that this rate will be at least 2% for the Traditional Fixed Account and at least 1% for the Holding Fixed Account. Your annual statement shows the declared rates for the statement period. You may contact us for the current declared rate. Amounts you allocate to an Indexed Fixed Account will earn at least the guaranteed interest rate for the applicable Indexed Fixed Account noted in Appendix A. Amounts you allocate to any of the Fixed Account Options will not be subject to the mortality and expense risk asset charge described later in this section or to Fund expenses. Your policy value will be reduced by deductions we make from your Policy for policy charges.

At any time, your policy value is equal to:

- the net premiums you have paid;
- plus or minus the investment results in the part of your policy value allocated to the Variable Investment Options;
- plus interest credited to the amount in the part of your policy value (if any) allocated to the Fixed Account Options;
- minus policy charges we deduct; and
- minus partial withdrawals you have made.

If you borrow money under your Policy, other factors affect your policy value. See **What Is a Policy Loan?** in this prospectus.

The “cash surrender value” is equal to your policy value (as described above) decreased by any surrender charge. The “net cash surrender value” of your policy is equal to your policy value (as described above), less any policy loan outstanding and less any surrender charge that then applies.

Policy Value Enhancement

After the later of the insured reaching attained age 35 and the completion of the 10th policy year, we will credit a policy value enhancement on future monthly policy anniversaries. The amount of the policy value enhancement will be equivalent to an annual effective rate of 0.40% of the value of the Variable Investment Options. The policy value enhancement will be applied pro-rata across the Variable Investment Options.

How Can I Change the Policy's Investment Allocations?

Future Premium Payments

You may change the investment allocation for future premium payments at any time. You make your original allocation in the application for your Policy. The percentages you select for allocating premium payments must be in whole numbers and must equal 100% in total.

Transfers Among Existing Variable Investment Options and Fixed Account Options

You may also transfer amounts from one investment option to another, and to and from the Indexed Fixed Account and Traditional Fixed Account. To make transfers, you must tell us how much to transfer, either as a percentage or as a specific dollar amount. Transfers may be subject to a minimum transfer amount specified in your Policy (generally \$25 or the amount held under the Variable Investment Options or Fixed Account Options from which you are making the transfer, if less).

Transfers may only be made into an Indexed Fixed Account on a segment date, which can only be on a monthly policy anniversary date. If you transfer to the Indexed Fixed Accounts on a date other than the segment date, the amount will be required to be transferred to the Fixed Interest Holding Accounts first until the next segment date. Transfers from the Indexed Fixed Accounts may only be made on a segment maturity date, which is generally the one-year anniversary of the date you transferred into the Indexed Fixed Account. See Appendix A for more information about transfers to and from the Indexed Fixed Accounts. Transfers may be made to and from the Traditional Fixed Account Option at any time, provided that the sum of all transfers in a policy year cannot exceed the greater of (a) 25% of the Traditional Fixed Account value at the previous policy anniversary, (b) \$5,000, and (c) the total amount transferred from the Traditional Fixed Account in the previous policy year. At any time within the first 18 policy months while this policy is in force during the life of the Insured, the owner may transfer all amounts held in the Variable Investment Options to the Traditional Fixed Account without restriction, minimum or charge. Following such transfer, no future premiums may be allocated to the Variable Investment Options and no transfers may be made to the Variable Investment Options. This will have the effect of converting the policy to a fixed universal life insurance policy.

Your right to make transfers under the Policy is subject to modification if we determine in our sole discretion that the exercise of that right will disadvantage or potentially hurt the rights or interests of other policy owners. Such restrictions may be applied in any manner reasonably designed to prevent any use of the transfer right, which the Company considers to be to the actual or potential disadvantage of other policy owners. Any modification may be applied to transfers to or from some or all of the Variable Investment Options, the Indexed Fixed Accounts, and the Traditional Fixed Account and may include, but not be limited to:

- (a) restricting the dollar amount, the number of transfers made during a defined period, and the method used to submit transfers;
- (b) waiving or reducing any or all of the restrictions, uniformly to all members of the same class of policies, on transfers described in this Policy;
- (c) revoking any waiver or reduction, uniformly to all members of the same class of policies; and
- (d) terminating transfer privileges at any time.

General Information on Market Timing

The Policy is not designed for individuals and professional market timing organizations that use programmed and frequent transfers among investment options. We therefore reserve the right to change our telephone transaction policies and procedures at any time to restrict the use of telephone transfers for market timing and to otherwise restrict market timing, up to and including rejecting transactions we reasonably believe are market timing transactions, when we believe it is in the interest of all of our Policy owners to do so. However, we may not be able to detect all market timing and may not be able to prevent frequent transfers, and any possible harm caused by those we do detect. We will notify you of any actions we take to restrict your ability to make transfers.

Frequent Trading Risks.

Frequent exchanges among Subaccounts and market timing by contract owners can reduce the long-term returns of the underlying Funds. The reduced returns could adversely affect the contract owners, Annuitants, insureds or Beneficiaries of any variable annuity or variable life insurance contract issued by any insurance company with respect to values allocated to the underlying Fund. Frequent exchanges may reduce the Fund's performance by increasing costs paid by the fund (such as brokerage commissions); they can disrupt portfolio management strategies; and they can have the effect of diluting the value of the shares of long term shareholders in cases in which fluctuations in markets are not fully priced into the Fund's net asset value.

The Funds available through the Subaccounts generally cannot detect individual contract owner exchange activity because they are owned primarily by insurance company separate accounts that aggregate exchange orders from owners of individual contracts. Accordingly, the Funds are dependent in large part on the rights, ability and willingness of the participating insurance companies to detect and deter short-term trading by contract owners. We have entered into an agreement with the Funds that requires us to provide the Funds with certain contract owner transaction information to enable the Funds to review the Contract Owner transaction activity involving the Funds.

Frequent Trading Policies.

We have adopted policies and procedures designed to discourage frequent trading. We monitor on an ongoing basis the operation of these policies and procedures and may, at any time without notice to Contract Owners, revise them in any manner not inconsistent with the terms of the Contract. If requested by the investment adviser and/or sub-adviser of a Fund, we will consider additional steps to discourage frequent trading. In addition, we reserve the right to reject any purchase payment or exchange request at any time for any reason.

Variable Dollar Cost Averaging Account

This program automatically makes monthly transfers from the money market investment option to one or more of the other Variable Investment Options and to one or more of the Indexed Fixed Accounts in the Fixed Account. If you wish to make transfers into an Indexed Fixed Account, money will be transferred into the Holding Fixed Account until the next monthly policy anniversary, when it will then be allocated into the Indexed Fixed Account. You choose the investment options and the Indexed Fixed Accounts, and the dollar amount of the transfers. You may dollar cost average from the money market investment option for up to 60 months. The program is designed to reduce the risks that result from market fluctuations. It does this by spreading out the allocation of your money to investment options and Indexed Fixed Accounts over a longer period of time. This allows you to reduce the risk of investing most of your money at a time when market prices are high. The success of this strategy depends on market trends. The program allows owners to take advantage of investment fluctuations, but does not assure a profit or protect against loss in a declining market. The minimum amount that can be allocated to the dollar cost averaging program is \$600 and the amount transferred each month must be at least \$25. You may elect to participate in the program when you apply for your Policy or, after you have owned your Policy, by completing an election form or by calling our office. You may discontinue the program at any time.

Fixed Dollar Cost Averaging Account

This program allows you to allocate all or a portion of a premium payment to the fixed dollar cost averaging account, where it is automatically re-allocated each month to one or more of the investment options and to one or more of the Indexed Fixed Accounts in the Fixed Account. The minimum amount that can be allocated to the fixed dollar cost averaging account is \$600 and the amount transferred each month must be at least \$25. Amounts may be allocated to the account at any time. The amount you allocate to the fixed dollar cost averaging account will earn interest for a twelve-month period at a rate we declare monthly. In addition, you are permitted to take loans on or withdraw money from the funds available in the account. The account operates on a twelve-month cycle beginning on the monthly anniversary of each month following your allocation of a premium payment to the account. Thereafter, on the monthly anniversary of each month during the twelve-month cycle (or the next following business day if the monthly anniversary is not a business day), an amount is transferred from the account to the investment options and Indexed Fixed Accounts that you selected. The account terminates when the Policy lapses or is surrendered, on the death of the insured, at the end of the twelve-month cycle or at your request. Upon termination of the account, all funds in the account are allocated to other investment options and Indexed Fixed Accounts based upon your instructions.

The purposes and benefits of the program are similar to the money market account dollar cost averaging program offered under the Policy. You may elect to participate in the program when you apply for your Policy or, after you have owned your Policy, by completing an election form or by calling our office. You may discontinue the program at any time. No more than one dollar cost averaging program may be in effect at any one time.

Asset Rebalancing

This program automatically reallocates your policy value among Variable Investment Options in accordance with the proportions you originally specified. Over time, variations in investment results will change the allocation percentage. On a quarterly basis, the rebalancing program will periodically transfer your policy value among the Variable investment options to reestablish the percentages you had chosen. Rebalancing can result in transferring amounts from a Variable Investment Option with relatively higher investment performance to one with relatively lower investment performance. The minimum policy value to start the program is \$1,000. If you also have one of the dollar cost averaging programs in effect, the portion of your policy value in either of the dollar cost averaging accounts will not be included in the rebalancing program. You may elect to participate in the program when you apply for your Policy or, after you have owned your Policy, by completing an election form or by calling our office. You may discontinue the program at any time. All of the Fixed Account Options are ineligible for the asset rebalancing program.

What Are the Fees and Charges Under the Policy?

Policy value allocated to the Variable Investment Options and the Fixed Account Options is subject to the fees and charges described below, including the Percent of Premium Charge, the Monthly Deductions (other than the Mortality and Expense Risk Asset Charge), the Transfer Charge, the Surrender Charge and the Partial Withdrawal Processing Fee.

- Percent of Premium Charge — 8.0% (currently reduced to 5% of all premiums paid in policy years 2 and later.) is deducted from premium payments before allocation to the Variable Investment Options and Fixed Account Options. This charge is to partially compensate us for the expense of selling and distributing the Policies, state premium taxes and the federal income tax burden (DAC tax) that we expect will result from the premiums. State premium taxes range from 0.5% to 3.5%; some states do not impose premium taxes. We will notify you in advance if we change our current rates.

Monthly Deductions

- Insurance Charge — A monthly charge for the cost of insurance protection is subtracted from the policy value. The amount of insurance risk we assume varies from Policy to Policy

and from month to month. The amount of insurance risk is affected by the investment performance of the Variable Investment Options, payment of premiums, and charges. The insurance charge therefore also varies. To determine the charge for a particular month, we multiply the amount of insurance for which we are at risk by a cost of insurance rate based upon an actuarial table. The table in your Policy will show the maximum cost of insurance rates that we can charge. The cost of insurance rates that we currently apply are generally less than the maximum rates shown in your Policy. The table of rates we use will vary by issue age, policy duration, gender, and rate class. We place insureds in a rate class when we issue the Policy and when an increase in coverage is effective, based on our examination of information bearing on insurance risk. We currently place people we insure in the following rate classes: a standard tobacco, preferred tobacco, standard non-tobacco, preferred non-tobacco or preferred plus non-tobacco rate class. We may also place certain people in a rate class involving a higher mortality risk than the standard tobacco or standard non-tobacco classes (a “substandard class”). Insureds age 19 and under are placed in a rate class that does not distinguish between tobacco and non-tobacco rates. When an increase in the Specified Amount of insurance is requested, we determine whether a different rate will apply to the increase based on the age of the insured on the effective date of the increase and the rate class of the insured on that date.

