SUPPLEMENT DATED NOVEMBER 1, 2021
TO THE PROSPECTUS DATED MAY 1, 2021
FOR SMART FOUNDATION VARIABLE ANNUITIES
ISSUED BY
THE PENN MUTUAL LIFE INSURANCE COMPANY
AND FUNDED THROUGH
PENN MUTUAL VARIABLE ANNUITY ACCOUNT III
THE PENN MUTUAL LIFE INSURANCE COMPANY
P.O. Box 178, PHILADELPHIA, PA 19105
800-523-0650
IMPORTANT NOTICE

The purpose of this supplement is to inform you of a new optional living benefit rider, the Guaranteed Minimum Accumulation Benefit II Rider, that will be offered on or after November 1, 2021, subject to availability. The existing Guaranteed Minimum Accumulation Benefit Rider will no longer be offered on new contracts effective November 1, 2021. This supplement must be preceded or accompanied by the Prospectus for your Contract, as supplemented. All information in your prospectus dated May 1, 2021, remains in effect unless otherwise supplemented. Capitalized terms used in this supplement are defined in the Prospectus unless otherwise defined herein.

Optional Benefits Definitions

Effective November 1, 2021, the following definitions are added to the "Optional Benefits Definitions" on page 12 of the Prospectus:

Accumulation Benefit Base*:* The amount used to determine the minimum value available at the end of the Accumulation Benefit Period under the Guaranteed Minimum Accumulation Benefit II Rider.

Accumulation Benefit Percentage: A percentage used to determine the minimum value available at the end of the Accumulation Benefit Period under the Guaranteed Minimum Accumulation Benefit II Rider, which varies depending on the Accumulation Benefit Period selected.

Accumulation Benefit Period: Depending on the available option selected, a period of time of either 5, 7 or 9 years.

Guaranteed Minimum Accumulation Benefit Amount: The guaranteed minimum amount which will be available as your Contract Value at the end of the Accumulation Benefit Period if you elect to add the Guaranteed Minimum Accumulation Benefit II Rider optional benefit to your Contract.

Reset Benefit: A benefit available under the Guaranteed Minimum Accumulation Benefit II Rider, which allows a Contract Owner to reset the Accumulation Benefit Base as the current Contract Value as of any Contract Anniversary and start a new Accumulation Benefit Period.

Reset Benefit Date: Any Contract Anniversary on which a Reset Benefit has been elected under an effective Guaranteed Minimum Accumulation Benefit II Rider.

Fee Tables

Effective November 1, 2021, the Fee Tables on page 16 of the Prospectus are amended to add the following information regarding the Guaranteed Minimum Accumulation Benefit II Rider charge:

Maximum Rider Charges Available on Smart Foundation Prime and Smart Foundation Plus (may vary by state):

Guaranteed Minimum Accumulation Benefit II	1.50%*

* The current annual charge for the Guaranteed Minimum Accumulation Benefit II is 0.90%. Upon renewal of the Guaranteed Minimum Accumulation Benefit II or if a Reset Benefit is elected, the Rider Charge may be increased, but by no more than the maximum Rider charge increase of 0.30%. The Rider charge may not be increased

beyond the maximum of 1.50%. The charge is expressed as an annual percentage; it will be assessed on the Accumulation Benefit Base and will be deducted from the Contract Value on a quarterly basis. The Rider is only available at issue on newly purchased contracts and is therefore not available on contracts no longer being offered such as the Smart Foundation Flex Variable Annuity contract.

Periodic Charges

Effective November 1, 2021, "Periodic Charges" in Section 3.2 of the Prospectus is hereby amended to add the following information regarding the Guaranteed Minimum Accumulation Benefit II Rider charge:

Guaranteed Minimum Accumulation Benefit II

Current Rider Charge	Maximum Rider Charge	Maximum Rider Charge Increase
0.90%	1.50%	0.30%

The Rider Charge is a percentage of the Accumulation Benefit Base and will be deducted from Contract Value each Contract Year on a quarterly basis. The Accumulation Benefit Base used in the calculation is the average monthly benefit base over the quarter. One fourth of the annual Rider Charge will be multiplied by the average monthly benefit base over the Contract Year quarter and this amount will be deducted on the last day of the quarter.

Upon renewal of the Guaranteed Minimum Accumulation Benefit II or if a Reset Benefit is elected, the Rider Charge may be increased, but by no more than the maximum Rider charge increase of 0.30%.

The Rider Charge will be deducted from the Subaccounts pro-rata, based on the Subaccount allocation at the time of deduction.

Upon surrender of the Contract or payment of the death benefit, the Company will reduce the Contract Value or death benefit payment by the amount of any accrued Rider Charges and any applicable Surrender Charge. The Company will not impose the Rider Charge upon Annuitization.

Optional Benefits

Effective November 1, 2021, "Optional Benefits" in Section 7.1 of the Prospectus is hereby amended to add the following information regarding the Guaranteed Minimum Accumulation Benefit II:

Guaranteed Minimum Accumulation Benefit II
Provides a guaranteed minimum Contract Value
Provides a guaranteed minimum Contract Value at the end of the benefit period selected with the possibility of resetting and extending the benefit period periodically.
May be purchased for both single life and joint life annuity contracts.

Effective November 1, 2021, "Combining Optional Benefits" in Section 7.2 of the Prospectus is hereby amended to add the following information regarding the Guaranteed Minimum Accumulation Benefit II:

Guaranteed Minimum Accumulation Benefit II Rider can be combined with the Enhanced Death Benefit Rider but cannot be combined with any other Rider.

Guaranteed Minimum Accumulation Benefit II Rider

Effective November 1, 2021, the following new Section 13A is hereby added to the Prospectus relating to the Guaranteed Minimum Accumulation Benefit II Rider. The Guaranteed Minimum Accumulation Benefit II Rider is only available for newly issued Smart Foundation Variable Annuity contracts, and is not available to existing contract owners.

13A. Guaranteed Minimum Accumulation Benefit II Rider

13A.1. Benefit Overview and Important Information

Benefit Overview

The Guaranteed Minimum Accumulation Benefit II (referred to as the "Rider" in this Section 13A) is an optional benefit that is designed to provide a minimum Contract Value at the end of the Accumulation Benefit Period. A Contract Owner may choose between an Accumulation Benefit Period of either 5 or 7 years under the SmartFoundation Prime contract or 5 or 9 years under the SmartFoundation Plus contract. Your Contract Value will fluctuate depending on the performance of your selected Subaccounts, and there is a risk of losing value in your Subaccounts, including the possibility of your Contract Value being reduced below your initial investment amount. This Rider is designed to provide a certain minimum level of protection of your principal investment and Purchase Payment Enhancement, if applicable, while having the opportunity to periodically lock-in any investment gains.

Contract Owner(s)/Annuitant(s) covered under the Rider will be guaranteed a minimum Contract Value that is equal to a set percentage of either 90% or 100% (depending upon the length of the Accumulation Benefit Period selected) of the Initial Purchase Payment and any applicable Purchase Payment Enhancement, adjusted for withdrawals, after the end of the Accumulation Benefit Period. Subsequent Purchase Payments and Purchase Payment Enhancements, if applicable, made in the first Contract Year, and in the first 12 months following the start of a new Accumulation Benefit Period after a Reset Benefit Date or renewal, are also added to the Accumulation Benefit Base.

If the Contract Value is less than the Guaranteed Minimum Accumulation Benefit Amount at the end of the Accumulation Benefit Period, the Contract Value will be increased to equal the Guaranteed Minimum Accumulation Benefit Amount as of the end of the Accumulation Benefit Period. Additionally, the Rider provides a Reset Benefit option which allows you to lock-in the Contract Value as of any Contract Anniversary if the Accumulation Benefit Base is lower than the Contract Value and start a new Accumulation Benefit Period.

Important Information about the Rider:

- The Rider is an optional benefit added to your Contract. The Rider provides various benefits described in this prospectus for an additional charge.
- The Rider is only available at issue on newly purchased Smart Foundation Variable Annuity Contracts (and is therefore not available on contracts no longer being offered such as the Smart Foundation Flex Variable Annuity contract).
- The Rider Charges are non-refundable, whether or not your Guaranteed Minimum Accumulation Benefit Amount exceeds the Contract Value while the Rider is in effect or at the end of the Accumulation Benefit Period.
- The Rider provides a guarantee that may never come into effect because Contract Value may never be less than the Guaranteed Minimum Accumulation Benefit Amount, and the possibility that the Company will be required to pay the Guaranteed Minimum Accumulation Benefit Amount may be minimal.
- While the Rider provides a guarantee that is designed to provide a minimum Contract Value, additional Purchase Payments and Purchase Payment Enhancements made after the first 12 months of the Accumulation Benefit Period will not be included in the Guaranteed Minimum Accumulation Benefit. Any additional Purchase Payments or Purchase Payment Enhancements made after the first 12 months will increase the Contract Value and may reduce the benefit provided by this Rider. Please discuss the advisability of making additional Purchase Payments after the first 12 months with your financial professional.
- Withdrawals taken to satisfy the Required Minimum Distribution requirements do not receive any special treatment under the Rider. Required Minimum Distributions could reduce the values under the Rider, perhaps by more than the withdrawal. Contract Owners who must take Required Minimum Distributions during the Accumulation Benefit Period should discuss the advisability of purchasing the Rider with their financial professional.

- All withdrawals will reduce your Contract Value, the Accumulation Benefit Base, the Death Benefit and the Free Withdrawal Amount, could result in the forfeiture of Purchase Payment Enhancements, and could be subject to taxes, tax penalties, and surrender charges.
- Withdrawals may reduce future benefits by more than the dollar amount of the withdrawal, and may result in one or more of the following:

    (1) a permanent reduction in your Guaranteed Minimum Accumulation Benefit Amount;

    (2) termination of the Contract and the associated Rider.
- Amounts that may be paid under the Rider in excess of Contract Value are subject to the Company's financial strength and claims-paying ability.

13A.2. Purchasing the Guaranteed Minimum Accumulation Benefit II with your Contract

You may purchase a Guaranteed Minimum Accumulation Benefit II Rider as part of your Contract at the time the Contract is issued. This Rider may be purchased in combination with the Enhanced Death Benefit Rider but may not be purchased in combination with any other Rider described in this prospectus.

Issue Age Requirements

The maximum issue age for the Guaranteed Minimum Accumulation Benefit II Rider follows the same issue age requirements as the Base Contract.

13A.3. Guaranteed Minimum Accumulation Benefit II

If the Guaranteed Minimum Accumulation Benefit Amount exceeds the Contract Value at the end of the Accumulation Benefit Period, the Company will increase the Contract Value so that it equals the Guaranteed Minimum Accumulation Benefit Amount. At that time, a new Accumulation Benefit Period of the same duration will automatically begin unless the Contract Owner notifies the Company no later than 30 days after the end of the Accumulation Benefit Period, to switch to another available Accumulation Benefit Period or to terminate the Rider. Contract Owners will receive advance notice from the Company of the approaching end of the Accumulation Benefit Period and the relevant options within the 30-day period.

13A.4. Guaranteed Minimum Accumulation Benefit Amount

The Guaranteed Minimum Accumulation Benefit Amount is equal to the Accumulation Benefit Base multiplied by the Accumulation Benefit Percentage for the applicable Accumulation Benefit Period.

On Smart Foundation Prime contracts the following options are available:

Accumulation Benefit Period	**Accumulation Benefit Percentage**
5 Year	90%
7 Year	100%

On Smart Foundation Plus contracts the following options are available:

Accumulation Benefit Period	**Accumulation Benefit Percentage**
5 Year	90%
9 year	100%

13A.5. Accumulation Benefit Base

The Accumulation Benefit Base will be initially set equal to the initial purchase payment plus Purchase Payment Enhancements (if applicable) on the Issue Date of the Contract. Thereafter, at the start of any subsequent Accumulation Benefit Period, the Accumulation Benefit Base will be set equal to the Contract Value as of the first day of the period (after giving effect to any increase in the Contract Value as a result of the Guaranteed Accumulation Benefit Amount being applied at the end of the prior Accumulation Benefit Period). Any purchase payments made and Purchase Payment Enhancements credited, if applicable, during the first 12 months after the start of an Accumulation Benefit Period will be added to the Accumulation Benefit Base. Withdrawals will reduce the Accumulation Benefit Base on a pro rata basis, perhaps by more than the amount of the withdrawal.

Optional Reset Benefit

The Rider provides a Reset Benefit option that sets the Accumulation Benefit Base equal to 100% of the Contract Value as of the Reset Benefit Date (which must be a Contract Anniversary) and restarts the Accumulation Benefit Period. The Reset Benefit option provides the opportunity to periodically lock in any market gains.

You may elect the same Accumulation Benefit Period or change to a different available Accumulation Benefit Period on any Reset Benefit Date. A Reset Benefit is available on any Contract Anniversary provided that the Annuity Date is not earlier than the end of the new Accumulation Benefit Period.

If a Reset Benefit is elected, the Rider Charge may be increased, but by no more than the Maximum Rider Charge increase, and the Rider Charge will not exceed the Maximum Rider Charge.

The Reset Benefit is an optional benefit. In order to elect a Reset Benefit, you must send a written notice to the following address: The Penn Mutual Life Insurance Company, Customer Service Group, PO Box 178, Philadelphia, Pennsylvania 19105. This written notice must be received by us within 30 days of any Contract Anniversary in order to exercise the Reset Benefit option.