- Per Policy Expense Charge — A monthly charge to help cover our administrative costs. This charge is a flat dollar charge of up to \$9 (currently, the flat charge is \$8 — we will notify you in advance if we change our current rates). Administrative expenses relate to premium billing and collection, recordkeeping, processing of death benefit claims, policy loans and policy changes, reporting and overhead costs, processing applications and establishing policy records.
- Expense Charge per Thousand of Specified Amount — A monthly charge to help cover our administrative costs as described in the paragraph above. For the first 120 months after the policy date we will deduct the charge based on the initial Specified Amount of insurance, and for the first 120 months after any increase in the Specified Amount we will deduct the charge based on the increase. The charge is equal to the current rate as set forth in your Policy times each \$1,000 of the initial and the increased Specified Amount of insurance. The charge varies with the age, gender and rate class of the insured (as measured at issue or on the effective date of the increase).
- Mortality and Expense Risk Asset Charge — A monthly charge to help cover the mortality risk of the insured living for a shorter period than we originally estimated. The charge also helps cover the costs should expenses incurred in issuing and administering the policies be greater than we originally estimated. The current charge is zero. The guaranteed charge for all Policies is equivalent to an annual effective rate of 0.60% of the first \$50,000 of value of the subaccounts, plus an annual rate of 0.30% of the value in excess of \$50,000 of the subaccounts. The charges are deducted on a pro-rata basis in proportion to the current market value of each subaccount.
- Optional Supplemental Rider Charges — Monthly charges for any optional supplemental insurance benefits that are added to the Policy by means of a rider. Please see the Fee Table “Periodic Charges under Optional Supplemental Riders” on page 10 of the Prospectus and “What are the Supplemental Riders I Can Buy?” for more information about these charges.

In accordance with our rules, you may specify the Variable Investment Options and Fixed Account Options (except the twelve-month dollar cost averaging fixed account) from which Monthly Deductions are deducted. You may make this election when you apply for your Policy or, after you have owned your Policy, by completing an election form or by calling our office. If you do not specify which Variable Investment Options and Fixed Account Options from which the Monthly Deductions are deducted, or if any of the options you specify have insufficient funds to cover your specified percentage deduction, the Monthly

Deduction will be deducted pro-rata from each of your remaining Variable Investment Options and Fixed Account Options (except the twelve-month dollar cost averaging fixed account). Deductions will be taken from the twelve-month dollar cost averaging fixed account only when there are no funds available under the investment options and the other Fixed Account Options. This election or pro-rata deduction does not apply to the Mortality and Expense Risk Asset Charge, which is applied only to the value in the Variable Investment Options.

Transfer Charge

While we do not currently intend to impose a transfer fee, we reserve the right to impose a \$10 charge on any transfer of policy value among Variable Investment Options and/or the Fixed Account Options if the transfer exceeds 12 transfers in a policy year. The charge is deducted from the amount transferred. If this charge is imposed, it would be intended to partially offset the costs of multiple transfers in a year. We will notify policy owners in advance if we decide to impose the charge. We will not impose a charge on any transfer made under dollar cost averaging or asset rebalancing.

Surrender Charge

If you surrender your Policy within the first 9 policy years or within 9 years of an increase in the Specified Amount of insurance under your Policy, we will deduct a surrender charge from your policy value.

With respect to a surrender within the first 9 policy years, the surrender charge equals (a) multiplied by (b), where:

- (a) is the surrender charge premium (which is an amount calculated separately for each Policy and listed in the policy specifications); and
- (b) is the applicable surrender factor from the table below in which the policy year is determined.

With respect to a surrender within 9 years of an increase in the Specified Amount of insurance under your Policy, the surrender charge is based on the amount of the increase and on the attained age of the insured at the time of the increase. The charge equals (a) multiplied by (b), where:

- (a) is the surrender charge premium based on the age and class of the Insured at the time of increase; and
- (b) is the applicable surrender factor from the table below, assuming for this purpose only that the first policy year commences with the policy year in which the increase in Specified Amount of insurance becomes effective.

Surrender During Policy Year	Surrender Factor
1	1.00
2	1.00
3	0.98
4	0.95
5	0.89
6	0.78
7	0.65
8	0.51
9	0.34
10+	0.00

A surrender charge will also be deducted from the policy value upon a decrease in the Specified Amount in the first five policy years except for decreases that were caused by partial withdrawals or changes to the Death Benefit option. The charge is based on a proportional amount of the decreased Specified Amount of the coverage decreased. There will be a proportional reduction in the surrender charge premium for the remaining surrender charges. The Surrender Charge will be deducted from the Variable Investment Options, Traditional Fixed Account, Holding Fixed Accounts, and Indexed Fixed Accounts on a pro-rata basis in proportion to the current value of each account. If there is not enough value in these accounts, deductions will be made from the Fixed Dollar Cost Averaging Account.

The surrender charges are intended to reimburse us, in part, for the expenses incurred in the sale and distribution of the policy.

Partial Withdrawal Processing Fee

If you take a partial withdrawal from your Policy, we will deduct the lesser of \$25 or 2% of the amount withdrawn. The fee will be deducted from the available net cash surrender value and will be considered part of the partial withdrawal. This charge is intended to partially offset the cost of processing a partial withdrawal.

Asset Charge

The Indexed Fixed Account may be subject to an Asset Charge. See Appendix A for more details.

Policy Loan

You will be subject to a net interest charge on any outstanding loan, which is the difference between the interest you are charged on the amount of the loan and the amount of interest that we pay on amounts held in the collateral account. On a guaranteed basis, in no event will the net interest charge be greater than 1% on a Traditional Loan during the first 11 policy years. Starting in the 11th policy year, the net interest charge will in no event be greater than 0.25%. For more information concerning policy loans, including the associated charges, see **What is a Policy Loan?** For more information on the charges for Indexed Loans, see the discussion of Indexed Loans in **Appendix A**.

Description of Underlying Fund Charges

The Funds underlying the Variable Investment Options must pay investment management fees and other operating expenses. These fees and expenses (shown in the tables of Fund annual expenses under "Fee Tables") are different for each Fund and reduce the investment return of each Fund. Therefore, they also indirectly reduce the return you will earn on any Variable Investment Options you select. Expenses of the underlying Funds are not fixed or specified under the terms of your policy, and those expenses may vary from year to year. Please see the applicable Fund's Prospectus for more information on fees and expenses of the Fund.

Reduction of Charges

This Policy is available for purchases by corporations and other groups or sponsoring organizations on a multiple life basis where insureds share a common employment or business relationship. We reserve the right to reduce the premium charge or any other charges on certain cases, where it is expected that the amount or nature of such cases will result in savings of sales, underwriting, administrative or other costs. Eligibility for these reductions and the amount of reductions may be determined by a number of factors, including but not limited to, the number of lives to be insured, the total premiums expected to be paid, total assets under management for the policy owner, the nature of the relationship among the insured individuals, the purpose for which the Policies are being purchased, the expected persistency of the Policies and any other circumstances which we believe to be relevant to the expected reduction of expenses.

We also reserve the right to reduce premium charges or any other charges under a Policy where it is expected that the issuance of the Policy will result in savings of sales, underwriting, administrative or other costs. In particular, we would expect such savings to apply, and our expenses to be reduced, whenever a Policy is issued in exchange for another life insurance policy issued or administered by us.

Some of these reductions may be guaranteed, and others may be subject to withdrawal or modification by us. All reductions will be uniformly applied, and they will not be unfairly discriminatory against any person.

What Are the Supplemental Riders That I Can Buy?

We offer supplemental riders that may be added to your Policy. If any of these riders are added, the monthly charges for the supplemental riders will be deducted from your policy value in addition to the charges paid under the base Policy. Policy value allocated to the Variable Investment Options and the Fixed Account Options is subject to these charges. For information about how these charges are deducted from your Variable Investment Options and Fixed Account Options, see **What Are the Fees and Charges Under the Policy?** in this prospectus.

Accidental Death Benefit Rider

This Rider provides an additional death benefit if the insured's death results from accidental causes as defined in the Rider. This Rider is not available for all Policies. The cost of insurance rates for this Rider are based on the age, gender and rating of the insured.

The Accidental Death Benefit will be payable upon our receipt of due proof that:

- (a) the insured has died due to an accidental bodily injury that occurred while this rider was in force;
- (b) the accidental death occurred within 180 days following the date of the accidental bodily injury;
- (c) the accidental bodily injury was sustained prior to the anniversary of this policy which is nearest to the insured's 70th birthday; and
- (d) if this rider was issued prior to the insured's first birthday, the accidental bodily injury was sustained on or after the anniversary of this policy which is nearest to the insured's first birthday.

Accidental bodily injury means an injury sustained by the insured which is a direct result of an accident, independent of disease or bodily or mental illness or infirmity or any other cause, and which occurs while the rider is in force.

The Accidental Death Benefit will not be payable if the death of the insured is the result, directly or indirectly, of certain types of excluded accidents, including:

- disease or infirmity of mind or body, or medical or surgical treatment for such disease or infirmity;
- an infection not occurring as a direct result or consequence of the accidental bodily injury;
- the voluntary intake or use by any means of any drug, unless prescribed or administered by a physician and taken in accordance with the physician's instructions;
- intoxication as defined by the jurisdiction where the accident occurred;

- certain risky recreational activities, including bungee jumping, rock or mountain climbing, hang gliding, and skydiving;
- suicide, or intentionally self-inflicted injury, of the insured, while sane or insane;
- the commission or attempted commission by the insured of a felony or other participation in an illegal occupation or activity;
- travel or flight in or descent from an aircraft of any kind while the insured is a pilot, officer or member of the crew of the aircraft;
- war or act of war, or other special hazards incident to service in the military, naval or air forces of any country.

Additional Insured Term Insurance Rider

This Rider provides term insurance on other persons in addition to the insured, in amounts described in the Policy Specifications in the Policy. If the named insured in the Policy dies, the term insurance on the additional insured person will continue for 90 days after the death of the insured during which time it may be converted into permanent insurance subject to the conditions under the Rider. The term insurance may be converted to a permanent life insurance policy without evidence of insurability.

Under the Rider, we will deduct the cost of insurance charges from the cash value of the Policy, and a separate charge based on the Specified Amount for each additional insured during the first twelve months of the Rider. If the Specified Amount of insurance has increased for an additional insured, we will deduct a charge based on the increased Specified Amount during the first twelve months of the increase. The cost of insurance rates are based on the age, gender and rate class of the additional insured. This Rider can be elected at any time, as long as the additional insured meets our underwriting requirements. The benefits provided under the Rider are subject to all of the provisions in the Rider.

Waiver of Surrender Charges Rider

This Rider provides enhanced early year cash surrender values for Policies sold in certain limited corporate markets and is not for sale in the individual markets. The higher cash surrender is attained through a waiver of all surrender charges. Under this Rider, during the first nine policy years we deduct a monthly charge based on the original Specified Amount (of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider) and a monthly charge based on increases in the Specified Amount (of the Policy plus any Term Insurance Benefit of a Supplemental Term Insurance Rider) during the first nine policy years after the increase. The charge varies based on the insured's rate class, issue age, and gender (if applicable). Decreases in coverage do not affect the charge for this Rider. The charge will continue to be applied based on the higher original and/or increased Specified Amount. This charge will be included in the no-lapse premium calculation. If the Rider is terminated by the owner of the Policy, the Rider is terminated with respect to insurance coverages provided under the Policy and all applicable surrender charges would resume. You may add this Rider to your base Policy only at the time you purchase your Policy. The benefits provided under the Rider are subject to all provisions of the Rider. This Rider is not available with the Cash Value Enhancement Rider.

Cash Value Enhancement Rider

This Rider will provide higher early-duration cash surrender values for certain limited corporate market applications and will not be available for sale in the individual markets. The higher cash surrender values will be accomplished through a termination credit during the first nine policy years while the Rider is in force.

There are several limits to the use of this Rider. The Policy must be sponsored by or owned by a business, a corporation, or a corporate trust. The corporation must be at least a partial beneficiary. If the Policy is in support of a corporate-sponsored non-qualified deferred compensation plan, a corporate board resolution authorizing the plan or a copy of the plan document must be included with the policy application. A minimum of one life can be covered. If the Policy to which this Rider is attached is exchanged for another policy or has its ownership changed to a life insurance company, the Rider is terminated and the termination credit will not be applied.

The monthly deduction for this Rider is a monthly administrative expense charge per \$1,000 of Specified Amount assessed against the initial Specified Amount of the Policy and any initial Supplemental Term Insurance during each of the first nine policy years. The deduction varies based on the insured's rate class, issue age, and gender (if applicable). This Rider is not available with the Waiver of Surrender Charges Rider.

Children's Term Insurance Rider

This Rider provides term insurance on one or more children of the insured of the Policy in amounts described in the Policy. If the named insured in the Policy dies, the term insurance on the insured child will continue until the anniversary of the Policy nearest the insured child's twenty-third birthday and we will waive the cost of insurance for the term insurance. On the anniversary of the Policy nearest the child's twenty-third birthday, the Rider may be converted without evidence of insurability to a new life insurance policy.

Under the Rider, we will deduct a cost of insurance charge. The cost of insurance charge is a flat monthly charge based on the rider Specified Amount without regard to the number of children, their ages, or gender. This Rider can be elected at any time. The benefits provided by the Rider are subject to the provisions in the Rider.

Disability Waiver of Monthly Deduction Rider

This Rider provides a waiver of the monthly deductions from the value of the policy value upon total disability of the insured. The cost of insurance charges for this benefit are based upon the insurance provided under the Policy and the value of the Policy. The rates are based on the attained age, gender and rate class of the insured. The rates will not exceed those set forth in the Additional Policy Specifications in the Policy. Monthly deductions for this benefit are made until the policy anniversary nearest the insured's sixty-fifth birthday. This Rider can be elected at any time, as long as the insured meets underwriting requirements. This Rider will terminate upon the anniversary of the Policy which is nearest to the insured's sixty-fifth birthday, provided that such termination will not affect any benefit which is payable because of a total disability of the insured which began prior to that anniversary. The benefits provided under this Rider are subject to the provisions of the Rider.

Disability Completion Benefit Rider (AKA Disability Waiver of Stipulated Premium Rider)

This Rider provides a waiver of the monthly deductions from the policy value and payment by us of a stipulated premium upon the total disability of the insured. The stipulated premium is stated in the Policy. The cost of insurance for waiver of the monthly deductions is based on the insurance provided by the base Policy and the value of the Policy. The cost of insurance for the monthly premium deposit is based on the amount of the stipulated premium. The cost of insurance rates is based on the issue age, gender and rate class of the insured. The rates will not exceed the rates shown in the Additional Policy Specifications section of the Policy. This Rider can be elected at any time, as long as the insured meets underwriting requirements. This Rider will terminate upon the anniversary of the Policy which is nearest to the insured's sixty-fifth birthday, provided that such termination will not affect any benefit which is payable because of a total disability of the insured which began prior to that anniversary. This benefit is subject to the provisions in the Rider.

Guaranteed Option to Increase Specified Amount Rider

This Rider provides the owner of the Policy with the option to increase the Specified Amount of insurance in the Policy without providing evidence of insurability. The option may be exercised as of any of the regular option dates or as of any alternative option date. The regular option dates are the anniversaries of the Policy nearest the insured's birthday at ages 22, 25, 28, 31, 34, 37, 40, 43 and 46. In addition, subject to certain conditions, the option may be exercised on the ninetieth day following marriage of the insured, live birth of a child of the insured and legal adoption by the insured of a child less than 18 years of age. The cost of insurance charge for the Rider is based on the issue age, gender and rate class of the insured. The cost of insurance rates for this Rider, combined with the cost of insurance rates in the Policy, will not exceed the rates shown in the Additional Policy Specifications in the Policy. You may add this Rider to your base Policy only at the time you purchase your Policy. The maximum issue age for this Rider is age 40. This option is subject to the provisions in the Rider.

Supplemental Term Insurance Rider

This Rider adds term insurance to the death benefit provided under the Policy. The Rider modifies the death benefit options (as provided in the Policy) as follows.

Option 1 — The death benefit is the greater of (a) the sum of the amount of insurance specified in the Policy and the amount of term insurance added by the Rider, or (b) the applicable percentage of the policy value on the date of the insured's death.

Option 2 — The death benefit is the greater of (a) the sum of the amount of insurance specified in the Policy, the amount of term insurance added by the Rider and the policy value on the date of the insured's death, or (b) the applicable percentage of the policy value on the date of the insured's death.

Additional information on the death benefit options may be found under **How Much Life Insurance Does the Policy Provide?** in this prospectus.

The amount of term insurance added by the Rider may, upon written application and receipt by us of satisfactory evidence of insurability, be increased by no less than \$10,000.

The monthly deductions under the Policy include an expense charge applied to the amount of term insurance added to the Policy by the Rider. The expense charge will not exceed the maximum charges shown in the Policy.

The monthly deductions under the Policy will include a cost of insurance charge for the term insurance added by the Rider. The cost of insurance rates for the term insurance will not exceed those shown for the Rider in the Additional Policy Specifications in the Policy.

The surrender charges under the Policy will also include a surrender charge for the term insurance added by the Rider. The surrender charge premium will be increased by the amount of the term insurance added by the Rider multiplied by the unit surrender charge premium at the issue age, gender and rate class of the insured.

After the later of the insured reaching attained age 35 and the completion of the 10th policy year, we will credit a supplemental term insurance policy value enhancement on future monthly policy anniversaries. The amount of the enhancement (on both a current and a guaranteed basis) will be equivalent to an annual effective rate of 0.15% multiplied by (a), multiplied by (b), and divided by (c), where;

- (a) is the current value in the applicable account;
- (b) is the Term Insurance Benefit, and
- (c) is the sum of the Term Insurance Benefit and the Specified Amount of the policy.

For every account except the Traditional Loan Account, the supplemental term insurance policy value enhancement (STI PVE) is based on the current value in each account. For the Traditional Loan Account the STI PVE is based on the current value decreased by any policy loan in the Traditional Loan Account. The STI PVE will be applied on a pro-rata basis in proportion to these values.

It may be to your economic advantage to add life insurance protection to the Policy through the Rider. The total current charges that you pay for your insurance beyond the fifth policy year will be less with term insurance added by the Rider since the current expense charges for the Rider are zero after the fifth policy year. The current expense charges for the Policy are reduced in policy year 6 and then remain level through policy year 10. It also should be noted, however, that the total current charges in the first five policy years under the Policy will be higher with a portion of the insurance added by the Rider than they would be if all of the insurance were provided under the base Policy. The guaranteed expense charges are higher for the Rider than for the Policy. Therefore, if the current charges for the Rider increase, it may not be to your economic advantage to add term insurance protection under the Rider.

You may add this Rider to your base Policy only at the time you purchase your Policy.

Overloan Protection Benefit Rider

This Rider allows the policy owner to access the cash value from the Policy, while providing him or her with a reduced paid-up policy in the event that the loan-to-surrender value equals or exceeds 96%. The Rider is subject to certain conditions, including that the insured's attained age is 75 or older, the Policy has been in force for a minimum for 15 years and the non-taxable withdrawals must equal the total premiums paid. If the conditions of the Rider are satisfied, the Policy will automatically become a reduced paid-up life insurance policy. The Rider is subject to a one-time charge equal to 3.5% of the policy value, which is imposed when the benefit is exercised.

The new death benefit will equal the greater of:

- The Specified Amount of the paid-up life insurance which equals the applicable percentage of the Policy Value adjusted for the one-time charge; or
- The applicable percentage of the greater of the Policy Value or the outstanding policy debt.

The applicable percentage is described in the **How Much Life Insurance Does the Policy Provide?** section of the prospectus.

Certain changes are made to the Policy as a result of the benefit being exercised, including

- the transfer of all values not in the Traditional Fixed Account to the Traditional Fixed Account, which will then be credited with interest;
- if the Policy has an increasing death benefit option, it will be changed to the level death benefit option;
- if the current loan option is the indexed loan option it will be changed to the traditional loan option;
- all supplemental riders attached to the Policy will be terminated;
- no additional premium payments, partial withdrawals or policy loans will be allowed; and
- no further changes may be made to the Policy.

This Rider can be elected at any time. The benefit provided under the Rider is subject to the provisions of the Rider.

Accelerated Death Benefit Rider

The Accelerated Death Benefit Rider provides the insured access to a portion of death benefit while the insured is living. The following provisions apply:

- The amount of death benefit proceeds you can access must be at least \$10,000, but no more than the lesser of 50% of the total death benefit amount or \$250,000.
- The insured must be diagnosed by a licensed physician of the United States as being terminally ill with a life expectancy of 12 months or less. The physician may not be the owner, insured, beneficiary, or relative of the insured.
- Penn Mutual reserves the right, at its own expense, to seek additional medical opinions in order to determine benefit eligibility.

The amount you access under this Rider will reduce the death benefit that is payable under the base Policy upon the death of the insured.

The Accelerated Death Benefit Rider is automatically added to all base Policies with a face amount greater than \$50,000. The cost of this benefit is incurred only at the time of exercise and is equal to 12 months' worth of policy charges on the accelerated amount, plus an interest adjustment. The interest adjustment equals 12 months' worth of interest on the accelerated amount based on a rate that is the greater of (a) the current 90-day Treasury bill rate, or (b) the current maximum statutory adjustable policy loan rate.