Effect of Withdrawals on the Accumulation Benefit Base

The Accumulation Benefit Base will be reduced by a proportional amount for any withdrawals of the Contract Value during the Accumulation Benefit Period. The reduction amount will be equal to the withdrawal amount (including the amount of any Purchase Payment Enhancements forfeited as a result of the withdrawal) multiplied by the ratio of (1) and (2) where:

(1) is the Accumulation Benefit Base immediately prior to the withdrawal, and

(2) is the Contract Value immediately prior to the withdrawal.

The reduction in the Accumulation Benefit Base will occur as of the date of each applicable withdrawal.

Any withdrawal, including any Required Minimum Distribution, will reduce the Accumulation Benefit Base on a pro rata basis, perhaps by more than the amount of the withdrawal, and therefore will reduce the Guaranteed Minimum Accumulation Benefit Amount.

Example of Effect of Withdrawals on Guaranteed Minimum Accumulation Benefit

Assume there is a single $7,500 withdrawal during a Contract Year. Suppose that the Contract Value and Accumulation Benefit Base just prior to the withdrawal are $110,000 and $100,000 respectively.

The Accumulation Benefit Base will be reduced by the following amount:

Withdrawal Amount x (Accumulation Benefit Base/Contract Value) = $7,500 x ($100,000/$110,000) = $6,818.18

If the Contract Value just before the $7,500 withdrawal was $90,000, the reduction to the Accumulation Benefit Base would be as follows:

Withdrawal Amount x (Accumulation Benefit Base/Contract Value) = $7,500 x ($100,000/$90,000) = $8,333.33

Effect of Additional Purchase Payments on the Accumulation Benefit Base

Subsequent Purchase Payments received during the first 12 months of the Accumulation Benefit Period will be added to the Accumulation Benefit Base dollar-for-dollar as of the date we receive the Subsequent Purchase Payment. Subsequent Purchase Payments received after the first 12 months of the Accumulation Benefit Period will not be added to the Accumulation Benefit Base. If you intend on making frequent Subsequent Purchase Payments after the first 12 months of an Accumulation Benefit Period, you should consider that Subsequent Purchase Payments will increase your Contract Value but will not increase your Accumulation Benefit Base, and it will therefore make it less likely that the Company would have to pay the Guaranteed Minimum Accumulation Benefit Amount under the Rider. If you are receiving Purchase Payment Enhancements, the Contract Value, but not the Accumulation Benefit Base, will be increased even higher, and therefore it will be even less likely that you will receive the Guaranteed Minimum Accumulation Benefit Amount. However, you may elect to take advantage of the Reset Benefit which will set your Accumulation Benefit Base equal to the Contract Value on any Contract Anniversary when the Accumulation Benefit Base is lower than the Contract Value.

Subsequent Purchase Payment Example

Suppose your Rider is issued on 2/15/2022 and you choose an Accumulation Benefit Period of seven years. Any Purchase Payment received between 2/15/2022 and 2/14/2023 will be added to the Accumulation Benefit Base dollar-for-dollar. Any Purchase Payment received on or after 2/15/2023 will not be added to the Accumulation Benefit Base.

If a Reset Benefit is not exercised, a new Accumulation Benefit Period of seven years will automatically begin on 2/15/2029. Alternatively, you may choose to terminate the Rider or switch to a different available Accumulation Benefit Period by notifying us in writing within 30 days of the end of the Accumulation Benefit Period. Any Purchase Payments received between 2/15/2029 and 2/14/2030 will be added to the Accumulation Benefit Base dollar-for-dollar. Any Purchase Payment received on or after 2/15/2030 will not be added to the Accumulation Benefit Base.

Effect of Purchase Payment Enhancements on the Accumulation Benefit Base

This section only applies if you have the Purchase Payment Enhancement Option of the Base Contract. Purchase Payment Enhancements will be added to the Accumulation Benefit Base whenever the Purchase Payments are included as follows:

- The Accumulation Benefit Base will be initially set equal to the initial purchase payment on the Issue Date of the Contract, which will also include any Purchase Payment Enhancements;
- Subsequent Purchase Payments (and associated Purchase Payment Enhancements) received during the first 12 months of the Accumulation Benefit Period will be added to the Accumulation Benefit Base dollar-for-dollar.
- The amount of any Purchase Payment Enhancements forfeited as a result of withdrawals will reduce the Accumulation Benefit Base in the same manner as withdrawals, which means that the Accumulation Benefit Base could be reduced by more than the amount of the Purchase Payment Enhancement forfeited.

13A.6. Rider Charge

There is an additional charge for the Guaranteed Minimum Accumulation Benefit II Rider.

The Rider Charge for this benefit is expressed as an annual percentage of the Accumulation Benefit Base. The current Rider Charge for this Rider is 0.90% annually. The maximum Rider Charge is 1.50% annually.

One fourth of the annual Rider Charge will be multiplied by the average monthly Accumulation Benefit Base for the quarter, and this amount will be deducted quarterly from the Contract Value on the dates specified in the contract specifications of your Contract. The Rider Charge will be deducted from the Subaccounts of the Variable Account pro-rata, based on the Subaccount allocation at the time of deduction.

Upon renewal of the Guaranteed Minimum Accumulation Benefit II or if a Reset Benefit is elected, the Rider Charge may be increased, but by no more than the maximum Rider charge increase of 0.30%, and will not be greater than the Rider Charge generally available to Contract Owners then purchasing this Rider and in no event will be greater than the Maximum Rider Charge. The Contract Owner will be notified 60 days before an applicable Rider Charge increase and may forgo any Reset Benefits in order to maintain the current Rider Charge. At the end of the current Accumulation Benefit Period, the Contract Owner must terminate the Rider within 30 days of the end of the Accumulation Benefit Period to avoid the Rider Charge increase.

If you make a full surrender of your Contract before the charges for any Riders have been deducted, your Contract Value will be reduced by the accrued Rider Charges, plus any applicable Surrender Charge. **In addition, upon payment of the Death Benefit associated with the Contract, the Death Benefit payable will be reduced by the accrued Rider Charges.** No Rider Charge will be imposed upon Annuitization.

Rider Charges will be deducted until the Annuity Date or until the Rider is terminated.

13A.7. Investment Allocation Options

The Company reserves the right to make the availability of the Guaranteed Minimum Accumulation Benefit II contingent upon the investment of the entire Contract Value according to an asset allocation program established by the Company. At the present time, no asset allocation program is required for this Rider. If the Company requires an asset allocation program in the future, the asset allocation program will apply to existing and new purchasers of this Rider. If in the future there is a change in the investment allocation program, the Contract Owner will be notified in writing 60 days prior to the new investment allocation program becoming effective.

Any asset allocation program will be designed to minimize the risk that the Contract Value will be less than the Accumulation Benefit Base and will therefore be designed to minimize the risk that the Company will be required to pay the Guaranteed Minimum Accumulation Benefit Amount. If asset allocation restrictions are imposed, Contract Owners should consult with their financial advisors before purchasing the Rider to determine whether the asset allocation model is appropriate for their financial circumstances and risk tolerance.

13A.8. Required Minimum Distributions and the Guaranteed Minimum Accumulation Benefit II

There is no special treatment of Required Minimum Distributions under the Guaranteed Minimum Accumulation Benefit Rider. Required Minimum Distribution withdrawals will reduce the Accumulation Benefit Base as described in the "Effect of Withdrawals on Accumulation Benefit Base" section. As such, Required Minimum Distributions will reduce the Accumulation Benefit Base under the Rider on a pro rata basis, perhaps by more than the withdrawal. Contract Owners who must take Required Minimum Distributions during the Accumulation Benefit Period should discuss the advisability of purchasing the Rider with their financial professional.

13A.9. What happens at the end of the Accumulation Benefit Period?

At the end of the Accumulation Benefit Period, a new Accumulation Benefit Period will begin automatically. The Accumulation Benefit Base will be set to the Contract Value at the time of renewal after giving effect to any Guaranteed Minimum Accumulation Benefit Amount that has been applied to increase the Contract Value at the end of the Accumulation Benefit Period. Upon renewal of the Guaranteed Minimum Accumulation Benefit II, the Rider Charge may be increased, provided that you will be notified prior to any such increase.

You can also terminate the Rider or choose a different Accumulation Benefit Period within 30 days of the end of the Accumulation Benefit Period.

Lastly, you can also surrender the Contract and the Rider and receive the greater of the Guaranteed Minimum Accumulation Benefit Amount or the Contract Value, less any applicable surrender charges, as of the end of the

Accumulation Benefit Period. Surrender Charges will apply to any Purchase Payments or Subsequent Purchase Payments that are not out of the Surrender Charge Period. Please note that upon surrender, Purchase Payment Enhancements could be forfeited and reduce the Guaranteed Minimum Accumulation Benefit Amount. In addition, any surrender could be subject to taxes, including penalty taxes under certain circumstances. If you surrender your Contract at a time other than at the end of the Accumulation Benefit Period, you will not be entitled to receive any payment of the Guaranteed Minimum Accumulation Benefit Amount for the current Accumulation Benefit Period. Any previously credited Guaranteed Minimum Accumulation Benefits will not be impacted.

13A.10. What if the Accumulation Benefit Base or Contract Value goes to zero?

If the Accumulation Benefit Base goes to zero and the Contract Value remains above zero, the Guaranteed Minimum Accumulation Benefit Rider will remain on the contract although no rider charges are assessed. At the end of the Accumulation Benefit Period, the Rider would automatically renew in accordance with the Rider terms unless terminated by the Contract Owner. The Contract Owner would also continue to have the option of making additional Purchase Payments (although such Purchase Payments only increase the Guaranteed Minimum Accumulation Benefit in the first 12 months of the Accumulation Benefit Period) or to request a Reset Benefit.

If the Contract Value goes to zero, but the Accumulation Benefit Base is still positive, your benefit will continue until the end of the Accumulation Benefit Period. At the end of the Accumulation Benefit Period, your Contract Value will be set equal to the Guaranteed Minimum Accumulation Benefit Amount. At this point, you can either (i) surrender the Contract at the newly established value, subject to any applicable surrender charges, forfeiture of purchase payment enhancements, taxes, and any applicable tax penalties, (ii) terminate the Rider, or (iii) let the Rider automatically renew at the newly established value, subject to a potential increase in the Rider Charge.

If the Contract Value is reduced to zero and the Accumulation Benefit Base is also reduced to zero, the Contract will be terminated.

13A.11. What happens on the Annuity Date under the Rider?

When you purchase the Guaranteed Minimum Accumulation Benefit II, your Annuity Date must be on or after the end of your Accumulation Benefit Period. Additionally, upon renewal or the Reset Benefit Date, your Annuity Date must be on or after the end of any subsequent Accumulation Benefit Period. If you change the Annuity Date so that it is before the end of the Accumulation Benefit Period, your Contract will be annuitized at the Contract Value on the Annuity Date, the Guaranteed Minimum Accumulation Benefit Rider will be terminated, and the charges for this benefit will not be refunded.

13A.12. What happens upon death under the Rider?

Both the Contract and the Guaranteed Minimum Accumulation Benefit Rider will terminate if the Death Benefit under the contract is paid. The Death Benefit does not include any accrued Guaranteed Minimum Accumulation Benefit Amount.

13A.13. Removing the Guaranteed Minimum Accumulation Benefit from your Contract

You can cancel the Guaranteed Minimum Accumulation Benefit II Rider at any time on or after the first Contract Anniversary by sending a written request to the Company to do so. The rider will be discontinued on the Contract Anniversary immediately following your request.

13A.14. Termination of the Guaranteed Minimum Accumulation Benefit

Upon the earliest of the following, the Guaranteed Minimum Accumulation Benefit Rider will be terminated, but the Contract will remain in force:

(1) At the end of the Accumulation Benefit Period if the new Accumulation Benefit Period will end after the Annuity Date or if the Contract Owner has provided written notice of termination within 30 days of the end of the Accumulation Benefit Period;

(2) On the Contract Anniversary immediately following receipt by the Company of a written request by the Contract Owner to discontinue the Rider;

(3) Annuitization under the Base Contract.

All charges for the Rider will cease upon Rider termination.

If the Contract is terminated, the Rider will also be terminated. Both the Contract and the Rider will terminate upon the earliest of:

(1) Full surrender of the Contract;

(2) The Death Benefit is paid as described in the Prospectus;

(3) The Contract Value is reduced to zero and the Accumulation Benefit Base is also reduced to zero.

Effective November 1, 2021, the following examples relating to the Guaranteed Minimum Accumulation Benefit II are added to Appendix A.

GUARANTEED MINIMUM ACCUMULATION BENEFIT II

Example of Effect of Purchase Payments and Withdrawals on the Rider

This Example assumes the following transactions during the first Accumulation Benefit Period of 9 years:

- Initial Purchase Payment = $250,000; a Purchase Payment Enhancement of $12,500 is credited.
- A subsequent Purchase Payment of $30,000 is made and a Purchase Payment Enhancement of $1,500 is credited in Contract Year 1.
- A subsequent Purchase Payment of $10,000 is made and a Purchase Payment Enhancement of $500 is credited in Contract Year 2.
- A withdrawal of $20,000 is taken during Contract Year 3.
- A withdrawal of $45,000 is taken during Contract Year 5.