Chronic Illness Accelerated Benefit Rider

The Chronic Illness Accelerated Benefit Rider provides the Owner access to a portion of the death benefit when the insured has been certified with a Chronic Illness by a licensed health care practitioner. The licensed health care practitioner must also certify that continuous care in an eligible facility or at home is expected to be required for the remainder of the insured's life when the insured has a Chronic Illness. Death benefits and policy values will be reduced if an Accelerated Benefit is paid. The following provisions apply:

- The Owner may request the payment of the Accelerated Benefit Payment in a single lump sum or in a series of equal payments occurring annually, semi-annually, quarterly, or monthly, provided that for policies issued in Florida prior to January 1, 2020 the Accelerated Benefit Payment is available only once under this Rider. The series of benefit payments will continue as scheduled, as long as the insured is certified as having a Chronic Illness at least every 12 months, until the remaining death benefit reaches the minimum allowed by the Company or the rider is terminated. No more than 12 Accelerated Benefit Payments will be paid in a 12 month period. The Accelerated Benefit Payment must first be used to repay a pro rata share of any outstanding policy debt.
- Penn Mutual will limit the Accelerated Benefit Payment such that:
 - The Policy is not disqualified as life insurance according to the Code;
 - The Accelerated Benefit Payment is at least \$4,800 if taken as a single lump sum, or the sum of scheduled payments for the 12 month period following the election date is at least \$4,800 if taken as a series of payments;
 - The maximum total amount of Accelerated Benefit Payments in a 12 month period, for all policies or riders under which the Insured is covered with the Company, will not exceed the least of 24% of the Eligible Amount, \$240,000, or the annual Per Diem Limitation within the meaning of sections 101(g)(3)(D) and 7702B(d) of the Code.

The Per Diem Limitation further requires that the total aggregated benefits being received from all coverages do not exceed the IRS annual Per Diem amount, including benefits received from coverages not with Penn Mutual and reimbursements of costs for qualified long-term care services through insurance or otherwise. Accelerated Benefit Payments are determined after taking into account all other coverage and reimbursements;

- The maximum total amount of Accelerated Benefit Payments during the life of the Insured, for all policies or riders under which the Insured is covered with Penn Mutual, will not exceed \$5,000,000; and
- The death benefit remaining after an Accelerated Benefit Payment is not less than \$50,000.
- Chronic Illness means that the Insured has been certified by a licensed health care practitioner within the last 12 months as:
 - Being unable to perform at least two Activities of Daily Living (bathing, continence, dressing, eating, toileting, transferring) without substantial assistance from another person due to a loss of functional capacity for a period of at least 90 days (which must be consecutive, except in California); or
 - Requiring substantial supervision by another person for a period of at least 90 days (which must be consecutive, except in California) to protect the Insured from threats to health and safety due to severe Cognitive Impairment.
- Severe cognitive Impairment means deterioration or loss in intellectual capacity that is:
 - (1) Comparable to (and includes) Alzheimer's Disease and similar forms of irreversible dementia; and
 - (2) Measured by clinical evidence and standardized tests which reliably measure impairment in:
 - (a) Short term or long term memory;
 - (b) Orientation to people, places, or time; and
 - (c) Deductive or abstract reasoning.
- For each lump sum benefit payment, or at the beginning of each 12 month period following the election date if benefit payments are scheduled in a series, Penn Mutual must receive written certification from a licensed health care practitioner that the Insured has a Chronic Illness. The licensed health care practitioner may be a licensed physician, registered professional nurse, licensed social worker, or other similar health care practitioner approved by the Internal Revenue Service and Penn Mutual. The licensed health care practitioner shall not be the Insured, Owner, Beneficiary, or a relative thereof. Penn Mutual reserves the right to obtain at any time an additional opinion of the Insured's condition from a licensed health care practitioner at Penn Mutual's expense. Should this opinion differ from that of the Insured's licensed health care practitioner, eligibility for benefits will be determined by a third licensed health care practitioner who is mutually acceptable to the Owner and Penn Mutual.

The Chronic Illness Accelerated Benefit Rider can be added to the Policy after issue subject to Penn Mutual restrictions.

For more information contact your Penn Mutual representative or call our office.

Supplemental Exchange Rider

This Rider provides that within one year following termination of a business relationship, which existed between the owner of the Policy and the insured at the time the Policy was issued, the Policy may be exchanged for a new Policy on the life of a new insured, subject to conditions set forth in the Rider, including the new insured must have the same business relationship to the owner as the insured under the Policy to be exchanged, the new insured must submit satisfactory evidence of insurability, the Policy to be exchanged must be in force and not in a grace period, the owner must make a written application for the exchange, the owner must make premium payments under the new Policy to keep it in force at least two months, and the owner must surrender all rights in the Policy to be exchanged. This Rider is automatically added to corporate-owned Policies.

Additional Information

This prospectus provides basic information that you should know before purchasing the Policy or the riders, including all material rights and obligations under the Policy and riders. With respect to any questions regarding the rules and limitations applicable to these supplemental riders, please ask your authorized Penn Mutual representative for further information or contact our office.

What Is a Policy Loan?

We offer the ability to borrow money under your policy so that you may access a portion of your policy value without incurring the surrender charges and federal income tax consequences associated with a withdrawal from the Policy. We offer two policy loan options with this Policy: a Traditional Loan and an Indexed Loan. Indexed Loans are described in Appendix A. You may only have one loan option in force at any time. Under both options, you may borrow up to 99% of your cash surrender value and the minimum amount you may borrow is \$250.

For the Traditional Loan option, interest will be charged on the loan at an adjustable loan interest rate declared by the Company and is payable at the end of each policy year. The maximum annual rate is the greater of the Moody's Corporate Bond Yield Average and 3%. If interest is not paid when due, it is added to the loan. An amount equivalent to the loan is withdrawn from Variable Investment Options and the Fixed Account Options (except for the Fixed Dollar Cost Averaging Account) on a pro-rata basis and is transferred to a traditional loan account as collateral for the loan. Amounts withdrawn from the Variable Investment Options cease to participate in the investment experience of the Separate Account. Amounts withdrawn from the Fixed Account Options cease to participate in the crediting strategies offered in the Fixed Account.

The traditional loan account is guaranteed to earn interest at 2.0% during the first ten policy years and 2.75% thereafter. You will be subject to a net interest charge on any outstanding loan, which is the difference between the interest you are charged on the amount of the loan and the amount of interest that we pay on amounts held in the traditional loan account. On a guaranteed basis, in no event will the net interest charge be greater than 1% on a Traditional Loan during the first 11 policy years. Starting in the 11th policy year, the net interest charge will in no event be greater than 0.25%. On a current basis, the net interest charge will not be more than 1%. Starting in the 5th policy year, the net interest charge will not be more than 0%.

You may repay all or part of a loan at any time. Upon repayment of a Traditional Loan, an amount equal to the repayment will be transferred from the traditional loan account to the Variable Investment Options, Traditional Fixed Account and Indexed Fixed Accounts on a pro-rata basis in proportion to the current value of each account.

Taking out a loan, whether or not you repay it, will have a permanent effect on the value of your Policy. For example, while the amount of your loan is held as collateral in the traditional loan account, it will miss out on all earnings available in the Variable Investment Options. The amount of interest you earn on the traditional loan account may also be less than the amount of interest you would have earned from the Fixed

Options or the Indexed Fixed Options. This could lower your policy value, which could reduce the amount of the Death Benefit.

When a loan is outstanding, the amount in the traditional loan is not available to help pay for any Policy charges. If, after deducting your Policy loan, there is not enough Policy value to cover the Policy charges, your Policy could lapse. Outstanding loans will nullify the no-lapse guarantee if the loans equal or exceed the cash surrender value. You may need to make additional premium payments or loan repayments to prevent your Policy from lapsing. If your Policy lapses (see **What Payments Must I Make Under the Policy?** in this prospectus) and you have a loan outstanding under the Policy, you may have to pay federal income tax on the amount of the loan, to the extent there is gain in the Policy. See **How Is the Policy Treated Under Federal Income Tax Law?** in this prospectus.

The amount of any loan outstanding under your Policy on the death of the insured will reduce the amount of the death benefit by the amount of such loan. The outstanding loan amount is deducted in determining net cash surrender value of the Policy.

If you want a payment to us to be used as a loan repayment, you must include instructions to that effect. Otherwise, all payments will be assumed to be premium payments.

How Can I Withdraw Money From the Policy?

Surrender

You may surrender your Policy at any time. If you do, we will pay you the policy value, less any policy loan outstanding and less any surrender charge that then applies. This is called your net cash surrender value. The policy value is based on amounts allocated to the Variable Investment Options and/or the Fixed Account Options.

Partial Withdrawal

You may make a partial withdrawal for a portion of the net cash surrender value, subject to the following conditions:

- no more than twelve partial withdrawals may be made in a policy year;
- each partial withdrawal must be at least \$250;
- a partial withdrawal may not be made from an account if the amount remaining in that account is less than \$25;
- the partial withdrawal may not reduce the Specified Amount of insurance under your Policy to less than the minimum Specified Amount under the Policy (\$50,000); and
- the partial withdrawal will be subject to a processing fee equal to the lesser of \$25 or 2% of the amount withdrawn.

If any withdrawals are made, the death benefit will be less than it would have been if no withdrawals were made (regardless of whether Death Benefit Option 1 or 2 is in effect). If you elect a level death benefit option (Option 1) (see **How Much Life Insurance Does the Policy Provide?** in this prospectus), a partial withdrawal may reduce your Specified Amount of insurance — by the amount by which the partial withdrawal exceeds the difference between (a) the death benefit provided under the Policy, and (b) the Specified Amount of insurance. If you have increased the initial Specified Amount, any reduction will be applied to the most recent increase.

Partial withdrawals reduce the policy value and net cash surrender value by the amount of the partial withdrawal.

Partial withdrawals will be deducted from the Variable Investment Options, the Indexed Fixed Accounts, the Holding Fixed Accounts and the Traditional Fixed Account in accordance with your directions. In the absence of such direction, the partial withdrawal will be deducted from the Variable Investment Options, the Indexed Fixed Accounts, the Holding Fixed Accounts and the Traditional Fixed Account on a pro-rata basis.

Can I Choose Different Payout Options Under the Policy?

Choosing a Payout Option

You may choose to receive proceeds from the Policy as a single sum. This includes proceeds that become payable because of death or surrender. Alternatively, you can elect to have proceeds of \$5,000 or more applied to any of the following payment options:

- Interest income — payment of interest on the proceeds payable,
- Income for a fixed period,
- Income of a specified amount
- Life income,
- Life income with guaranteed period,
- Life income with refund period,
- Joint and survivor life income.

Periodic payments may not be less than \$50 each.

Changing a Payment Option

You can change the payment option at any time before the proceeds are payable. If no election is in effect at the time of the death of the insured, the beneficiary may elect an income payment option before any payment of the death benefit has been made and within one year of the date of death.

Tax Impact of Choosing a Payment Option

There may be tax consequences to you or your beneficiary depending upon which payment option is chosen. You should consult a qualified tax adviser before making that choice. See “How is the Policy Treated Under Federal Income Tax Law?” below.

How Is the Policy Treated Under Federal Income Tax Law?