On the Contract Effective Date, the Accumulation Benefit Base equals the Initial Purchase Payment plus the Purchase Payment Enhancement ($262,500 = $250,000 + $12,500).

During Contract Year 1, an additional Purchase Payment of $30,000 was made and a Purchase Payment Enhancement of $1,500 is credited. Since this Purchase Payment was made during the first 12 months of the Accumulation Benefit Period, the Accumulation Benefit Base will be increased by $31,500

During Contract Year 2, an additional Purchase Payment of $10,000 was made and a Purchase Payment Enhancement of $500 is credited. Since this Purchase Payment was not made during the first 12 months of the Accumulation Benefit Period, the Contract Value is increased but the Accumulation Benefit Base is not increased.

During Contract Year 3, a withdrawal of $20,000 is taken. This withdrawal reduces the Accumulation Benefit Base proportionately. The withdrawal reduction to the Accumulation Benefit Base is the withdrawal amount multiplied by the ratio of the Accumulation Benefit Base and the Contract Value ($20,000 x ($294,000 / $316,300) = $18,590). The new Accumulation Benefit Base after the withdrawal is $294,000 - $18,590 = $275,410.

During Contract Year 5, a withdrawal of $45,000 is taken. This withdrawal reduces the Accumulation Benefit Base proportionately. The withdrawal reduction to the Accumulation Benefit Base is the withdrawal amount multiplied by the ratio of the Accumulation Benefit Base and the Contract Value ($45,000 x ($275,410 / $245,300) = $50,524). The new Accumulation Benefit Base after the withdrawal is $275,410 - $50,524 = $224,886.

At the end of Accumulation Benefit Period of 9 years, a Guaranteed Minimum Accumulation Benefit of $54,886 is credited to the Contract. This is the difference of the Accumulation Benefit Base over the Contract Value. At this point a new Accumulation Benefit Period of 9 years automatically begins. The Contract Owner also has the option of switching to a 5 year Accumulation Benefit Period or terminating the Rider by notifying the Company of that choice within 30 days following the end of the Accumulation Benefit Period.

Contract Year	Purchase Payment	Purchase Payment Enhancement	Contract Value	Accumulation Benefit Base	Contract Value Growth	Withdrawal	Reduction to Accumulation Benefit Base	GMAB Credited to Contract	Contract Value
1	250,000	12,500	262,500	262,500	300	0	0	0	262,800
1	30,000	1,500	294,300	294,000	10,000	0	0	0	304,300
2	10,000	500	314,800	294,000	-500	0	0	0	314,300
3	0	0	314,300	294,000	2,000	20,000	18,590	0	296,300
4	0	0	296,300	275,410	-50,000	0	0	0	246,300
5	0	0	246,300	275,410	-1,000	45,000	50,524	0	200,300
6	0	0	200,300	224,886	-24,500	0	0	0	175,800
7	0	0	175,800	224,886	5,000	0	0	0	180,800
8	0	0	180,800	224,886	-12,000	0	0	0	168,800
9	0	0	168,800	224,886	1,200	0	0	54,886	224,886

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THIS SUPPLEMENT SHOULD BE READ IN ITS ENTIRETY AND RETAINED FOR FUTURE REFERENCE.

Prospectus

Penn Mutual Variable Life Account III

- Smart Foundation Variable Annuities

May 1, 2021

PROSPECTUS — MAY 1, 2021
Individual Variable and Fixed Deferred Annuity Contract - Flexible Purchase Payments

SMART FOUNDATION VARIABLE ANNUITY PROSPECTUS

PENN MUTUAL VARIABLE ANNUITY ACCOUNT III
THE PENN MUTUAL LIFE INSURANCE COMPANY
PO Box 178 Philadelphia, Pennsylvania 19105 • Telephone (800) 523-0650

Overview

This prospectus describes an Individual Variable and Fixed Deferred Annuity with flexible purchase payments contract ("Contract") issued by The Penn Mutual Life Insurance Company ("Penn Mutual", the "Company", "we", "us", or "our"). The prospectus contains information that the Contract Owner ("you") should know before purchasing a Contract. Please read it carefully and save it for future reference.

The Contract is an agreement between you and Penn Mutual. You agree to make one or more payments to us and we agree to make annuity and other payments to you at a future date.

You choose between the available options of the Base Contract, which have different surrender periods and charges, and different ongoing Mortality and Expense Risk Charges.

A glossary of terms which defines important items that are referenced throughout the prospectus has been included for your convenience and can be found in the "Glossary" section.

The basic Contract ("Base Contract"):

- is an individual annuity and is not available as a group contract;
- has a variable component, which means that there are multiple investment options available, and your Variable Account Value will be based upon your individual investment experience (see Section 2 — "Investment Options");
- has a fixed component, which means that your Fixed Account Value will be based on Purchase Payments accumulated with an interest rate which will vary, but will never be less than a guaranteed minimum rate (the guaranteed rate is determined at Contract issue and stays the same for the life of the Contract and will be in the range of 1%-3%);
- is a deferred annuity, which means that the regular Annuity Payments do not start immediately;
- allows for flexible purchase payments, which means that multiple Purchase Payments may be made on or after the Contract Date, subject to certain restrictions;
- is tax-deferred, which means that you will not pay income taxes until we begin to make annuity payments to you, or you take withdrawals from the Contract, or until the death benefit is paid to your Beneficiary(ies);
- allows you to choose among the fixed annuitization options that can guarantee income payments for a specified period or for the lifetime of the Annuitant(s);
- provides the Free Withdrawal Amount allowance each Contract Year;
- includes a Standard Death Benefit; and
- offers a selection of optional benefits that may include the Guaranteed Growth and Income Benefit, Inflation Protector Withdrawal Benefit, Enhanced Death Benefit, and Guaranteed Minimum Accumulation Benefit (not available on Smart Foundation Flex Variable Annuity for contracts that were purchased on or after May 27, 2016) — there is an additional charge for each of these optional benefits, and there may be limitations on your investment options with the presence of any of the optional benefits. For information on the optional benefits' features, please see the "Optional Benefits" section (Section 7).

The Contracts described in this Prospectus are not available in New York.

The Contract will be terminated by the Company if a withdrawal (or deduction of fees or charges) (1) brings the Contract Value to zero, or (2) results in the amount remaining in the Contract to be less than the required Minimum Remaining Balance, or (3) results in less than $250 remaining in each Subaccount or Fixed Interest Option (unless the Guaranteed Growth and Income Benefit is present — see Section 9 "Guaranteed Growth and Income Benefit" or the Inflation Protector Withdrawal Benefit is present — see Section 11 "Inflation Protector Withdrawal Benefit"). Please see the "Withdrawals Treated as Surrenders" paragraph in Section 4.1 — Ways to Access Your Money."

We also reserve the right to terminate the Contract and any applicable Death Benefit by initiating a payment of the Surrender Value to you, if there are no Purchase Payments made during the two most recent Contract Years, and the Contract Value is less than $1,000 (unless the Guaranteed Growth and Income Benefit or the Inflation Protector Withdrawal Benefit is present).

The U.S. Securities and Exchange Commission (the "Commission") has not approved or disapproved these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense. The Contract is not suitable for short-term investment. You may pay a surrender charge of up to 8% on early withdrawals. If you withdraw money before age 59 $^1/_2$, you may be subject to a 10% additional federal income tax. The Contract is not a bank deposit and is not federally insured or guaranteed by the Federal Deposit Insurance Corporation or any other federal government agency. An investment in this Contract involves investment risk including the possible loss of principal.

Contract expenses for annuity contracts that credit a Purchase Payment Enhancement (Smart Foundation Plus Base Contract Option) are higher than other annuity contracts offered by Penn Mutual without a purchase payment enhancement feature. The benefit of the Purchase Payment Enhancement may be more than offset by the higher expenses, relative to other annuity contract options we offer, if withdrawals are made in the early years of the Contract.

You may return your Contract within ten days of receipt for a refund in accordance with applicable state law (you may have longer than ten days to obtain a refund in some states). All material statements related to state law can be found in Appendix B or elsewhere in this Prospectus. Your Purchase Payment will be allocated to the Subaccounts you have selected on the date we issue your Contract. To return your Contract, simply mail it to our office or to our representative who delivered the Contract to you. The date of the cancellation will be the date we receive your Contract.

The Fixed Account (including the Fixed Interest Options and the Fixed Dollar Cost Averaging Options) is part of the Company's general account which is subject to the claims of the Company's creditors. The Company's insurance obligations and guarantees under the Contract are paid in part out of the general account and, therefore, Contract Owners should consider the Company's financial statements and claims paying ability for the payment of such obligations and guarantees.

You may obtain a Statement of Additional Information (the "SAI"), dated May 1, 2021, from us free of charge by writing The Penn Mutual Life Insurance Company, Attn: SAI Request — CNN, PO Box 178, Philadelphia, Pennsylvania 19105 or by visiting our web site at www.pennmutual.com or you can call us at (800) 523-0650. The SAI contains more information about the Contract. The SAI is filed with the Commission and we incorporate the SAI by reference into this prospectus. The table of contents of the SAI is in Section 16 of this prospectus.

The Commission maintains a web site (http://www.sec.gov) that contains this prospectus, the SAI, material incorporated by reference, and other information regarding registrants that file electronically with the Commission.

Please read this prospectus before investing and keep it for future reference. It contains important information about your annuity and The Penn Mutual Life Insurance Company that you should know before investing. This prospectus is not an offering in any state, country, or jurisdiction in which we are not authorized to sell the Contracts.

Under the variable component of the Contract, you may direct us to invest your payments in one or more of the following underlying funds of Penn Series Funds, Inc. (the “Funds”) through Penn Mutual Variable Annuity Account III (the “Separate Account”).

Penn Mutual Asset Management, LLC
- Money Market Fund
- Limited Maturity Bond Fund
- High Yield Bond Fund
- Quality Bond Fund
- Balanced Fund
- Aggressive Allocation Fund
- Moderately Aggressive Allocation Fund
- Moderate Allocation Fund
- Moderately Conservative Allocation Fund
- Conservative Allocation Fund

T. Rowe Price Associates, Inc.
- Flexibly Managed Fund
- Large Growth Stock Fund

Massachusetts Financial Services Company
- Large Cap Growth Fund

Morgan Stanley Investment Management Inc.
- Large Core Growth Fund

AllianceBernstein, L.P.
- Large Cap Value Fund
- SMID Cap Value Fund

Eaton Vance Management
- Large Core Value Fund

SSGA Funds Management, Inc.
- Index 500 Fund
- Small Cap Index Fund
- Developed International Index Fund

Ivy Investment Management Company
- Mid Cap Growth Fund

American Century Investment Management, Inc.
- Mid Core Value Fund

Janus Capital Management LLC
- Mid Cap Value Fund
- Small Cap Growth Fund

Goldman Sachs Asset Management, L.P.
- SMID Cap Growth Fund
- Small Cap Value Fund

Vontobel Asset Management, Inc.
- International Equity Fund
- Emerging Markets Equity Fund

Cohen & Steers Capital Management, Inc.
- Real Estate Securities Fund

A prospectus for these Funds accompanies this prospectus.

We may add, substitute or remove investment options in the future, as described in greater detail in Section 1.1 — "The Contract."

Information about the Fixed Account available with your Contract can be found in Section 2.2 — "The Fixed Account."

If your Contract includes any optional benefits, it may be subject to restrictions on allocations to and transfers among certain Subaccounts. For more information on these restrictions, see the "Investment Allocation Options" subsection under the applicable optional benefit section of this prospectus.

Variable annuity contracts are complex insurance and investment vehicles. Before you invest, be sure to ask your financial professional about the Contract's features, benefits, risks and fees and whether the Contract is appropriate for you based upon your financial situation and objectives.

General Definitions

Accumulation Period: A period that begins with your first Purchase Payment and ends on the Annuity Date.

Accumulation Unit: A unit of measure used to compute the Variable Account Value under the Contract prior to the Annuity Date.

Actual Age: True calendar age in exact years (including partial year).

Administrative Office: The Penn Mutual Life Insurance Company, Administrative Office, 600 Dresher Road, Horsham, Pennsylvania 19044.

Age Nearest Birthday: Age rounded to nearest whole number of years.

Annuitant: The individual named in the Contract whose lifetime is used as a measuring life for all annuity options, benefits and features.

Annuitization: The process by which you convert your Contract Value into a stream of regular income payments.

Annuity Date: The date on which annuity payments begin, and the Contract transitions from the accumulation phase to the annuitization (income) phase. The date annuity payments are scheduled to begin is shown in the Contract and will never be later than the maximum maturity date set by state law.

Annuity Payout Period: The period of time, starting on the Annuity Date, during which we make annuity payments.

Base Contract: The Contract without optional benefits, available in any of the Base Contract Options.

Base Contract Option: Smart Foundation Prime, Smart Foundation Flex or Smart Foundation Plus option of the Base Contract that varies by Surrender Charge Period provisions and whether the Purchase Payment Enhancement feature is present, elected at Contract issue. Smart Foundation Flex is no longer offered for new Contracts.

Beneficiary: The person(s) named by the Contract Owner to receive the death benefit payable upon the death of the Contract Owner or Annuitant.

Code: The Internal Revenue Code of 1986, as amended.

Contingent Annuitant: The individual designated by the Contract Owner and named in the Contract who will become the Annuitant in the event that the Annuitant dies before the Contract is terminated or annuitized.

Contract: The combination variable and fixed annuity Contract described in this prospectus.

Contract Anniversary: Any subsequent anniversary date of the Contract Date. All values determined on a Contract Anniversary are based on the next close of regular trading on the NYSE. To the extent the Contract Anniversary falls on a date other than a business day any value to be determined as of the Contract Anniversary will be determined as of the close of regular trading of the NYSE on the next business day.

Contract Date: The date the Contract is issued.

Contract Owner or Owner: The person or entity, named in the Contract, unless amended by any subsequent change in ownership, entitled to exercise all of the ownership rights under the Contract.

Contract Value: The sum of the Variable Account Value and the Fixed Account Value.

Contract Year: The time period between Contract Anniversaries; the first Contract Year runs from the Contract Date to the first Contract Anniversary.

Fixed Account: The account in which amounts are held for the Contract under all Fixed Account Options prior to the Annuity Date.

Fixed Account Options: The investment options available under the Company's fixed account, including the Fixed Interest Options and the Fixed Dollar Cost Averaging Options.

Fixed Account Value: The value of the amounts held in all Fixed Account Options of the Fixed Account for this Contract.

Fixed Dollar Cost Averaging Options: The investment options available under the Fixed Account that provide for credited interest at annual rates declared by the Company and are for use in the Dollar Cost Averaging Program.

Fixed Interest Options: The investment options available under the Fixed Account that provide for credited interest at annual rates declared by the Company.

Free Withdrawal Amount: The amount, expressed as a percentage of Purchase Payments, a Contract Owner may withdraw each year during the Surrender Charge Period without incurring a Surrender Charge.

Fund: An open-end management investment company registered with the Commission (commonly known as a "mutual fund") in which a Subaccount invests all of its assets.

Initial Purchase Payment: The sum of all deposits made into the Contract on the Contract Date.

Interest Period: The period of time for which a Fixed Account interest rate declared by the Company is guaranteed. The period begins on a specified day of the calendar month in which the allocation or transfer is made, as declared by the Company.

Joint Annuitant: The individual other than the Annuitant (as designated in the Contract) whose lifetime is also used as a measuring life for all annuity options, benefits and features.

Maturity Age: The oldest age at which annuity payments may begin as specified in your Contract (generally Actual Age 95 or higher).

Monthly Anniversary: The same day of each month as the Contract Anniversary; if there is no corresponding date in the month, the Monthly Anniversary date will be the last date of such month.

NYSE: New York Stock Exchange.

Non-Qualified Contract: A non-qualified annuity is not part of an employer provided retirement program and may be purchased by any individual or entity; contributions to non-qualified annuities are made with after-tax dollars.

Purchase Payment: Any deposit made into the Contract.

Purchase Payment Enhancement: An amount credited to the Contract Value when a Purchase Payment is made under the Smart Foundation Plus Base Contract Option. The amount credited is considered earnings in the Contract.

Qualified Contract: A qualified annuity is purchased as part of, or in conjunction with, an employer provided retirement plan such as a defined benefit pension plan or an individual retirement arrangement such as an Individual Retirement Annuity (IRA). Penn Mutual does not issue contracts through 401(k) or similar defined contribution pension plans.

Separate Account: Penn Mutual Variable Annuity Account III, a separate account of The Penn Mutual Life Insurance Company that is registered with the Commission as a unit investment trust under the Investment Company Act of 1940.

Spousal Step-In: Under Code Section 72(s), upon Contract Owner's death, a spouse who is sole primary Beneficiary of a Contract may take the Contract as their own.

Standard Death Benefit: The amount of the death benefit under the Contract, calculated as described under Section 5.1 — "Death Before the Annuity Date- Standard Death Benefit Calculation."

Subaccount: A division of the Separate Account which holds shares of the Funds.

Subsequent Purchase Payment: Any deposit made into the Contract after the Contract Date.

Surrender Charge: A fee imposed as a percentage of the amount of the Purchase Payments withdrawn in excess of the Free Withdrawal Amount for the Contract Year during the Surrender Charge Period.

Surrender Charge Basis: The sum of all Purchase Payments not yet withdrawn.

Surrender Charge Period: The number of Contract Years during which a Purchase Payment is subject to a Surrender Charge.

Surrender Value: Contract Value less any charges and fees imposed upon surrender.

Variable Account: The account under which amounts are held for the Contract Owner under all Subaccounts prior to the Annuity Date.

Variable Account Value: The sum of the values of the Accumulation Units held in the Subaccounts for this Contract.

Valuation Period: The period from one valuation of Separate Account assets to the next. Valuation is performed on each day the NYSE is open for trading.

We or Us: A reference to "we" or "us" denotes The Penn Mutual Life Insurance Company, also referred to in this prospectus as Penn Mutual or the Company.

You: A reference to "you" denotes the Contract Owner or prospective Contract Owner.

Optional Benefits Definitions

Age-Banded Lifetime Withdrawal Rate: The percentage applied to the Withdrawal Benefit Base (based on the age of the younger Covered Life) to determine the Guaranteed Annual Withdrawal Amount under the Lifetime Withdrawal Guarantee provided by the Guaranteed Growth and Income Benefit Rider.

Age-Based Lifetime Withdrawal Rate: The age-based component of the Lifetime Withdrawal Rate (based on the age of the younger Covered Life) under the Lifetime Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Covered Life: Person designated in the Contract upon whose age/lifetime the features and benefits of the Rider are based.

Death Benefit Enhancement: The amount by which the Enhanced Death Benefit Base exceeds the Standard Death Benefit payable under the Contract.

Deferral Phase: The period prior to the exercise of withdrawals under the Lifetime Withdrawal Guarantee of the Guaranteed Growth and Income Benefit Rider or under the Living Benefit Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Deferral Phase Inflation Increase Period: The period of time during which Inflation Increases will be applied to the Withdrawal Benefit Base in the Deferral Phase under the Inflation Protector Withdrawal Benefit Rider.

Early Access Withdrawal Option: An option which allows you to take withdrawals during the Deferral Phase which do not initiate the Withdrawal Phase under the Guaranteed Growth and Income Benefit Rider and under the Inflation Protector Withdrawal Benefit Rider.

Effective Waiting Bonus: The component of the Lifetime Withdrawal Rate that is based on the age of each Purchase Payment under the Lifetime Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Enhanced Death Benefit Base: The value used to determine the amount of the Death Benefit Enhancement.

Enhanced Death Benefit Rider: Optional benefit that may be added to your Contract which provides for the payment of the Death Benefit Enhancement in addition to the Standard Death Benefit.

Excess Withdrawal: Any withdrawal during the Withdrawal Phase in excess of the Guaranteed Annual Withdrawal Amount under the Guaranteed Growth and Income Benefit Rider and under the Inflation Protector Withdrawal Benefit Rider.

Guaranteed Annual Withdrawal Amount: The annual amount you may withdraw under the Guaranteed Growth and Income Benefit Rider and based on the amount of the Withdrawal Benefit Base and the Age-Banded Lifetime Withdrawal Rate that applies for the Covered Life(ves) at that time. The annual amount you may withdraw under the Inflation Protector Withdrawal Benefit Rider and based on the amount of the Withdrawal Benefit Base and the withdrawal rate under the Living Benefit Guarantee.

Guaranteed Growth and Income Benefit Rider: Optional benefit that may be added to your Contract which provides for a guaranteed lifetime withdrawal benefit. Terms referencing the "Guaranteed Growth and Income Benefit Rider" apply to Guaranteed Growth and Income Benefit I contracts purchased on or before March 15, 2013, Guaranteed Growth and Income Benefit II contracts purchased after March 15, 2013 and before September 1, 2018, Guaranteed Growth and Income Benefit III contracts purchased on or after September 1, 2018 and before September 1, 2019, Guaranteed Growth and Income Benefit IV contracts purchased on or after September 1, 2019 and before April 9, 2020, Guaranteed Growth and Income Benefit V contracts purchased on or after May 1, 2020 and before November 2, 2020, and Guaranteed Growth and Income Benefit VI contracts purchased on or after November 2, 2020, unless otherwise indicated.

Guaranteed Minimum Accumulation Benefit Base: The amount used to determine the minimum value returned at the end of the Benefit Period under the Guaranteed Minimum Accumulation Benefit Rider.

Guaranteed Minimum Accumulation Benefit Rider: Optional benefit that may be added to your Contract which provides for return of minimum value at the end of the Benefit Period.

Inflation Factor: Calculated based on the Consumer Price Index for All Urban Consumers and used along with the average monthly Withdrawal Benefit Base to determine the Inflation Increase under the Inflation Protector Withdrawal Benefit Rider.

Inflation Increase: Calculated on Contract Anniversary and equals the Inflation Factor multiplied by the average monthly Withdrawal Benefit Base over the prior Contract Year under the Inflation Protector Withdrawal Benefit Rider.

Inflation Protector Withdrawal Benefit Rider: Optional benefit that may be added to your Contract which provides for a guaranteed minimum withdrawal benefit. Terms referencing the "Inflation Protector Withdrawal Benefit Rider" apply to Inflation Protector Withdrawal Benefit I Riders purchased before September 1, 2019, Inflation Protector Withdrawal Benefit II Riders purchased on or after September 1, 2019 and before April 9, 2020, Inflation Protector Withdrawal Benefit III Riders purchased on or after May 1, 2020 and before November 2, 2020, and Inflation Protector Withdrawal Benefit IV Riders purchased on or after November 2, 2020, unless otherwise indicated.

Joint Life Guarantee: Type of optional benefit that is added to the Contract at issue which designates that the features and benefits of the Rider will cover two Covered Lives, specified at Contract Issue.

Lifetime Withdrawal: Withdrawals available under the Lifetime Withdrawal Guarantee of the Guaranteed Growth and Income Benefit Rider and under the Lifetime Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider that provides Guaranteed Annual Withdrawal Amounts for the lifetime(s) of the Covered Life(ves).

Lifetime Withdrawal Guarantee: Provides Guaranteed Annual Withdrawal Amounts for the lifetime(s) of the Covered Life(ves) under the Guaranteed Growth and Income Benefit Rider and under the Lifetime Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Lifetime Withdrawal Rate: The sum of the Age-Based Lifetime Withdrawal Rate and the Effective Waiting Bonus. The percentage applied to the Withdrawal Benefit Base to determine the Guaranteed Annual Withdrawal Amount under the Lifetime Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Living Benefit Guarantee: Provides Guaranteed Annual Withdrawal Amounts under either the Lifetime Withdrawal Guarantee or the Standard Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Rider: Optional benefit (or combination of benefits) that adds to, alters, or amends the Contract to provide additional features to the Base Contract — available Riders may include the Enhanced Death Benefit, Guaranteed Growth and Income Benefit VI, Inflation Protector Withdrawal Benefit IV, and Guaranteed Minimum Accumulation Benefit.

Rider Effective Date: The date the Rider becomes effective.

Single Life Guarantee: Type of optional benefit that is added to the Contract at issue which designates that the features and benefits of the Rider will cover one Covered Life, specified at Contract Issue.

Standard Annual Reduction: The amount by which the Standard Withdrawal Benefit Balance is reduced each year for withdrawals up to and including the Guaranteed Annual Withdrawal Amount under the Standard Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Standard Withdrawal Benefit Balance: Used to determine how long the benefit will last under the Standard Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Standard Withdrawal Guarantee: Provides Guaranteed Annual Withdrawal Amounts for the earlier of the Standard Withdrawal Benefit Balance reducing to zero and the lifetime(s) of the Covered Life(ves) under the Standard Withdrawal Guarantee of the Inflation Protector Benefit Rider.

Standard Withdrawal Rate: The percentage applied to the Withdrawal Benefit Base to determine the Guaranteed Annual Withdrawal Amount under the Standard Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider. The available Standard Withdrawal Rates at the time the Standard Withdrawal Guarantee is elected will be determined by the then applicable Lifetime Withdrawal Rate and the Standard Withdrawal Rate Threshold.

Standard Withdrawal Rate Threshold: The amount added to the then applicable Lifetime Withdrawal Rate to determine which Standard Withdrawal Rates are available under the Standard Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Step-Up: An increase in the Withdrawal Benefit Base, the Enhanced Death Benefit Base, the Standard Withdrawal Benefit Balance, or the Guaranteed Minimum Accumulation Benefit Base to an amount equal to 100% of the Contract Value, determined on the applicable Contract Anniversary.

Withdrawal Benefit Base: The amount used to determine the Guaranteed Annual Withdrawal Amount under the Guaranteed Growth and Income Benefit Rider and under the Inflation Protector Withdrawal Benefit Rider.

Withdrawal Phase: The period during which withdrawals are taken under the Lifetime Withdrawal Guarantee of the Guaranteed Growth and Income Benefit Rider or under the Living Benefit Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Withdrawal Phase Inflation Increase Period — Lifetime Withdrawal Guarantee: The period of time during which Inflation Increases will be applied to the Withdrawal Benefit Base in the Withdrawal Phase under the Lifetime Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Withdrawal Phase Inflation Increase Period — Standard Withdrawal Guarantee: The period of time during which Inflation Increases will be applied to the Withdrawal Benefit Base in the Withdrawal Phase under the Standard Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider.

Fee Tables

The following tables describe the fees and expenses that you will pay when buying, owning, and surrendering the Contract. For more information, please see Section 3 — "Fees and Expenses."