Death benefits paid under contracts that qualify as life insurance policies under federal income tax law are not subject to federal income tax. Investment gains credited to such policies are not subject to income tax as long as they remain in the Policy. Assuming your Policy is not treated as a “modified endowment contract” under federal income tax law, distributions from the Policy are generally treated as first the return of investment in the Policy and then, only after the return of all investment in the Policy, as distributions of taxable income. Amounts borrowed under the Policy also are not generally subject to federal income tax at the time of the borrowing. An exception to this general rule occurs in the case of a decrease in the Policy’s death benefit or any other change that reduces benefits under the Policy in the first 15 years after the Policy is issued and that results in a cash distribution to the owner in order for the Policy to continue qualifying as life insurance. The application of these rules may vary depending on whether the change occurs in the first five years after the Policy is issued. Such a cash distribution may be taxed in whole or in part as ordinary income (to the extent of any gain in the Policy) under rules prescribed in Section 7702 of the Code.

To qualify as a life insurance contract under federal income tax law, your Policy must meet the definition of a life insurance contract which is set forth in Section 7702 of the Code. Section 7702 was amended by U.S. federal tax legislation that was enacted on December 22, 2017. Certain aspects of the legislation are currently uncertain and future administrative guidance or legislation may result in additional changes. The manner in which Section 7702 should be applied to certain features of the Policy offered in this prospectus is not directly addressed by Section 7702 or any guidance issued to date under Section 7702. Nevertheless, Penn Mutual believes it is reasonable to conclude that the Policy will meet the Section 7702 definition of a life insurance contract. In the absence of final regulations or other pertinent interpretations of Section 7702, however, there is necessarily some uncertainty as to whether a Policy will meet the statutory life insurance contract definition, particularly if it insures a substandard risk. If a Policy were determined not to be a life insurance contract for purposes of Section 7702, such contract would not provide most of the tax advantages normally provided by a life insurance contract.

If it is subsequently determined that the Policy does not satisfy Section 7702, we may take whatever steps that are appropriate and reasonable to comply with Section 7702. For these reasons, we reserve the right to restrict policy transactions as necessary to attempt to qualify it as a life insurance contract under Section 7702.

Section 817(h) of the Code requires that the investments of each subaccount of the Separate Account must be “adequately diversified” in accordance with Treasury regulations in order for the Policy to qualify as a life insurance contract under Section 7702 of the Code (discussed above). The funds in which each subaccount of the Separate Account may invest are owned exclusively by the Separate Account and certain other qualified investors. As a result, the Separate Account expects to be able to look through to the funds’ investments in order to establish that each subaccount is “adequately diversified”. It is expected that each underlying fund will comply with the diversification requirement applicable to the subaccounts as though the requirement applied to that underlying fund. Penn Mutual believes that the Separate Account will meet the diversification requirement, and Penn Mutual will monitor continued compliance with this requirement.

The Treasury Department has stated in published rulings that a variable life insurance policy owner will be considered the owner of the related separate account assets if the policy owner possesses incidents of ownership in those assets, such as the ability to exercise investment control over the assets. In circumstances where the policy owner is considered the owner of separate account assets, income and gain from the assets would be includable in the policy owner’s gross income. The Treasury Department has indicated that in regulations or additional revenue rulings under Section 817(d), (relating to the definition of a variable life insurance policy), it will provide guidance on the extent to which policy owners may direct their investments to particular subaccounts without being treated as owners of the underlying shares. The Internal Revenue Service (“IRS”) has issued Revenue Ruling 2003-91 in which it ruled that the ability to choose among as many as 20 subaccounts and make not more than one transfer per 30-day period without charge did not result in the owner of a policy being treated as the owner of the assets in the subaccount under the investment control doctrine.

The ownership rights under the Policies are similar to, but different in certain respects from, those described by the IRS in Revenue Ruling 2003-91 and other rulings in which it was determined that policy owners were not owners of the subaccount assets. It is possible that these differences could result in Policy owners being treated as the owners of the assets of the subaccounts under the Policies. We, therefore, reserve the right to modify the Policies as necessary to attempt to prevent the owners of the Policies from being considered the owners of a pro rata share of the assets of the subaccounts under the Policies. In addition, it is possible that if regulations or additional rulings are issued, the Policies may need to be modified to comply with them.

Tax Qualification

Your Policy will be treated as a life insurance contract under federal income tax law if it passes either one or the other of two tests — a cash value accumulation test or a guideline premium/cash value corridor test. At the time of issuance of the Policy, you choose which test you want to be applied. It may not

thereafter be changed. If you do not choose the test to be applied to your Policy, the Guideline Premium/Cash Value Corridor Test will be applied.

- Cash Value Accumulation Test — Under the terms of the Policy, the policy value may not at any time exceed the net single premium cost (at any such time) for the benefits promised under the Policy.
- Guideline Premium/Cash Value Corridor Test — The Policy must at all times satisfy a guideline premium requirement *and* a cash value corridor requirement. Under the *guideline premium requirement*, the sum of the premiums paid under the Policy may not at any time exceed the greater of the guideline single premium or the sum of the guideline level premiums, for the benefits promised under the Policy. Under the *cash value corridor requirement*, the death benefit at any time must be equal to or greater than the applicable percentage of policy value specified in the Code.

The Cash Value Accumulation Test does not limit the amount of premiums that may be paid under the Policy. If you desire to pay premiums in excess of those permitted under the Guideline Premium/Cash Value Corridor Test, you should consider electing to have your Policy qualify under the Cash Value Accumulation Test. However, any premium that would increase the net amount at risk is subject to evidence of insurability satisfactory to us. Required increases in the minimum death benefit due to growth in the policy value will generally be greater under the Cash Value Accumulation Test than under the Guideline Premium/Cash Value Corridor Test.

The Guideline Premium/Cash Value Corridor Test limits the amount of premium that may be paid under the Policy. If you do not desire to pay premiums in excess of those permitted under Guideline Premium/Cash Value Corridor Test limitations, you should consider electing to have your Policy qualify under the Guideline Premium/Cash Value Corridor Test.

Modified Endowment Contracts

The Code establishes a class of life insurance contracts designated as modified endowment contracts, which applies to Policies entered into or materially changed after June 20, 1988.

Due to the Policy's flexibility, classification as a modified endowment contract will depend on the individual circumstances of the Policy. In general, the Policy will be a modified endowment contract if the accumulated premiums paid at any time during the first seven policy years exceeds the sum of the net level premiums which would have been paid on or before such time if the Policy provided for paid-up future benefits after the payment of seven level annual premiums. The determination of whether a Policy will be a modified endowment contract after a material change generally depends upon the relationship of the death benefit and policy value at the time of such change and the additional premiums paid in the seven years following the material change. We will endeavor to notify you on a timely basis if we believe you have exceeded this limit and the Policy has become a modified endowment contract under the Code.

All Policies that we or our affiliate issue to the same owner during any calendar year, which are treated as modified endowment contracts, are treated as one modified endowment contract for purposes of determining the amount includable in gross income under Section 72(e) of the Code.

The rules relating to whether your Policy will be treated as a modified endowment contract are complex and make it impracticable to adequately describe in the limited confines of this summary. Therefore, you should consult with a competent adviser to determine whether the Policy transaction will cause the Policy to be treated as a modified endowment contract.

Policies classified as a modified endowment contract will be subject to the following tax rules. First, all distributions, including distributions upon surrender and partial withdrawals from the Policy are treated as ordinary income subject to tax up to the amount equal to the excess (if any) of the policy value immediately

before the distribution over the investment in the Policy (described below) at such time. Second, loans taken from or secured by, such a Policy are treated as distributions from such a Policy and taxed accordingly. Past due loan interest that is added to the loan amount will be treated as a loan. Third, a 10 percent additional income tax is imposed on the portion of any distribution from, or loan taken from or secured by such a Policy that is included in income except where the distribution or loan is made on or after the owner attains age 59 ¹/₂, is attributable to the owner's becoming disabled (as determined under the Code), or is part of a series of substantially equal periodic payments for the life (or life expectancy) of the owner or the joint lives (or joint life expectancies) of the owner and the owner's Beneficiary.

Policy Loan Interest

Generally, personal interest paid on a loan under a Policy which is owned by an individual is not deductible. In addition, interest on any loan under a Policy owned by a taxpayer and covering the life of any individual will generally not be tax deductible. The deduction of interest on policy loans may also be subject to the restrictions of Section 264 of the Code. An owner should consult a tax adviser before deducting any interest paid in respect of a policy loan.

Investment in the Policy

Investment in your Policy means: (i) the aggregate amount of any premiums or other consideration paid for a Policy, minus (ii) the aggregate amount received under the Policy which is excluded from gross income of the owner (except that the amount of any loan from, or secured by, a Policy that is a modified endowment contract, to the extent such amount is excluded from gross income, will be disregarded), plus (iii) the amount of any loan from, or secured by, a Policy that is a modified endowment contract to the extent that such amount is included in the gross income of the owner.

Disposition of the Policy

The disposition of your Policy will likely have federal income tax consequences. The amount and character of any gain or income recognized in connection with a disposition may vary, depending on the nature of the disposition, your investment in the contract, premiums paid, and other factors. You should consult your tax adviser prior to any disposition.

Tax Consequences of the Option to Extend Maturity Date

The option to extend maturity date that we offer allows the policy owner to extend the original maturity date. An extension of maturity could have adverse tax consequences, depending on the interpretation of applicable tax authorities, including potential constructive receipt of taxable income upon extension or potential failure of your policy to qualify as an insurance contract for tax purposes. Before you exercise your rights under this option, you should consult with a competent tax adviser regarding the possible tax consequences of an extension of maturity.

Income payments from Net Cash Surrender Value or Death Benefit Proceeds

Your policy contains provisions that allow for all or a portion of the net cash surrender value or death benefit to be paid in a series of installments. In addition, certain policies may have optional Riders that provide for installment benefits. These installments may be for a certain period of time, or may be payable based upon the life of one or more individuals.

Under the rules of Section 72 of the Code, each payment made will be comprised of two portions: A portion representing a return of the investment in the contract, and the remainder representing interest. The Exclusion Ratio as defined in Section 72(b) is used to determine what amount of each payment is excluded from tax reporting.

The calculation of the Exclusion ratio is based upon these two policy values as of the date the amount of the installment payment is being determined:

- The portion of the net cash surrender value or death benefit proceeds being applied to the installment benefit
- The investment in the contract.

The portion of each payment that is treated as a return of the investment in the contract is equal to the Exclusion Ratio multiplied by the payment amount. For installment payments that are based upon the life of one or more individuals, once the investment in the contract has been depleted any subsequent payment(s) would be treated as a return of interest and thus fully taxable.

Certain Information Reporting

Code section 6050Y requires information reporting for certain life insurance policy transactions. A return must be filed by every person who acquires a life insurance contract or any interest in a life insurance contract in a reportable policy sale. A reportable policy sale is generally the acquisition of an interest in a life insurance contract, directly or indirectly, if the acquirer has no substantial family, business, or financial relationship with the insured. The buyer must file the return required under Section 6050Y with the IRS and furnish copies of the return to the insurance company that issued the contract and the seller.

Other Tax Considerations

The transfer of your Policy or the designation of a beneficiary may have federal, state, and/or local transfer and inheritance tax consequences, including the imposition of gift, estate and generation-skipping transfer taxes. For example, the transfer of the Policy to, or the designation as beneficiary of, or the payment of proceeds to, a person who is assigned to a generation which is two or more generations below the generation of the owner, may have generation skipping transfer tax considerations under Section 2601 of the Code.