The first table describes the fees and expenses that you will pay at the time that you purchase the Contract, surrender the Contract, or transfer contract value between Subaccounts. State premium taxes may also be deducted(1).

Contract Owner Transaction Expenses

Sales Load Imposed on Purchase Payments	None
Maximum Transfer Fee	$20(2)

Maximum Surrender Charges(3)

	Base Contract Option		
Number of full years since Purchase Payment	Smart Foundation Prime	Smart Foundation Flex(4)	Smart Foundation Plus
0	8.0%	8.0%	8.0%
1	7.0%	7.0%	8.0%
2	6.0%	6.0%	8.0%
3	5.0%	5.0%	7.0%
4	4.0%	0.0%	6.0%
5	3.0%	0.0%	5.0%
6	1.5%	0.0%	4.0%
7	0.0%	0.0%	3.0%
8	0.0%	0.0%	2.0%
9	0.0%	0.0%	0.0%

(1) As of the date of this prospectus state premium taxes range from 0% to 3.5%.
(2) As of the date of this prospectus, the Transfer Fee is $0. The Company reserves the right to restrict frequency of transfers or market timing at its sole discretion, and to impose a transfer fee in the future. The transfer fee would not exceed $20.
(3) Surrender Charges are expressed as a percentage of the amount of the Purchase Payment surrendered and may vary by state.
(4) Smart Foundation Flex Base Contract Option is not available for contracts purchased on or after June 12th, 2017.

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including Fund fees and expenses.

Contract Owner Periodic Expenses

Maximum Annual Contract Administration Charge	$40(1)

Separate Account Annual Expenses (as a percentage of Variable Account Value)

	Base Contract Option		
	Smart Foundation Prime	**Smart Foundation Flex**	**Smart Foundation Plus**
Mortality and Expense Risk Charge(2)	1.25%	1.50%	1.45%
Asset Based Contract Administration Charge	0.15%	0.15%	0.15%
Total Separate Account Annual Expenses(3)	1.40%	1.65%	1.60%

Maximum Rider Charges Available on Smart Foundation Prime and Smart Foundation Plus(4) (may vary by state):

Guaranteed Growth and Income Benefit	2.00%(5)
Inflation Protector Withdrawal Benefit	2.50%(6)
Enhanced Death Benefit	0.75%(7)
Guaranteed Minimum Accumulation Benefit	1.00%(8)

(1) You pay $40 or 2% of the Variable Account Value, whichever is less. You do not pay this charge if your Variable Account Value is more than $50,000.
(2) Mortality and Expense Risk Charge is set at Contract issue and is guaranteed for the life of the Contract.
(3) Without any Riders, as a percentage of Variable Account Value.
(4) Optional benefits may not be added to a Smart Foundation Flex Variable Annuity contract purchased on or after May 27, 2016.
(5) The current annual charge for the Guaranteed Growth and Income Benefit VI Rider is 1.25% for a Single Life Guarantee and 1.40% for a Joint Life Guarantee. The annual charge for the Guaranteed Growth and Income Benefit II, III, IV, and V Rider is 1.10% for a Single Life Guarantee and 1.25% for a Joint Life Guarantee. The annual charge for the Guaranteed Growth and Income Benefit I Rider is 1.05% for a Single Life Guarantee and 1.25% for a Joint Life Guarantee. The Rider charge may not be increased beyond the maximum of 2.00%. The charge is expressed as an annual percentage; it will be assessed on the Withdrawal Benefit Base and will be deducted from the Contract Value on a quarterly basis. Please see "Appendix B: State Variations" for details on state variations.
(6) The current annual charge for the Inflation Protector Withdrawal Benefit IV Rider is 1.40% for a Single Life Guarantee and 1.65% for a Joint Life Guarantee. The annual charge for the Inflation Protector Withdrawal Benefit I, II, and III Rider is 1.25% for a Single Life Guarantee and 1.50% for a Joint Life Guarantee. The Rider charge may not be increased beyond the maximum of 2.50%. The charge is expressed as an annual percentage; it will be assessed on the Withdrawal Benefit Base and will be deducted from the Contract Value on a quarterly basis. Please see "Appendix B: State Variations" for details on state variations.
(7) The current annual charge for the Enhanced Death Benefit Rider is 0.35% if purchased stand-alone, 0.20% if purchased in combination with the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider, and may not be increased beyond the maximum of 0.75%. The charge is expressed as an annual percentage; it will be assessed on the Enhanced Death Benefit Base and will be deducted from the Contract Value on a quarterly basis.
(8) The current annual charge for the Guaranteed Minimum Accumulation Benefit Rider is 0.60% and may not be increased beyond the maximum of 1.00%. The charge will be assessed on the Variable Account Value and will be deducted from the Contract Value annually.

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 Contract. 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.

Maximum and Minimum Total Fund Operating Expenses	**Minimum:**	**Maximum:**
(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 AFFE, 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 Contract. Your expenses include Contract expenses and the expenses of the Funds that you select. See the prospectus of Penn Series Funds, Inc. for additional information on Fund expenses.

EXAMPLES OF FEES AND EXPENSES

These Examples are intended to help you compare the cost of investing in the Contract with the cost of investing in other variable annuity contracts. These costs include Contract Owner transaction expenses, Contract fees, Separate Account annual expenses, and Fund fees and expenses, net of contractual waivers, if any. Optional Benefits are not available on Smart Foundation Flex Variable Annuity for contracts purchased on or after May 27, 2016, and information in the tables below regarding the expenses of optional benefits for those Smart Foundation Flex contracts relates to contracts purchased prior to that date. Smart Foundation Flex Base Contract Option is not available for contracts purchased on or after June 12th, 2017.

The Examples assume that you invest $10,000 in the Contract for the time periods indicated. The Examples also assume that your investment has a 5% return each year. The example for Smart Foundation Plus Base Contract Option assumes that a 4.00% Purchase Payment Enhancement was applied to the Contract Value at the time of issue. Although your actual costs may be higher or lower based on these assumptions, your costs would be:

(1) If you surrender your Contract at the end of the applicable time period and have purchased optional benefits with maximum charges[1]:

	Base Contract Option	One Year	Three Years	Five Years	Ten Years
Assuming Maximum Total Annual Fund Expenses	Smart Foundation Prime	$1,308	$2,322	$3,360	$6,150
	Smart Foundation Flex	$1,330	$2,385	$3,127	$6,308
	Smart Foundation Plus	$1,359	$2,648	$3,749	$6,523
Assuming Minimum Total Annual Fund Expenses	Smart Foundation Prime	$1,223	$2,077	$2,974	$5,509
	Smart Foundation Flex	$1,245	$2,142	$2,728	$5,685
	Smart Foundation Plus	$1,263	$2,378	$3,352	$5,871

(2) If you do not surrender your Contract or if you annuitize at the end of the applicable time period and you have purchased optional benefits with maximum charges(1):

	Base Contract Option	One Year	Three Years	Five Years	Ten Years
Assuming Maximum Total Annual Fund Expenses	Smart Foundation Prime	$596	$1,801	$3,024	$6,150
	Smart Foundation Flex	$620	$1,869	$3,127	$6,308
	Smart Foundation Plus	$639	$1,928	$3,228	$6,523
Assuming Minimum Total Annual Fund Expenses	Smart Foundation Prime	$503	$1,541	$2,620	$5,509
	Smart Foundation Flex	$528	$1,610	$2,728	$5,685
	Smart Foundation Plus	$543	$1,658	$2,812	$5,871

(3) If you surrender your Contract at the end of the applicable time period and have purchased optional benefits with current charges(2) :

	Base Contract Option	One Year	Three Years	Five Years	Ten Years
Assuming Maximum Total Annual Fund Expenses	Smart Foundation Prime	$1,178	$1,929	$2,702	$4,816
	Smart Foundation Flex	$1,188	$1,956	$2,381	$4,869
	Smart Foundation Plus	$1,216	$2,221	$3,065	$5,163
Assuming Minimum Total Annual Fund Expenses	Smart Foundation Prime	$1,085	$1,659	$2,268	$4,040
	Smart Foundation Flex	$1,094	$1,686	$1,949	$4,099
	Smart Foundation Plus	$1,119	$1,941	$2,618	$4,372

(4) If you do not surrender your Contract or if you annuitize at the end of the applicable time period and you have purchased optional benefits with current charges(2):

	Base Contract Option	One Year	Three Years	Five Years	Ten Years
Assuming Maximum Total Annual Fund Expenses	Smart Foundation Prime	$458	$1,389	$2,342	$4,816
	Smart Foundation Flex	$468	$1,416	$2,381	$4,869
	Smart Foundation Plus	$496	$1,501	$2,525	$5,163
Assuming Minimum Total Annual Fund Expenses	Smart Foundation Prime	$365	$1,119	$1,908	$4,040
	Smart Foundation Flex	$374	$1,146	$1,949	$4,099
	Smart Foundation Plus	$399	$1,221	$2,078	$4,372

(5) If you surrender your Contract at the end of the applicable time period and have not purchased any optional benefits:

	Base Contract Option	One Year	Three Years	Five Years	Ten Years
Assuming Maximum Total Annual Fund Expenses	Smart Foundation Prime	$995	$1,385	$1,801	$3,054
	Smart Foundation Flex	$1,020	$1,459	$1,563	$3,291
	Smart Foundation Plus	$1,026	$1,658	$2,137	$3,367
Assuming Minimum Total Annual Fund Expenses	Smart Foundation Prime	$901	$1,101	$1,326	$2,098
	Smart Foundation Flex	$926	$1,177	$1,094	$2,360
	Smart Foundation Plus	$928	$1,364	$1,647	$2,392

(6) If you do not surrender your Contract or if you annuitize at the end of the applicable time period and have not purchased any optional benefits:

	Base Contract Option	One Year	Three Years	Five Years	Ten Years
Assuming Maximum	Smart Foundation Prime	$275	$845	$1,441	$3,054
Total Annual Fund	Smart Foundation Flex	$300	$919	$1,563	$3,291
Expenses	Smart Foundation Plus	$306	$938	$1,597	$3,367
Assuming Minimum	Smart Foundation Prime	$181	$561	$966	$2,098
Total Annual Fund	Smart Foundation Flex	$206	$637	$1,094	$2,360
Expenses	Smart Foundation Plus	$208	$644	$1,107	$2,392

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(1) Combining the Inflation Protector Withdrawal Benefit Rider (Joint Life Guarantee) with Enhanced Death Benefit Rider will result in the highest possible Rider Charges:

Rider	Maximum Rider Charge	Current Rider Charge
Inflation Protector Withdrawal Benefit (Joint Life Guarantee)	2.50%	1.65%*
Enhanced Death Benefit	0.75%	0.20% (Combination Rider — reduced charge)

(2) This example uses a combination of the Inflation Protector Withdrawal Benefit Rider IV (Joint Life Guarantee) with Enhanced Death Benefit Rider:

Rider	Current Rider Charge
Inflation Protector Withdrawal Benefit IV (Joint Life Guarantee)	1.65%*
Enhanced Death Benefit	0.20% (Combination Rider — reduced charge)

Effective September 1, 2019, the Smart Foundation Variable Annuities are no longer offered to new business clients in New York. For information about the rider charges for Contracts offered in New York prior to September 1, 2019, please see "Appendix B: State Variations" for details.

* Optional benefits are not available on Smart Foundation Flex Variable Annuity for contracts purchased on or after May 27, 2016. The Current Rider Charge for Smart Foundation Flex contracts purchased prior to May 27, 2016 is 1.50% for Joint Life Guarantees.

Certain Contract 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, 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.

Condensed Financial Information

Appendix C to this prospectus contains tables that show Accumulation Unit values and the number of Accumulation Units outstanding for each of the Subaccounts of the Separate Account. The financial data included in the tables should be read in conjunction with the financial statements and the related notes that are included in the SAI.

Financial Statements

The statutory financial statements of the Company and the financial statements of the Separate Account appear in the SAI. The statutory financial statements of the Company should be considered only as bearing upon the Company's ability to meet its obligations under the Contracts.

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. We 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 Contract.

Smart Foundation Variable Annuity — Key Features

This section describes the key features of the Smart Foundation Variable Annuity. The different options for the Base Contract are described below. In addition to the Base Contract, you may elect certain available optional benefits, which carry an additional cost. Effective September 1, 2019, the Smart Foundation Variable Annuity is no longer offered to new business clients in New York.

Please consider the information in this section to determine the decisions you need to make prior to purchasing your Contract. You will not be able to change your Base Contract Option or add certain optional benefits after the Contract is issued.

Base Contract Options

You select one of the Base Contract options at issue based on various factors, such as your liquidity needs and the amount of Purchase Payments you plan to make. The currently active options are:

1. Smart Foundation Prime (Standard Base Contract Option), and
2. Smart Foundation Plus (Extended Surrender Charge Period with Purchase Payment Enhancements Base Contract Option).

In addition, we previously offered Smart Foundation Flex (Short Surrender Charge Period Base Contract Option, which is no longer available for contracts purchased on or after June 12th, 2017).

Each Base Contract Option has a different Surrender Charge and Expense structure. The table below summarizes the main differences between the Base Contract Options. Please see the "FEE TABLES" section of this prospectus for the summary of fees or "Fees and Expenses" section (Section 3) for more detailed information.

Each Base Contract Option also has different requirements for the minimum Initial and Subsequent Payment Amounts. Please see "Purchase Payment Requirements" paragraph in Section 1.2 — "How to Purchase Your Contract" for more information.

	Minimum Initial Purchase Payment			
Base Contract Option*	**SEP IRA / SIMPLE IRA / Traditional IRA / Roth IRA / ERISA Defined Benefit Plan**	**Non-Qualified / Traditional Stretch IRA / Roth Stretch IRA**	**Surrender Charge Period (applies to each Purchase Payment)**	**Total of Mortality & Expense Charge and Asset Based Contract Administration Charge**
Smart Foundation Prime	$ 1,000	$ 2,000	7 years	1.40%
Smart Foundation Flex	$10,000	$10,000	4 years	1.65%
Smart Foundation Plus**	$25,000	$25,000	9 years	1.60%

* This table does not contain the complete information about each Base Contract Option. Please read the entire prospectus for details about specific features of each option.

** If you elect the Smart Foundation Plus Base Contract Option, we will credit a Purchase Payment Enhancement to your Contract every time you make a Purchase Payment. The Purchase Payment Enhancement is subject to forfeiture in certain cases. Please see the "Smart Foundation Plus (Extended Surrender Charge Period with Purchase Payment Enhancements Base Contract Option)" paragraph in Section 1.5 — "Base Contract Options" for more details.

Optional Benefits

You may purchase certain available optional benefits for an additional cost with Smart Foundation Prime Variable Annuity or Smart Foundation Plus Variable Annuity:

- Enhanced Death Benefit — please see Section 8 — "Enhanced Death Benefit" for more details;
- Guaranteed Growth and Income Benefit — please see Section 9 — "Guaranteed Growth and Income Benefit" for more details;
- Combining the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders — please see Section 10 — "Combining the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders for more details;
- Inflation Protector Withdrawal Benefit — please see Section 11 — "Inflation Protector Withdrawal Benefit" for more details;
- Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders — please see Section 12 — "Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders" for more details;
- Guaranteed Minimum Accumulation Benefit — please see Section 13 — "Guaranteed Minimum Accumulation Benefit" for more details.

Check with your financial professional to determine the optional benefits that may currently be available to you.

Investment Options

You have an opportunity to invest in a variety of Subaccounts which are managed by professional managers. Please see Section 2 — "Investment Options" for details. Investment options may be limited with the presence of an optional benefit. Please refer to the "Investment Allocation Options" subsection of the applicable optional benefit section for more details.

Fixed Account Options

You can allocate your funds to any of the Fixed Account Options currently offered under your Contract, subject to availability and restrictions. Please refer to Section 2.2 — "The Fixed Account" for more information.

Fixed Dollar Cost Averaging Options are also available. Please see the "Dollar Cost Averaging Program" paragraph in Section 1.6 — "Optional Contract Features" and the "Fixed Dollar Cost Averaging Options" paragraph in Section 2.2 — "The Fixed Account" for more information.

Tax considerations

The variable annuity offers tax-deferred growth, which means that if the owner of the contract is a natural person, no tax is paid on the earnings until you take withdrawals from your Contract or receive annuity payments. That means annuity owners enjoy tax-deferred growth, which provides greater earnings potential compared to a fully taxable investment. Transfers among the Subaccounts within your variable annuity Contract are not taxable. If your annuity is purchased as a Qualified Contract, there is no additional tax benefit other than that already provided by the qualified treatment of your Contract. Please see Section 14 — "Taxes" for more information.

1. Variable Annuity Contract

1.1. The Contract

This prospectus primarily describes Contracts issued on or after the date of this prospectus. Contracts issued before the date of this prospectus may have different features and charges.

Your Contract is an Individual Variable and Fixed Deferred Annuity with flexible purchase payments, which provides for tax-deferred accumulation of Purchase Payments, fixed annuitization options that can guarantee income payments for a specified period or for the lifetime of the Annuitant(s), and a Standard Death Benefit.

Your Contract has:

- an Accumulation Period, during which you make one or more Purchase Payments and we invest your payments as you direct us; and
- an Annuity Payout Period, during which we make annuity payments to you. Your Annuity Payout Period begins on your Annuity Date.

The Contract allows you to invest in:

- the Separate Account, through which you may invest in one or more of the available Funds. See Section 2.1 — "The Separate Account"; and
- the Fixed Interest Options. The Fixed Accounts are guaranteed and funded by Penn Mutual through its general account. See Section 2.2 "The Fixed Account."

You decide, within Contract limits,

- how often you make a Purchase Payment and how much you invest (subject to minimum and maximum limits of the Contract);
- the Subaccounts and/or the Fixed Interest Options into which your Purchase Payments are invested (subject to the limitations with the presence of an optional benefit);
- whether or not to transfer money among the available Subaccounts and/or the Fixed Interest Options (subject to limitations of the Contract and the presence of an optional benefit);
- the type of annuity that we pay and who receives the annuity payments;
- the Beneficiary or Beneficiaries to whom we pay a death benefit (subject to limitations of the Contract and the presence of an optional benefit); and
- the amount and frequency of withdrawals from the Contract Value (subject to limitations of the Contract).

We may amend your Contract at any time to comply with legal requirements. State law may require us to obtain your approval for any Contract amendment. We reserve the right to add, combine, or remove any Subaccounts when permitted by law. We may, with any required approval of the Commission and the governing state insurance department, substitute another mutual fund for any of the Funds currently available. In the event of a Fund merger, any future purchase 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 Funds for future purchase payments. We will notify you of any material contract amendment and any mutual fund substitutions, liquidations, or mergers.

The Contract is available to individuals, business entities and trusts. The Contract may be issued as an individual retirement annuity (IRA) on a contributory and rollover basis. The Contract may be suitable for certain qualified plans, where a separate individual annuity is issued per participant, and each participant is a single Annuitant. It is not suitable for group qualified plans because it is an individual annuity, not a group Contract.

1.2. How to Purchase Your Contract

Your financial professional will assist you in completing an application and sending it with a check for your first Purchase Payment, to our Administrative Office.

We accept a complete application to purchase a Contract within two business days after we receive it at our Administrative Office. If you send us an incomplete application, we will return your Purchase Payment to you within five business days unless you ask us to keep it while you complete the application.

All Subsequent Purchase Payments should be sent to the address specified in Section 15.1 — "Contact Information."

Purchase Payment Requirements

Minimum Purchase Payment

The Contract will not be issued until Penn Mutual has received the minimum payment required to open the contract. The table below summarizes the minimum Initial and Subsequent Purchase Payment requirements by Base Contract Option and Market Type.

		Base Contract Option		
Market Type	**Payment Type**	**Smart Foundation Prime**	**Smart Foundation Flex(1)**	**Smart Foundation Plus**
Non-Qualified / Traditional Stretch IRA / Roth Stretch IRA	Minimum Initial Purchase Payment	$2,000	$10,000	$25,000
	Minimum Subsequent Purchase Payment	$1,000	$ 1,000	$ 5,000
Traditional IRA / Roth IRA / SEP IRA / Simple IRA / ERISA Defined Benefit Plan(2)	Minimum Initial Purchase Payment	$1,000(3)	$10,000	$25,000
	Minimum Subsequent Purchase Payment	$ 250(4)	$ 1,000	$ 1,000

(1) Smart Foundation Flex Base Contract Option is not available for contracts purchased on or after June 12th, 2017.
(2) ERISA Defined Benefit Plans must be approved by the Advanced Sales Department prior to opening.
(3) For approved qualified employer-sponsored plans (SEP IRA, Simple IRA, or ERISA Defined Benefit Plan) funding the annuity through payroll deduction or on-going employer contributions, Initial Purchase Payment requirement must be satisfied by Purchase Payments made in the first Contract Year. **The Contract will be terminated if the Minimum Initial Purchase Payment is not satisfied within 12 months of the issue date of your Contract, and all Purchase Payments made to date (adjusted for withdrawals) will be returned to you. The amount of Net Purchase Payments to be refunded will not be adjusted for market gains or losses incurred during this period.**
(4) If SEP IRA, Simple IRA or ERISA Defined Benefit Plan market types are elected at issue, the Minimum Subsequent Purchase Payment is $250 annually, and $25 per payment minimum under the automatic investment program.

Maximum Purchase Payment

Regardless of the Base Contract Option you choose, we will accept up to $2,000,000 in cumulative Purchase Payments. This limit applies across all variable annuity contracts issued by the Company for the same Contract Owner (if natural person) or Annuitant. Maximum purchase payment amount varies in Florida — please see "Appendix B: State Variations" for details.

We reserve the right to decline any Purchase Payment for any reason.

Allocation of Initial and Subsequent Purchase Payments

Your Initial and Subsequent Purchase Payments will be allocated to the Subaccounts and to the Fixed Account as you specify in the application for the Contract, unless you direct that the Subsequent Purchase Payments be allocated otherwise. Subsequent Purchase Payments may be made at any time without prior notice to the Company. All Purchase Payments are subject to the minimum and maximum amount limitations. Allocation of payments may be subject to limitations if any optional benefits are present.

Owner / Annuitant Requirements

You must specify the Owner and Annuitant information at the time of application, and the name(s) of Owner(s) and Annuitant(s) that you specify will be displayed on your Contract's specifications page. Designation of Contract Owner(s) and Annuitant(s) will be effective on the Contract Date.

No more than two natural persons may be named in the Contract as Owner(s) and/or Annuitant(s).

If you are the sole Owner of the Contract, you may designate yourself as an Annuitant, or an Annuitant other than yourself. However, if you designate Joint Annuitants, you must be one of the Annuitants.

If your Contract is owned by an entity, joint ownership is not permitted, and there can only be one Annuitant.

If your Contract is jointly owned, both Contract Owners must be natural persons. If the Contract is jointly owned and there is one Annuitant, he/she must be a Contract Owner. If the Contract is jointly owned and there are Joint Annuitants, Annuitants must be the Contract Owners.

If you are not the Annuitant, you can designate yourself as Contingent Annuitant in the Contract, and become the Annuitant in the event that the Annuitant dies before the Contract is terminated or annuitized.

If you purchase an optional benefit in addition to your Base Contract, additional Contract Owner/ Annuitant requirements may apply.

Issue Age Requirements

Issue age represented in the Contract is based on the age of the Owner and is determined by Age Nearest Birthday. Age Nearest Birthday is the age rounded to nearest whole number of years. If the Contract is jointly owned, both Owners must meet the issue age requirements. If the Owner is an entity, then the issue age represented in the Contract is based on the age of the Annuitant(s).

Annuitant(s) must also meet the issue age requirements of the Contract.

If you have not elected any available optional benefits under your Contract, the issue age requirements are as follows:

Base Contract Option	Smart Foundation Prime	Smart Foundation Flex*	Smart Foundation Plus
Acceptable Issue Ages	0 - 85	0 - 85	0 - 85

* Smart Foundation Flex Base Contract Option is not available for contracts purchased on or after June 12th, 2017.

If you wish to elect any available optional benefit, the issue age requirements may be different from the above table. Please, see "Issue Age Requirements" subsection of the appropriate optional benefit section that applies to you (Section 8.2 — "Purchasing the Enhanced Death Benefit Rider with your Contract" for

Enhanced Death Benefit, Section 9.2 — "Purchasing the Guaranteed Growth and Income Benefit Rider with your Contract" for Guaranteed Growth and Income Benefit, Section 11.2 — "Purchasing the Inflation Protector Withdrawal Benefit Rider with your Contract" for Inflation Protector Withdrawal Benefit, and Section 13.2 — "Purchasing the Guaranteed Minimum Accumulation Benefit with your Contract" for Guaranteed Minimum Accumulation Benefit). With the presence of an optional benefit, you will be subject to the strictest age requirement of your Base Contract Option / optional benefit combination.

1.3. Right to Review the Contract

You may cancel the Contract within 10 days after its receipt. If the Contract is a Replacement Contract (*i.e.*, it has been purchased with the proceeds from the surrender of another annuity contract you own), it may be cancelled within 30 days of receipt. In either situation, simply mail the contract to the Company or the representative through whom it was purchased, along with a written request to cancel the Contract based on this provision. The Company will refund the amount calculated in accordance with state law, which is generally the Contract Value as of the date the notification and the Contract are received. You may have longer than 10 days to obtain a refund in some states. Right to Review the Contract provisions vary by state. Please refer to "Appendix B: State Variations" for details.

1.4. Contract Changes

Written notice from the Contract Owner(s) is required to process any Contract change. You may request the following changes to your Contract:

Annuity Date Change

Approval of your request will be subject to the waiting period described in the Contract and maximum maturity date determined by state law.

Beneficiary Change

Approval of your request will be subject to provisions of the Contract, as well as any transactions made by the Contract Owner or actions taken by the Company prior to receipt of this notice; the change form is provided by the Company.

Ownership Change (Absolute Assignment)

Upon written notice to the Company, and upon receipt of all the information required to process the request, you may assign the Contract to a new Contract Owner. A service form that indicates the required information will be provided by the Company for your convenience. Approval of your request is subject to restrictions. Changes in Contract Owner designation, unless specified otherwise, shall take effect on the date the Contract Owner(s) sign the notice of change. Approval of any ownership change is subject to any transactions that you make or actions taken by the Company prior to receipt of this notice. The Company shall not be liable for the validity of the assignment. The Contract will allow a maximum of two natural persons as Owner(s) and Annuitant(s). The new Contract Owner(s) and Annuitant(s) must meet the issue age requirements and all other requirements specified in the Contract at the time of designation. We may restrict the Contract Owner designation change if required for purposes of satisfying applicable laws or regulations. If there are any optional benefits attached to your Contract, they may be terminated as a result of the change of ownership (please, see the termination provisions section of the optional benefit that applies to you). Change of ownership can also have tax consequences and you should consult your tax advisor prior to requesting a change. In addition, change of ownership provisions may vary by state — please see "Appendix B: State Variations."