A 3.8% Medicare contribution tax generally applies to all or a portion of the net investment income of a taxpayer who is an individual and not a nonresident alien for federal income tax purposes and who has adjusted gross income (subject to certain adjustments) that exceeds a threshold amount (\$250,000 if married filing jointly or if considered a “surviving spouse” for federal income tax purposes, \$125,000 if married filing separately, and \$200,000 in other cases). For these purposes, amounts received under annuities or life insurance contracts that are includable in gross income are generally considered net investment income.

The individual situation of each owner or beneficiary will determine the extent, if any, to which federal, state and local transfer taxes may be imposed. Consult with your tax adviser for specific information in connection with these taxes.

The foregoing is a summary of the federal income (and, where noted, non-income) tax considerations associated with the Policy and does not purport to cover all possible situations. The summary is based on our understanding of the present federal income tax laws as they are currently interpreted by the IRS. The summary is not intended as tax advice. No representation is made as to the likelihood of continuation of the present federal income tax laws or of the current interpretations by the IRS.

Are There Other Charges That Penn Mutual Could Deduct in the Future?

We currently make no charge against policy values to pay federal income taxes on investment gains. However, we reserve the right to do so in the event there is a change in the tax laws. We currently do not expect that any such charge will be necessary.

Under current laws, we may incur state and local taxes (in addition to premium taxes) in several states. At present, these taxes are not significant. If there is a material change in applicable state or local tax laws, we reserve the right to make such deductions for such taxes.

How Do I Communicate With Penn Mutual?

General Rules

You may mail all checks for premium payments to The Penn Mutual Life Insurance Company, Payment Processing Center, P.O. Box 7460, Philadelphia, Pennsylvania, 19101-7460, or express all checks to The Penn Mutual Life Insurance Company, Payment Processing Center, ATTN: L/B 7460, 312 West Route 38, Moorestown, New Jersey 08057.

Certain requests pertaining to your Policy must be made in writing and be signed and dated by you. They include the following:

- policy loans in excess of \$50,000, partial withdrawals in excess of \$10,000, and surrenders;
- change of death benefit option; rate class; addition/removal of riders;
- changes in Specified Amount of insurance;
- change of beneficiary;
- election of payment option for policy proceeds; and
- tax withholding elections.

You should mail these requests to our office, P.O. Box 178, Philadelphia, Pennsylvania, 19105-0178 or express/overnight to 600 Dresher Road, Horsham, Pennsylvania 19044. You should also send notice of the insured person's death and related documentation to our office. Communications are not treated as "received" until such time as they have arrived at our office in proper form. Any communication that arrives after the close of our business day, or on a day that is not a business day, will be considered "received" by us on the next following business day. Our business day currently ends at 4:00 p.m. Eastern Time, but special circumstances (such as suspension of trading on a major exchange) may dictate an earlier closing time. In order to receive a day's closing price, instructions sent by facsimile transmission must be received by our fax server prior to the close of regular trading on the New York Stock Exchange on that day (generally 4:00 pm Eastern time).

We have special forms that must be used for a number of the requests mentioned above. You can obtain these forms from your Penn Mutual representative or by calling our office at 800-523-0650 (or 855-466-7393 for New York policy owners). Each communication to us must include your name, your policy number and the name of the insured person. We cannot process any request that does not include this required information.

Telephone Transactions

You or the finance professional of record (pursuant to your instructions) may request transfers among Variable Investment Options and Fixed Account Options and may change allocations of future premium payments by calling our office. In addition, if you complete a special authorization form, you may authorize a third person, other than the financial professional of record, to act on your behalf in giving us telephone transfer instructions. We require certain identifying information to process a telephone transfer. We will not be liable for following transfer instructions, including instructions from the finance professional of record, communicated by telephone that we reasonably believe to be genuine. In certain circumstances, such as periods of market volatility, severe weather, and emergencies, you may experience difficulty providing

transaction instructions by telephone. We do not guarantee that we will be able to accept transaction instructions via telephone at all times. We also reserve the right to suspend or terminate the privilege altogether at any time.

What Is the Timing of Transactions Under the Policy?

Planned premium payments and unplanned premium payments which do not require evaluation of additional insurance risk will be credited to the Policy and the net premium will be allocated to the Variable Investment Options based on values at the end of the valuation period in which we receive the payment. A valuation period is the same as the valuation period of the shares of the Funds held in the Variable Investment Options. Loan, partial withdrawal and surrender transactions will be based on values at the end of the valuation period in which we receive all required instructions and necessary documentation. In order to receive a day's closing price, instructions sent by facsimile transmission must be received by our fax server prior to the close of regular trading on the New York Stock Exchange on that day (generally 4:00 pm Eastern time). Telephone instructions must be received in full, containing all required information and confirmed back to the caller prior to the close of regular trading in order to receive that day's closing price. Death benefits will be based on values as of the date of death.

We will ordinarily pay the death benefit, loan proceeds and partial withdrawal or surrender proceeds, within seven days after receipt at our office of all the documents required for completion of the transaction.

We may defer making a payment from a Variable Investment Option if (1) the disposal or valuation of the Separate Account's assets is not reasonably practicable because the New York Stock Exchange is closed for other than a regular holiday or weekend, trading is restricted by the Commission, or the Commission declares that an emergency exists; or (2) the Commission by order permits postponement of payment to protect our policy owners.

We may also defer making a payment from a Fixed Account Option for up to six months from the date we receive the written request. However, we will not defer payment of a partial withdrawal or policy loan requested to pay a premium due on a Penn Mutual Policy. If a payment from a Fixed Account Option is deferred for 30 days or more, it will bear interest at a rate of 2% per year compounded annually while it is deferred.

How Does Penn Mutual Communicate With Me?

At least once each year we will send a report to you showing your current policy values, premiums paid and deductions made since the last report, any outstanding policy loans, and any additional premiums permitted under your Policy. We will also send to you an annual and a semi-annual report for each Fund underlying a subaccount to which you have allocated your policy value, as required by the 1940 Act. In addition, when you pay premiums, or if you borrow money under your Policy, transfer amounts among the Variable Investment Options and Fixed Account Options or make partial withdrawals, we will send a written confirmation to you. Information on Dollar Cost Averaging, Automatic Asset Rebalancing, and pre-authorized check payments will be confirmed on a quarterly statement.

Do I Have the Right to Cancel the Policy?

You have the right to cancel your Policy within 10 days after you receive it (or longer in some states). This is referred to as the free look period. To cancel your Policy, simply deliver or mail the Policy to our office or to our representative who delivered the Policy to you.

In most states, you will receive a refund of your policy value as of the date of cancellation plus the premium charge and the monthly deductions. The date of cancellation will be the date we receive the Policy.

In some states, you will receive a refund of any premiums you have paid. In these states money held under your Policy will be allocated to the Penn Series Money Market investment option during the free look

period. At the end of the period, the money will be transferred to the Variable Investment Options and Fixed Account Options you have chosen.

THE PENN MUTUAL LIFE INSURANCE COMPANY

The Penn Mutual Life Insurance Company is a Pennsylvania mutual life insurance company, chartered in 1847. We are licensed to sell life insurance and annuities in the District of Columbia and all states except New York, and are located at 600 Dresher Road, Horsham, Pennsylvania 19044. Our mailing address is The Penn Mutual Life Insurance Company, PO Box 178, Philadelphia, Pennsylvania 19105.

We issue and are liable for all benefits and payments under the Policy.

PENN MUTUAL VARIABLE LIFE ACCOUNT I

We established Penn Mutual Variable Life Account I as a separate investment account under Pennsylvania law on January 27, 1987. The Separate Account is registered with the Commission as a unit investment trust under the Investment Company Act of 1940 (the "1940 Act") and qualifies as a "separate account" within the meaning of the federal securities laws.

Net premiums received under the Policy and under other variable life insurance policies are allocated to the Variable Investment Options for investment in the Funds. They are allocated in accordance with instructions from policy owners.

Income, gains and losses, realized or unrealized, in a subaccount are credited or charged without regard to any other income, gains or losses of Penn Mutual. Assets equal to the reserves and other contract liabilities with respect to the investments held in each subaccount are not chargeable with liabilities arising out of any other business or account of Penn Mutual. If the assets exceed the required reserves and other liabilities, we may transfer the excess to our general account. We are obligated to pay all benefits provided under the Policies.

We reserve the right to add, combine or remove any Variable Investment Options when permitted by law. We retain the right, subject to any applicable law, to make substitutions with respect to the underlying Funds of the Variable Investment Options. If investment in shares of a Fund should no longer be possible or, if in our judgment, becomes inappropriate to the purposes of the Policies, or, if in our judgment, investment in another fund is in the interest of owners, we may substitute another fund. No substitution may take place without notice to owners and prior approval of the Commission and insurance regulatory authorities, to the extent required by the 1940 Act and applicable law.

In the event of a Fund merger, any future premium payments will be allocated to the successor or acquiring Fund. In the event of the liquidation of a Fund, you will be required to provide a new allocation to one of the available accounts for future premium payments.

VOTING SHARES OF THE INVESTMENT FUNDS

You have the right to tell us how to vote proxies for the Fund shares to which your policy value is allocated. If the law changes and permits us to vote the Fund shares, we may do so.

If you are a policy owner, we determine the number of full and fractional Fund shares that you may vote by dividing the portion of the owner's policy value allocated to the Separate Account by the net asset value of one share of the applicable Fund. Fractional votes will be counted. We may change these procedures whenever we are required or permitted to do so by law.

Penn Mutual will vote the shares held in the Separate Account in accordance with voting instructions received from policy owners and other persons entitled to provide voting instructions. Fund shares for which policy owners and other persons entitled to vote have not provided voting instructions and shares owned by

Penn Mutual in its general and unregistered separate accounts will be voted in proportion to the shares for which voting instructions have been received. Under state insurance law and federal regulations, there are certain circumstances under which Penn Mutual may vote other than as instructed by policy owners and other persons entitled to vote. In such cases, the policy owners and such other persons entitled to vote will be advised of that action in the next Fund shareholder report. The effect of this proportional voting is that a small number of policy owners can determine the outcome of a vote.

OTHER INFORMATION

Information Systems, Technology Disruption and Cyber Security Risks

We rely heavily on interconnected computer systems and digital data to conduct contract activity. As such, contract activity is highly dependent upon the effective operation of internal computer systems and those of our service providers. All systems are vulnerable to disruptions as the result of natural disasters, man-made disasters, criminal activity, pandemics, utility outages and other events beyond our control and are susceptible to operational and information security risks resulting from information systems failure, including hardware and software malfunctions and cyber-attacks. Cyberattacks may interfere with contract transaction processing, or cause the release and/or destruction of contract owner or business information including the securities in which the underlying funds invest, which may cause the underlying funds to lose value. There can be no assurance that we, the underlying funds or our service providers will avoid losses affecting contracts that result from cyber-attacks or information security breaches in the future. These risks also apply to other insurance and financial services companies and businesses.