Annuitant cannot be changed, except when the Contract Owner becomes the Annuitant as a result of such change, or as a consequence of Annuitant's death (when Contingent Annuitant becomes Annuitant) or divorce (when Annuitant or Joint Annuitant is replaced with a new spouse or removed from the Contract).

1.5. Base Contract Options

Smart Foundation Prime (Standard Base Contract Option)

Smart Foundation Prime is the standard option of your Base Contract. It offers a seven-year Surrender Charge Period (based on each Purchase Payment), and the lowest Mortality and Expense Risk Charge of the three options.

Smart Foundation Flex (Short Surrender Charge Period Base Contract Option; not available for contracts purchased on or after June 12th, 2017)

Smart Foundation Flex offers a four-year Surrender Charge Period (based on each Purchase Payment), providing additional liquidity, and has an increased Mortality and Expense Risk Charge.

Optional benefits were not available on Smart Foundation Flex contracts purchased on or after May 27, 2016.

Smart Foundation Plus (Extended Surrender Charge Period with Purchase Payment Enhancements Base Contract Option)

Smart Foundation Plus offers a nine-year Surrender Charge Period (based on each Purchase Payment) and Purchase Payment Enhancements and has an increased Mortality and Expense Risk Charge. With the Purchase Payment Enhancement feature, each time you make a Purchase Payment, Penn Mutual will credit your Contract Value with an additional Purchase Payment Enhancement amount. Contract expenses may be higher than other annuity contracts offered by Penn Mutual without a Purchase Payment Enhancement feature. The benefit of the Purchase Payment Enhancement may be more than offset by the higher expenses for this option, relative to other annuity contracts we offer, especially if withdrawals are made in the early years of the Contract.

The Contract provides no specific charge for providing the Purchase Payment Enhancement. Penn Mutual pays the Purchase Payment Enhancement from its surplus which reflects revenues from multiple sources, including the administrative, mortality and expense risk, and deferred sales charges made under the Contract. The charges are expected to produce a profit or return to Penn Mutual's surplus, in addition to covering the cost of issuing and administering the Contract.

Purchase Payment Enhancements — Smart Foundation Plus

When you make a Purchase Payment, we will determine your Purchase Payment Enhancement by multiplying the amount of the Purchase Payment by the applicable Purchase Payment Enhancement Rate set forth in the table below. The Purchase Payment Enhancement Rate is based on the Cumulative Net Purchase Payments, *i.e.,* the cumulative total of Purchase Payments received (including the Purchase Payment being processed) less total withdrawals.

We will credit the Purchase Payment Enhancement to your Contract and allocate it to the Subaccounts and/or the Fixed Account Options, along with your Purchase Payments, in accordance with your direction. Any portion of the Purchase Payment Enhancement that is credited to the Contract Value is not considered a premium payment, but is considered part of earnings. The Purchase Payment Enhancement will be credited to the Contract Value on the date the associated Purchase Payment is made. Withdrawals and charges will be processed after the Purchase Payment(s) and any applicable Purchase Payment Enhancement(s) are credited to your Contract Value.

Purchase Payment Enhancement Rate Table

Each Purchase Payment will receive the Purchase Payment Enhancement at a rate set forth in the table below. Purchase Payment Enhancements are not included in the determination of Cumulative Net Purchase Payments.

PURCHASE PAYMENT ENHANCEMENT RATE TABLE — For Smart Foundation Plus Only

Cumulative Net Purchase Payments (Cumulative Total of Purchase Payments Less Withdrawals)	Purchase Payment Enhancement Rate
< $150,000	4.0%
>= $150,000 but < $1,000,000	5.0%
>= $1,000,000	6.0%

Qualifying For a Higher Purchase Payment Enhancement Rate

First Contract Year

If you make additional Purchase Payments during the first Contract Year, your Cumulative Purchase Payments may reach the threshold to receive a higher Purchase Payment Enhancement rate. If so, we will determine if any additional Purchase Payment Enhancements will be credited for the prior Purchase Payments you have made by taking the difference between:

(1) the prior cumulative Purchase Payments paid during the first Contract Year multiplied by the Purchase Payment Enhancement Rate applied to the current Purchase Payment, and

(2) the prior cumulative Purchase Payment Enhancements credited to the Contract during the first Contract Year.

If the result exceeds zero, the excess will be credited to the Contract as a Purchase Payment Enhancement at the same time the additional Purchase Payment is credited.

Please see the example "Smart Foundation Plus: Qualifying for Higher Enhancement Rate in the First Contract Year" in "Appendix A: Numerical Examples" for details.

If an additional Purchase Payment is received within the first Contract Year and does not cause the Cumulative Purchase Payments to cross a Purchase Payment Enhancement tier threshold, then the Purchase Payment Enhancement to be applied with that current Purchase Payment will be the product of the payment amount and the applicable Purchase Payment Enhancement rate for the appropriate threshold set forth in the table above.

If withdrawals are made in the first Contract Year, and thus any prior Purchase Payment Enhancements are forfeited (please see "Can I Keep My Purchase Payment Enhancements" below), then no additional Enhancement for prior Purchase Payments will apply if an additional Purchase Payment made in the first Contract Year causes Cumulative Net Purchase Payments to reach a new threshold.

Second and Subsequent Contract Years

If, as a result of additional Purchase Payments in second and subsequent Contract Years, the Cumulative Net Purchase Payments amount reaches a new threshold, we will credit a Purchase Payment Enhancement at the higher Purchase Payment Enhancement Rate associated with the new threshold. However, we will not adjust the Enhancements already credited with previous Purchase Payments.

Can I Keep My Purchase Payment Enhancements?

You will not always get to keep the Purchase Payment Enhancements credited to your Contract. You will forfeit some or all of the Purchase Payment Enhancements under certain circumstances:

- If you cancel your Contract during the "Right to Review" period described in your Contract, the dollar amount of the Purchase Payment Enhancement will be forfeited from the Contract Value.

- If you take a withdrawal from your Contract where a Surrender Charge is applied or surrender your Contract during the Surrender Charge Period, any Purchase Payment Enhancement credited to your Contract within 12 months of the withdrawal or surrender will be forfeited (your Contract Value will be reduced by the amount of the Purchase Payment Enhancement forfeited). No Purchase Payment Enhancement will be forfeited when you take the Free Withdrawal Amount. See Section 4.2 — "Surrender-Charge Free Withdrawals." No Purchase Payment Enhancement will be forfeited after the end of the Surrender Charge Period for the associated Purchase Payment.

- Any Purchase Payment Enhancement credited to the Contract Value within the 12-month period preceding the date our Administrative Office receives proof of death will be forfeited from the Contract Value used to determine the death benefit (if the Standard Death Benefit amount is payable, it will be equal to the greater of the Contract Value reduced by the amount of any Purchase Payment Enhancements forfeited, and the cumulative Purchase Payments less adjusted withdrawals; if the Contract Value is payable as a death benefit, it will be reduced by the amount of any Purchase Payment Enhancements forfeited).

Provisions of this section vary in Connecticut — please see "Appendix B: State Variations" for details.

Do Purchase Payment Enhancements Benefit Everyone?

No. Penn Mutual issues a variety of individual variable and fixed annuity contracts designed to meet different retirement planning and investment goals. We issue contracts with no Purchase Payment Enhancement, lower mortality and expense risk charges, lower Surrender Charges and/or shorter Surrender Charge Periods. You should consider various factors when determining which annuity contract is appropriate for you, including the following:

- The length of time that you plan to continue to keep the Contract in force.

- The frequency, amount and timing of withdrawals you plan to make.

- The amount and timing of Purchase Payments you plan to make (Smart Foundation Plus Base Contract Option requires higher minimum Purchase Payments compared to other options, and has a longer Surrender Charge Period).

- Whether you might experience an event that results in the loss of some or all of the Purchase Payment Enhancements (see "Can I Keep My Purchase Payment Enhancements?" above).

The Purchase Payment Enhancement feature would be disadvantageous to a purchaser who takes a withdrawal, subject to a Surrender Charge, within 12 months of making a Purchase Payment. If a withdrawal is taken during the first Contract Year, the Surrender Charge would be higher than in other contracts we offer, and any Purchase Payment Enhancement will be forfeited. Also, in a declining market, the purchaser would bear the loss on the Purchase Payment Enhancement.

Purchase Payment Enhancements and the Surrender Charge

Purchase Payment Enhancements are treated as earnings under the Contract for purposes of the Surrender Charge. Earnings are not subject to Surrender Charges.

1.6. Optional Contract Features

Dollar Cost Averaging Program

Dollar cost averaging is a way to invest in which securities are purchased at regular intervals in fixed dollar amounts, so that the cost of the securities gets averaged over time and possibly over market cycles. If the Contract Value is at least $10,000, you may allocate any new Purchase Payments to one of the Dollar Cost Averaging Options and have a fixed percentage transferred monthly from that Option to variable Subaccounts to achieve dollar cost averaging. Amounts may only be allocated to one of the Dollar Cost Averaging Options in conjunction with an election of the Dollar Cost Averaging program. The minimum transfer amount to each Subaccount is $50. Once a Dollar Cost Averaging Option is selected, an additional Dollar Cost Averaging Option cannot be selected. If you elect to discontinue participation in the program, any money left in the account will be transferred into the variable Subaccounts based on the Dollar Cost Averaging allocation initially selected (unless otherwise directed by you). There is no charge for participating in the Dollar Cost Averaging Program.

Fixed Dollar Cost Averaging Options

The available periods under the Fixed Dollar Cost Averaging Options are:

1) Six-Month Dollar Cost Averaging Period, and

2) Twelve-Month Dollar Cost Averaging Period.

Only new Purchase Payments may be allocated to the Fixed Dollar Cost Averaging Options. Such allocations of Initial and Subsequent Purchase Payments are subject to the Contract Value minimum requirements. Amounts held in a Fixed Dollar Cost Averaging Option of the Fixed Account will be credited with interest at effective annual rates, declared by the Company. See Section 2.2 "The Fixed Account" for details.

Variable Dollar Cost Averaging Options

Dollar Cost Averaging may also be done from one of the following Subaccounts: Money Market Subaccount, Limited Maturity Bond Subaccount and Quality Bond Subaccount. New Purchase Payments and transfers may be allocated to the selected Subaccount, subject to the Contract Value minimum requirements. The available periods under the Variable Dollar Cost Averaging Options are from 12 months to 60 months.

Automatic Asset Rebalancing Program

Automatic rebalancing is a way to maintain your desired asset allocation percentages. Because the value of your Subaccounts will fluctuate in response to investment performance, your asset allocation percentages may change over time. If you have a Contract Value of at least $10,000 you may elect Automatic Asset Rebalancing. We will transfer funds under your Contract on a quarterly (calendar) basis among the Subaccounts to maintain a specified percentage allocation among your selected variable investment options. You may elect to participate in the program when you apply for your Contract or, after you have owned your Contract, by completing an election form or by calling our office (contact information is available in Section 15.1 — "Contact Information"). You may discontinue the program at any time. There is no charge for participating in the Automatic Asset Rebalancing Program.

Dollar Cost Averaging and Automatic Asset Rebalancing programs may not be elected at the same time and are not available after Annuitization.

Systematic Withdrawals

Systematic Withdrawals are regular payments that we make to you on a monthly, quarterly, semiannual or annual basis. Details about the Systematic Withdrawal Program can be found in the "Systematic Withdrawals" paragraph in Section 4.1 — "Ways to Access Your Money."

1.7. Accumulation / Annuity Payout Period

Your Contract has an Accumulation Period, during which you make one or more Purchase Payments and we invest your payments as you direct us, and an Annuity Payout Period, during which we make annuity payments to you. Your Annuity Payout Period begins on your Annuity Date. Please see Section 6 — "The Annuity Payout Period" for more information.

1.8. Contract Termination

The Contract will terminate when one or more of the following events occur, unless otherwise specified in any Endorsement or Rider attached to the Contract:

- the Death Benefit is paid,
- the Annuity Payments end,
- there is a full surrender of the Contract or if a withdrawal is made that falls under the conditions of “Withdrawals Treated as Surrenders” provision of the Contract.

In addition, the Company reserves the right to terminate the Contract and any applicable Death Benefit by initiating a payment of the Surrender Value to the Contract Owner, if, before the Annuity Date, no Purchase Payments are made during the last two Contract Years, and the Contract Value is less than the Minimum Remaining Balance (see “Withdrawals Treated as Surrenders” paragraph in Section 4.1 — “Ways to Access Your Money” for more information). The Company will notify the Contract Owner 60 days prior to taking any action pertaining to this provision.

2. Investment Options

2.1. The Separate Account

Penn Mutual established Penn Mutual Variable Annuity Account III (the “Separate Account”) on April 13, 1982. The Separate Account is registered with the Commission as a unit investment trust and is a “separate account” within the meaning of the federal securities laws. The Commission does not supervise our management or the investment practices of the Separate Account. The Separate Account is divided into Subaccounts that invest in shares of the Funds. We own the assets of the Separate Account.

- The income, gains and losses, whether or not realized, of the Separate Account are, in accordance with the Contract, credited to or charged against the Separate Account without regard to the other income, gains or losses of Penn Mutual.
- The Separate Account and its Subaccounts are not responsible for the liabilities of any other business of Penn Mutual.

The investment results of the Separate Account are not guaranteed.

Investment Options in the Separate Account

The Separate Account currently has Subaccounts that invest in the following Funds. There may be limitations on the availability of these funds with the presence of an optional benefit.

Penn Series Funds, Inc.	Investment Adviser or Sub-Adviser	Objective
Money Market Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund is a government money market fund that seeks current income, while preserving capital and liquidity, and will invest no less than 99.5% of its total assets in government securities, cash or repurchase agreements that are collateralized fully by government securities or cash. The Fund may invest only in U.S. dollar-denominated securities that are determined to present minimal credit risk and meet certain other criteria, including relating to maturity, diversification, liquidity and credit quality.
Limited Maturity Bond Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund seeks to maximize total return consistent with preservation of capital by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in short- to intermediate-term investment grade debt securities of U.S. government and corporate issuers, including mortgage-backed and asset-backed securities. The Fund's investment adviser follows an actively managed, total-return oriented approach and seeks to invest in securities that are under-valued in the marketplace based on both a relative value analysis of individual securities combined with an analysis of macro-economic factors.
Quality Bond Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund seeks to maximize total return over the long term consistent with the preservation of capital by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in marketable investment grade debt securities, which are those securities rated BBB- or higher by S&P, Baa3 or higher by Moody's, or the equivalent by any other nationally recognized statistical rating organization, or, if unrated, determined by the Fund's investment adviser to be of comparably quality. The Fund's investment adviser follows an actively managed, total-return oriented approach and seeks to find securities that are under-valued in the marketplace based on both a relative value analysis of individual securities combined with an analysis of macro-economic factors.
High Yield Bond Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund seeks to realize high current income by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in a widely diversified portfolio of high yield corporate bonds (commonly known as "junk bonds") income-producing convertible securities and preferred stocks that are rated below investment-grade or not rated by any major credit rating agency but deemed to be below investment-grade by the Fund's investment adviser.

Penn Series Funds, Inc.	Investment Adviser or Sub-Adviser	Objective
Flexibly Managed Fund	T. Rowe Price Associates, Inc. Baltimore, Maryland	The Fund seeks to maximize total return (capital appreciation and income) by normally investing at least 50% of its total assets in stocks of established U.S. companies that the Fund believes have above-average potential for capital growth. The remaining assets are generally invested in other securities, such as convertibles, corporate and government debt securities (including mortgage- and asset-backed securities), high yield securities, bank loans and foreign securities, in keeping with the Fund's objective.
Balanced Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund seeks to achieve long-term growth and current income by using a "fund-of-funds" strategy and investing in a combination of other portfolios of Penn Series Funds, Inc. in accordance with the Fund's target asset allocation. Under normal circumstances, the Fund will invest 50%-70% of its assets in stock and other equity underlying funds, 30%-50% of its assets in bond and other fixed income funds, and 0%-20% of its assets in money market funds. The Fund also may invest directly in equity and fixed income securities and cash equivalents, including money market securities.
Large Growth Stock Fund	T. Rowe Price Associates, Inc. Baltimore, Maryland	The Fund seeks to achieve long-term growth of capital and increase of future income by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in common stocks of large capitalization companies (companies with market capitalizations that fall within the market capitalization range of companies in the Russell 1000® Growth Index at the time of purchase). The Fund invests primarily in common stocks of well established companies the Fund's sub-adviser believes have long-term growth potential as well as companies that have the ability to pay increasing dividends through strong cash flow.
Large Cap Growth Fund	Massachusetts Financial Services Company Boston, Massachusetts	The Fund seeks to achieve long-term capital appreciation by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in common stocks of U.S. companies with large market capitalizations (companies with market capitalizations of more than $5 billion at the time of purchase). The Fund invests in the stocks of companies its sub-adviser believes to have above average earnings growth potential compared to other companies based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions.

Penn Series Funds, Inc.	Investment Adviser or Sub-Adviser	Objective
Large Core Growth Fund	Morgan Stanley Investment Management, Inc. New York, New York	The Fund seeks to achieve long-term growth of capital (capital appreciation) by investing primarily in equity securities of large capitalization U.S. companies (companies that have market capitalizations that fall within the market capitalization range of companies in the Russell 1000® Growth Index at the time of purchase). Under normal circumstances, the Fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities of large capitalization companies. The Fund's sub-adviser typically invests in companies it believes have strong name recognition and sustainable competitive advantages with above average business visibility, the ability to deploy capital at high rates of return, strong balance sheets and an attractive risk/reward. The sub-adviser actively integrates sustainability into the investment process by using environmental, social and governance ("ESG") factors as a lens for additional fundamental research, which may contribute to investment decision-making.
Large Cap Value Fund	AllianceBernstein, L.P. New York, New York	The Fund seeks to achieve long-term growth of capital by investing primarily in equity securities of U.S. and non-U.S. incorporated entities, including, but not limited to common stock, American Depositary Receipts (ADRs), equity real estate investment trust securities (REITs), preferred securities and convertible preferred securities. Under normal circumstances, the Fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of large capitalization companies (companies that have market capitalizations of more than $2 billion at the time of purchase). The Fund primarily invests in common stocks that its sub-adviser deems to be underpriced relative to long-term earnings and for cash flow potential.
Large Core Value Fund	Eaton Vance Management Boston, Massachusetts	The Fund seeks to achieve total return by investing primarily in value stocks of large capitalization companies (companies that have market capitalizations within the range of companies included in the Russell 1000® Value Index at the time of purchase); however, the Fund will generally consist of stocks with a market capitalization equal to or greater than the median market capitalization of companies included in the Russell 1000® Value Index. Under normal circumstances, the Fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities of large capitalization companies. Value stocks are stocks that, in the opinion of the Fund's sub-adviser, are inexpensive or undervalued relative to the intrinsic value of the company.

Penn Series Funds, Inc.	Investment Adviser or Sub-Adviser	Objective
Index 500 Fund	SSGA Funds Management, Inc. Boston, Massachusetts	The Fund seeks to achieve total return (capital appreciation and income) which corresponds to that of the S&P 500® Index by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities listed in the S&P 500® Index. Under normal circumstances, however, the Fund intends to invest substantially all of its assets in securities of companies included in the S&P 500® Index and close substitutes (such as index futures contracts) that are designed to track the S&P 500® Index.
Mid Cap Growth Fund	Ivy Investment Management Company Shawnee Mission, Kansas	The Fund seeks to maximize capital appreciation by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of mid-cap companies (companies that have market capitalizations that fall within the market capitalization range of companies in the Russell Midcap® Growth Index at the time of purchase). The Fund invests in equity securities of companies that the Fund's sub-adviser believes have the potential for strong growth, increasing profitability, stable and sustainable revenue and earnings streams, attractive valuations and sound capital structures.
Mid Cap Value Fund	Janus Capital Management LLC Denver, Colorado	The Fund seeks to achieve growth of capital by investing, under normal market circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of mid-cap companies (companies that have market capitalizations that fall within the market capitalization range of companies in the Russell Midcap® Index at the time of purchase). The Fund seeks to invest in the equity securities of high quality companies that the Fund's sub-adviser believes are trading at a substantial discount to their intrinsic value where there is a strategic plan or event that is expected to both enhance value and narrow the value/price gap.
Mid Core Value Fund	American Century Investment Management, Inc. Kansas City, Missouri	The Fund seeks to achieve capital appreciation by investing, under normal conditions, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of medium capitalization companies (companies whose market capitalization at the time of purchase is within the capitalization range of the Russell 3000® Index, excluding the largest 100 such companies). The Fund seeks to invest in undervalued companies and hold each stock until the price has increased to, or is higher than, a level the Fund's sub-adviser believes more accurately reflects the fair value of the company.

Penn Series Funds, Inc.	Investment Adviser or Sub-Adviser	Objective
SMID Cap Growth Fund	Goldman Sachs Asset Management, L.P. New York, New York	The Fund seeks to achieve long-term growth of capital (capital appreciation) by investing primarily in common stocks of small and medium capitalization U.S. companies (companies that have market capitalizations that fall within the outside range of the market capitalizations of companies in the Russell 2000® Growth Index and the Russell Midcap® Growth Index at the time of purchase) that the Fund's sub-adviser believes have specific characteristics indicating high quality and sustainable growth, including strong business franchises, favorable long-term prospects, and excellent management. Under normal circumstances, the Fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities of small and medium capitalization companies. The Fund's sub-adviser employs a fundamental equity growth investment process that involves evaluating potential investments based on specific characteristics believed to indicate a high-quality business with sustainable growth, including strong business franchises, favorable long-term prospects, and excellent management.
SMID Cap Value Fund	AllianceBernstein L.P. New York, New York	The Fund seeks to achieve long-term growth of capital by investing primarily in a diversified portfolio of equity securities of small and medium capitalization U.S. companies (companies that, at the time of investment, fall within the capitalization range between the smallest company in the Russell 2500™ Value Index and the greater of $15 billion or the market capitalization of the largest company in the Russell 2500™ Value Index), generally representing 60 to 125 companies. Under normal circumstances, the Fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities of small and medium capitalization companies. The Fund invests in companies that are determined by the Fund's sub-adviser to be undervalued using its fundamental value approach.
Small Cap Growth Fund	Janus Capital Management LLC Denver, Colorado	The Fund seeks to achieve capital appreciation by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of small capitalization companies with public stock market capitalizations (based upon shares available for trading on an unrestricted basis) within the range of the market capitalization of companies constituting the Russell 2000® Growth Index at the time of investment. The small capitalization companies in which the Fund invests are selected for their growth potential.

Penn Series Funds, Inc.	Investment Adviser or Sub-Adviser	Objective
Small Cap Value Fund	Goldman Sachs Asset Management, L.P. New York, New York	The Fund seeks to achieve capital appreciation by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in a diversified portfolio of equity investments in small-cap issuers with public stock market capitalizations (measured at the time of purchase) within the range of the market capitalization of companies constituting the Russell 2000® Value Index at the time of investment. The Fund's sub-adviser employs an equity investment process that involves: (1) using multiple industry-specific valuation metrics to identify real economic value and company potential in stocks, screened by valuation, profitability and business characteristics; (2) conducting in-depth company research and assessing overall business quality; (3) considering a wide range of factors as part of the fundamental investment process, which may include integrating environmental, social and governance ("ESG") factors with traditional fundamental factors; and (4) buying those securities that a sector portfolio manager recommends, taking into account feedback from the rest of the portfolio management team.
Small Cap Index Fund	SSGA Funds Management, Inc. Boston, Massachusetts	The Fund seeks to replicate the returns and characteristics of a small cap index by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities listed in the Russell 2000® Index. Under normal circumstances, however, the Fund intends to invest substantially all of its assets in securities of companies included in the Russell 2000® Index and close substitutes (such as index futures contracts or other investment companies) that are designed to track the Russell 2000® Index.
Developed International Index Fund	SSGA Funds Management, Inc. Boston, Massachusetts	The Fund seeks to replicate the returns and characteristics of an international index composed of securities from developed countries by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities listed in the Morgan Stanley Capital International® Europe, Australasia, Far East (MSCI EAFE) Index. Under normal circumstances, however, the Fund intends to invest substantially all of its assets in securities of companies included in the MSCI EAFE Index (including American Depositary Receipts and Global Depositary Receipts) and close substitutes (such as index futures contracts) that are designed to track the MSCI EAFE Index.

Penn Series Funds, Inc.	Investment Adviser or Sub-Adviser	Objective
International Equity Fund	Vontobel Asset Management, Inc. New York, New York	The Fund seeks to achieve capital appreciation by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities, such as common stocks, preferred stocks, convertible bonds, and warrants. The Fund will invest primarily in companies operating in the countries in Europe and the Pacific Basin. The Fund's sub-adviser seeks to identify high-quality growth companies for inclusion in the Fund's portfolio.
Emerging Markets Equity Fund	Vontobel Asset Management, Inc. New York, New York	The Fund seeks to achieve capital appreciation by investing, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities (or equity-linked instruments) of issuers of any capitalization located in emerging market countries. Emerging markets countries generally include every nation in the world except the U.S., Canada, Japan, Australia, New Zealand and most nations located in Western Europe.
Real Estate Securities Fund	Cohen & Steers Capital Management, Inc. New York, New York	The Fund seeks to achieve a high total return consistent with reasonable investment risks by investing, under normal circumstances, at least 80%, and normally substantially all, of its net assets, plus the amount of any borrowings for investment purposes, in common stocks and other equity securities issued by real estate companies, including REITs.
Aggressive Allocation Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund seeks to achieve long-term capital growth consistent with its asset allocation strategy by using a "fund-of-funds" strategy and investing in a combination of other portfolios of Penn Series Funds, Inc. in accordance with its target asset allocations (85%-100% of its assets in equity funds and 0%-15% of its assets in fixed income and money market funds). The portfolio of the Fund is more heavily allocated to stocks, and reflects an aggressive approach.
Moderately Aggressive Allocation Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund seeks to achieve long-term capital growth and current income consistent with its asset allocation strategy by using a "fund-of-funds" strategy and investing in a combination of other portfolios of