Information System, Technology Disruption and Cyber Security Policy

We have established policies, standards, procedures and practices to limit the effect of business interruptions and protect the confidentiality, integrity, availability and privacy of contract owner information. Safeguards are maintained to reasonably protect our systems and information against anticipated threats or hazards. Controls have been implemented to safeguard data in transit, at rest, and to restrict access to contract owner data including, but not limited to, antivirus and anti-malware software, periodic vulnerability assessments and penetration tests, and, comprehensive business continuity planning.

Abandoned Property

Every state has unclaimed property laws that generally provide for escheatment to the state of unclaimed property (including escheatment of annuity, life, and other insurance policies) under various circumstances. In addition to the state unclaimed property law, we may be required to escheat property pursuant to regulatory demand, finding, agreement or settlement. To help prevent such escheatment it is important that you keep your contract and other information on file with us up to date, including the names, contact and identifying information for owners, insureds, annuitants, beneficiaries and other payees.

Anti-Money Laundering

Federal laws designed to counter terrorism and prevent money laundering by criminals might in certain circumstances require us to take action, including but not limited to, rejecting a premium payment or “freezing” an owner’s account. If these laws apply in a particular situation, absent instructions from the appropriate federal regulator, we would not be allowed to pay any request for surrenders (either full or partial), pay death benefits, continue making payments, or perform money movement requests, including transfers. We may also be required to provide information about you and your Policy to government agencies or departments.

Legal Proceedings

We, like other life insurance companies, are subject to regulatory and legal proceedings, including lawsuits, in the ordinary course of our business. Such legal and regulatory matters include proceedings

specific to us and other proceedings generally applicable to business practices in the industry in which we operate. In some lawsuits and regulatory proceedings involving insurers, substantial damages have been sought and/or material settlement payments have been made. Although the outcome of any litigation or regulatory proceeding cannot be predicted with certainty, at the present time, we believe that there are no pending or threatened proceedings or lawsuits that are likely to have a material adverse impact on the separate account, on the principal underwriter's ability to perform under its principal underwriting agreement, or on our ability to meet our obligations under the policy.

DISTRIBUTION ARRANGEMENTS

Penn Mutual has a distribution agreement with Hornor, Townsend & Kent, LLC ("HTK") to act as principal underwriter for the distribution and sale of the Policies. HTK is affiliated with Penn Mutual and is located at 600 Dresher Road, suite C1C, in Horsham, Pennsylvania, 19044. HTK sells the Policies through its sales representatives. HTK has also entered into selling agreements with other broker-dealers who in turn sell the Policies through their sales representatives. HTK is registered as a broker-dealer with the Commission under the Securities Exchange Act of 1934, as well as with the securities commissions in the states in which it operates, and is a member of the Financial Industry Regulatory Authority ("FINRA").

Penn Mutual enters into selling agreements with HTK and other broker-dealers whose financial professionals are authorized by state insurance and securities departments to solicit applications for the Policies. Sales and renewal compensation are paid to these broker-dealers for soliciting applications as premium-based commission, asset-based commission (sometimes referred to as "trails" or "residuals"), or a combination of the two. Financial professionals may choose between the following commission structures:

- Financial professionals may be paid commissions on a Policy they sell based on premiums paid in amounts up to 53.5% of first year premiums of sales, 3% on premiums paid during the second through fifteenth policy years, and 1.2% on premiums paid after the first fifteen policy years. In lieu of the renewal commissions just described, financial professionals can opt to receive 2% of premiums paid during the second through tenth policy years, 0% of the premiums paid after the first ten policy years, and an asset-based commission equivalent to an annualized rate of 0.20% of net policy value during the second through tenth policy years, and 0.10% of net policy value after the first ten policy years.
- Financial professionals may be paid commissions on a Policy they sell based on premiums paid in amounts up to 15% of premiums of sales in the first through fifth policy years, 3% on premiums paid during the sixth through fifteenth policy years, and 1.2% on premiums paid after the first fifteen policy years. Alternatively, financial professionals may opt to be paid commissions on a Policy they sell based on premiums paid in amounts up to 11% of premiums of sales in the first through fifth policy years, 2% of premiums paid during the sixth through tenth policy years, 0% of the premiums paid after the first ten policy years, and an asset-based commission equivalent to an annualized rate of 0.45% of net policy value during the second through tenth policy years, and 0.10% of net policy value after the first ten policy years.

In addition to or partially in lieu of commission, Penn Mutual may also make override payments and pay expense allowances and reimbursements, bonuses, wholesaler fees, and training and marketing allowances. Such payments may offset broker-dealer expenses in connection with activities they are required to perform, such as educating personnel and maintaining records. Financial professionals may also receive non-cash compensation such as expense-paid educational or training seminars involving travel within and outside the U.S. or promotional merchandise.

Such additional compensation may give Penn Mutual greater access to financial professionals of the broker-dealers that receive such compensation. While this greater access provides the opportunity for training and other educational programs so that your financial professional may serve you better, this additional compensation may provide Penn Mutual access to marketing benefits such as website placement,

access to financial professional lists, extra marketing assistance, or other heightened visibility and access to the broker-dealer's sales force that otherwise influences the way that the broker-dealer and the financial professional market the Policies.

Finally, within certain limits imposed by FINRA, financial professionals who are associated with HTK, as a Penn Mutual broker-dealer affiliate, may qualify for sales incentive programs and other benefits sponsored by Penn Mutual. These HTK financial professionals are also financial professionals of Penn Mutual and upon achievement of specified annual sales goals may be eligible for compensation in addition to the amounts stated above, including bonuses, fringe benefits, financing arrangements, conferences, trips, prizes and awards.

All of the compensation described in this section, and other compensation or benefits provided by Penn Mutual or its affiliates, may be more or less than the overall compensation on similar or other products and may influence your financial professional or broker-dealer to present this Policy rather than other investment options.

Individual financial professionals typically receive a portion of the compensation that is paid to the broker-dealer in connection with the Policy, depending on the agreement between the financial professional and their broker-dealer firm. Penn Mutual is not involved in determining that compensation arrangement, which may present its own incentives or conflicts. You may ask your financial professional how he/she will be compensated for the transaction.

EXPERTS

PricewaterhouseCoopers LLP serves as independent registered public accounting firm for Penn Mutual and the Separate Account.

LEGAL MATTERS

Morgan, Lewis & Bockius LLP of Washington, D.C. has provided advice on certain matters relating to the federal securities laws and the offering of the Policies.

FINANCIAL STATEMENTS

The financial statements of the Separate Account and the consolidated financial statements of Penn Mutual appear in the Statement of Additional Information, which may be obtained from The Penn Mutual Life Insurance Company as described on the last page of this Prospectus. The consolidated financial statements of Penn Mutual should be distinguished from any financial statements of the Separate Account and should be considered only as bearing upon Penn Mutual's ability to meet its obligations under the Policies.

APPENDIX A

Fixed Account Options and Indexed Loans

Premium payments allocated and policy value transferred to the Fixed Account become part of Penn Mutual's general account. Interests in the general account have not been registered under the Securities Act of 1933, nor is the general account registered as an investment company under the 1940 Act. Accordingly, neither the general account nor any interests therein are generally subject to the provisions of the 1933 and 1940 Acts. Disclosures regarding the fixed accounts, however, are subject generally to applicable provisions of federal securities laws relating to the accuracy and completeness of statements made in the Prospectus.

Penn Mutual believes that the Indexed Fixed Accounts are in substantial compliance with the conditions set forth in Section 989J(a)(1)-(3) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Indexed Fixed Accounts qualify for an exemption from registration under the federal securities laws because, as a Penn Mutual general account option, the value does not vary according to the performance of a separate account. In addition, the products in which the Indexed Fixed Accounts are offered satisfy standard nonforfeiture laws applicable to life insurance. Accordingly, Penn Mutual has a reasonable basis for concluding that the indexed interest options provide sufficient guarantees of principal and interest through Penn Mutual's general account to qualify under Section 3(a)(8) of the Securities Act of 1933.

The Policy allows you to allocate your policy value to the Fixed Account, which is comprised of four distinct accounts consisting of the Traditional Fixed Account, the Indexed Fixed Accounts, the Holding Fixed Accounts, and the Fixed Dollar Cost Averaging Account. As described in the relevant sections of the prospectus, policy value allocated to the Fixed Account in most respects is treated in the same manner as policy value allocated to the Variable Investment Options.

Amounts that you allocate to the Traditional Fixed Account will earn interest at a rate we declare from time to time. We guarantee that this rate will be at least 2%. Amounts intended to be allocated to the Indexed Fixed Accounts on dates other than a monthly policy anniversary will be allocated to a Holding Fixed Account which will earn interest at a rate that we declare from time to time. We guarantee that this rate will be at least 1%. On the subsequent monthly policy anniversary after the allocation to the Holding Fixed Account, amounts in this account will be allocated to the Indexed Fixed Accounts.

You may allocate premium payments and policy value to each of three Indexed Fixed Accounts:

- Classic 1% Floor S&P 500 Indexed Account
- Enhanced S&P 500 Indexed Account
- Uncapped S&P 500 Indexed Account

Each of the Indexed Fixed Accounts is comprised of different Segments, generally of one year in duration. Segments created on the Policy's first monthly anniversary, however, will have a Segment Duration of eleven months and will mature on the first policy anniversary. During a Segment, amounts held in an Indexed Fixed Account earn Index Credits based on the performance of the S&P 500 Index. Each Segment is subject to a guaranteed minimum interest rate.

The Classic 1% Floor and Enhanced S&P 500 Indexed Accounts are subject to a cap (maximum percentage) on the interest they can earn. The cap is the highest percentage which will be used in the index credit calculation, even if the change in value of the S&P 500 Index is higher. The Uncapped S&P 500 Indexed Account has no guaranteed cap percentage, meaning that there will be no limit on the amount of interest credited based on the performance of the S&P 500 Index. Instead it is subject to a Participation Rate which may limit or enhance the index performance credited to the segment.

The current caps and participation rates are subject to change at the Company's discretion, but will never be less than the guaranteed cap and participation percentages shown in the table below. The current caps

and participation rates will not change for a particular segment once the segment begins. The initial caps and participation rates can be found in your policy illustration. You can obtain information on changes in the current caps and participation rates by contacting your Penn Mutual representative or by contacting our office.

The Enhanced S&P 500 Indexed Account also provides an Index Credit Enhancement. At the maturity date of a Segment, the Index Credit Enhancement is equal to the Monthly Average Segment Value multiplied by the index performance, multiplied by the Index Credit Enhancement Percentage. The Index Performance is the point to point growth in the S&P 500 Index during the segment with a floor at the Segment Minimum Interest Rate and a ceiling at the Cap Percentage. The Index Credit Enhancement is then paid and added to the policy value.

Indexed Fixed Account	Guaranteed Participation Percentage	Guaranteed Cap Percentage	Guaranteed Segment Minimum Interest Rate	Guaranteed Index Credit Enhancement	Guaranteed Monthly Asset Charge Percentage
Classic 1% Floor S&P 500 Indexed Account	100%	3%	1%	N/A	N/A
Enhanced S&P 500 Indexed Account	100%	3%	0%	50%	0.20833% (annual rate 2.5%)
Uncapped S&P 500 Indexed Account	50%	N/A	0%	N/A	0.20833% (annual rate 2.5%)

An asset charge will be deducted monthly from the Segment Value of the Enhanced and Uncapped S&P 500 Indexed Accounts. The asset charge is based on the policy value of the applicable segment (the Segment Value). This charge is assessed to help cover administrative and other expenses, including but not limited to the cost of hedging, associated with making available these fixed accounts that have a potential for higher interest credits through the index parameters (caps, participation rates and the index credit enhancement). The asset charge could cause the policy value to decrease, even if the S&P 500 experiences positive growth.

Segments can be funded by premium payments, transfers from another account, or amounts retained from prior Segments due to a Segment Maturity. Segments are created on Segment Dates, which are monthly policy anniversaries. We will allocate funds from a maturing segment according to any instructions you have provided. If we have no instructions on file, all maturing funds will move to a new segment within the same Indexed Fixed Account. If the policy is within one year of the policy's maturity date, no new segments will be created and funds will move to the traditional fixed account.

Amounts intended for an Indexed Fixed Account can only be allocated into these accounts on a monthly policy anniversary. Premiums paid on a date other than a monthly policy anniversary will be placed into a Holding Fixed Account, where interest will be credited until the next monthly policy anniversary. At that time, the amounts in this account will be automatically transferred into the Indexed Fixed Accounts. When amounts are allocated to an Indexed Fixed Account, a Segment is created for that allocation (generally with a Segment Duration equal to one year).

Amounts may be transferred out of the Indexed Fixed Account only on a segment maturity date, which as described above, is generally the one year anniversary of the segment creation. In allocating amounts to the Indexed Fixed Accounts, you should understand that you will be unable to re-allocate your assets and transfer out of the Indexed Fixed Account for a one-year period.

The "Index Performance" is equal to the growth in the S&P 500 Index (without dividends) during the Segment multiplied by the participation percentage with a floor equal to the guaranteed Segment minimum interest rate and, if applicable, a ceiling at the cap percentage. On the segment maturity date, an Index Credit is calculated and applied to the policy value of the segment.

Below are examples of how the Index Credits works.
Initial Segment Value = \$1,000 (no deductions assumed)

Classic 1% Floor S&P 500 Indexed Account

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total Growth</u>
Index Return	21%	-10%	8%	14%	-7%	24.7%
Cap Percentage	10.0%	9.5%	9.5%	10.0%	10.0%	
Index Performance	10%	1%	8%	10%	1%	
Annual Index Credits	\$ 100	\$ 11	\$ 89	\$ 120	\$ 13	
Ending Segment Value	\$1,100	\$1,111	\$1,200	\$1,320	\$1,333	33.3%

Enhanced S&P 500 Indexed Account (Indexed Credit Enhancement = 50%, Annualized Asset Charge = 2.5%)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total Growth</u>
Index Return	21%	-10%	8%	14%	-7%	24.7%
Cap Percentage	12.5%	12.0%	12.0%	12.5%	12.5%	
Index Performance	12.5%	0%	8%	12.5%	0%	
Annual Index Credits	\$ 125	\$ 0	\$ 91	\$ 155	\$ 0	
Index Credit Enhancement	\$ 63	\$ 0	\$ 45	\$ 78	\$ 0	
Asset Charge	\$ 25	\$ 29	\$ 28	\$ 31	\$ 36	
Ending Segment Value	\$1,163	\$1,133	\$1,241	\$1,443	\$1,407	40.7%

Uncapped S&P 500 Indexed Account (Annualized Asset Charge = 2.5%)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total Growth</u>
Index Return	21%	-10%	8%	14%	-7%	24.7%
Participation Percentage	105%	100%	100%	105%	105%	
Index Performance	22.1%	0%	8%	14.7%	0%	
Annual Index Credits	\$ 221	\$ 0	\$ 93	\$ 181	\$ 0	
Asset Charge	\$ 25	\$ 30	\$ 29	\$ 31	\$ 34	
Ending Segment Value	\$1,196	\$1,166	\$1,230	\$1,380	\$1,345	34.5%

Partial withdrawals and loans will be credited the guaranteed Segment minimum interest rate for the part of the year the amount is in the account before it is withdrawn. Index credits and index credit enhancements (if applicable) are applied to the average of the monthly segment values for the full segment and therefore partial withdrawals and loans will receive a proportional amount of index credits and index credit enhancements for the time the amount is in the account before it is withdrawn.

Below is an example of how partial withdrawals and loans work.

- Starting segment value: 10,000
- Guaranteed Segment Minimum Interest Rate: 1%
- Index Performance: 10%
- Partial withdrawal of 500.00 at the beginning of month 6

<u>Policy Month</u>	<u>Withdrawals</u>	<u>Monthly Deductions</u>	<u>Monthly Anniversary Segment Value</u>	<u>Interest Credited*</u>	<u>End of Month Segment Value</u>
0					10,000.00**
1		9.77	9,990.23	8.29	9,998.52
2		9.77	9,988.75	8.29	9,997.03
3		9.78	9,987.25	8.28	9,995.54
4		9.78	9,985.76	8.28	9,994.04
5		9.78	9,984.26	8.28	9,992.54
6	500	9.82	9,482.72	7.87	9,490.59
7		9.82	9,480.77	7.86	9,488.63
8		9.82	9,478.81	7.86	9,486.68
9		9.83	9,476.85	7.86	9,484.71
10		9.83	9,474.88	7.86	9,482.74
11		9.83	9,472.91	7.86	9,480.77
12		9.84	9,470.93	7.86	9,478.78

* Interest paid at the monthly equivalent of the segment minimum interest rate of 1%.

** \$10,000 is the value at the start of the segment.

Total Interest Credited = \$96.45

Monthly average segment value = \$9,689.51

S&P 500 Value at the start of the Segment = 2,500.00

S&P 500 Value at the end of the Segment = 2,750.00

Index Performance = $2750/2500 - 1 = 10\%$

Index credit = $(10\% - 1\%) \times \$9,689.51 = \872.06

Total interest credited at end of segment = \$968.51 (Interest credited at minimum rate + Index credit)

If the S&P 500 Index substantially changes the manner in which it is calculated we may adjust the formula that is used when determining the Index Credit, if any, to be consistent with the original calculation methodology. If the publication of the Index is discontinued, or if in our sole discretion we determine that the Index should no longer be used, a similar Index may be substituted. You will be notified of any change of Index.

The manner in which the interest earnings are calculated on policy value allocated to an Indexed Fixed Account is very different from the manner in which appreciation or depreciation is calculated on policy value which is allocated to the subaccount of the Separate Account which invests in shares of the Index 500 Fund. Policy values allocated to the Index 500 Fund subaccount are valued daily based on the net asset value of the Index 500 Fund. The change in the Fund's net asset value is fully reflected in the performance of the Index 500 Fund subaccount. The Company does not guarantee any minimum level of performance for the subaccount nor does it set a cap on the performance of the subaccount. The owner of the Policy bears all of the investment risk of allocating policy value into the Index 500 Fund subaccount.

In contrast, an Indexed Fixed Account is part of the Company's general account. Subject to applicable law and regulation, investment of general account assets is at the sole discretion of the Company. The crediting strategy of an Indexed Fixed Account is linked to the performance of the S&P 500 Index (without dividends). It is a one-year point-to-point crediting strategy that will credit interest based on the one-year performance of the S&P 500 (without dividends) between two points in time, with an annual floor and, if applicable, a cap or participation percentage, as described above in detail. You should be aware that, because the Company relies on a single point in time to calculate index interest, an owner might not receive any index credits or may receive the minimum rate, even if the S&P 500 Index has experienced gains throughout most or some of the Segment term.

As long as you do not have a Traditional Loan outstanding, you may take an Indexed Loan. You may borrow up to 99% of your cash surrender value and the minimum amount you may borrow is \$250.00.

When an Indexed Loan is taken, an amount equal to the amount of the loan will be withdrawn from the Variable Investment Options, Traditional Fixed Account, Holding Fixed Accounts, and Indexed Fixed Accounts on a pro-rata basis. Amounts withdrawn from the investment options cease to participate in the investment experience of the Variable Investment Options. Amounts withdrawn from the Fixed Account Options cease to participate in the crediting strategies offered in the Fixed Account. The amount is placed in the Holding Fixed Account and then will be transferred to the Indexed Loan Account on the next monthly policy anniversary. Interest on Indexed Loans will be charged at a rate of 6.0% and is payable at the end of each policy year. If interest is not paid when due, it is added to the loan. The collateral under the Indexed Loan option remains in the Segment of the Indexed Loan Account and is credited interest. The credited interest rate during any Segment will be between 1% (the guaranteed Segment minimum interest rate) and the cap percentage on the Indexed Loan Account for a particular year. The guaranteed cap percentage for the Indexed Loan Account is 3%. The Indexed Loan Account is separate from the indexed fixed accounts but the interest is calculated in the same manner. You may contact your Penn Mutual representative or contact our office for information regarding the current Cap Percentage applicable to the Indexed Loan Account. You might choose an Indexed Loan if you prefer that the collateral for your loan earn interest at a rate based on the performance of the S&P 500, with a minimum rate guaranteed if held for the full Segment Duration, instead of the fixed rate earned on the collateral held for a Traditional Loan. However, please note that amounts in the traditional loan account will never be charged a net interest charge more than 1%, but amounts in the indexed loan account may be charged a net interest charge up to 5%.

You may repay all or part of a loan at any time. Any repayment of Policy Debt will be allocated pro-rata across all Indexed Loan Account Segments. The repayment amount in each Indexed Loan Account Segment is part of the Indexed Loan Account Segment Value. Therefore, a loan repayment will not affect the index credit calculation of the Loan Account segment. On Segment Maturity this amount of the Indexed Loan Account Segment Value is allocated to the subaccounts of the Separate Account, the Traditional Fixed Account and Indexed Fixed Accounts on a pro-rata basis in proportion to the current value of each account.

STATEMENT OF ADDITIONAL INFORMATION

A free copy of the Statement of Additional Information (“SAI”), dated May 1, 2021, which includes financial statements of Penn Mutual and the Separate Account, and additional information on Penn Mutual, the Separate Account and the Policy, may be obtained from The Penn Mutual Life Insurance Company at the address specified below or visit our website at www.pennmutual.com. The SAI is incorporated by reference into this prospectus and, therefore, legally forms a part of this Prospectus.

Customer Service Address	Customer Service Address for New York Owners
The Penn Mutual Life Insurance Company PO Box 178 Philadelphia, PA 19105 Toll free number: 1-855-523-0650	The Penn Mutual Life Insurance Company PO Box 170 Philadelphia, PA 19105-0170 Toll free number: 1-855-446-7393

In addition, you can also request, free of charge, a personalized illustration of death benefits, cash surrender values and cash values by contacting our Customer Service Group at the address and telephone number above.

Reports and other information about the Penn Mutual Variable Life Account I, including the SAI, may be obtained from the EDGAR Database on the Commission’s Internet site at <http://www.sec.gov>, and copies of this information also may be obtained, after paying a duplicating fee, by emailing the Commission at publicinfo@sec.gov.

THE PENN MUTUAL
LIFE INSURANCE COMPANY

About The Penn Mutual Life Insurance Company

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

Visit Penn Mutual at www.pennmutual.com.

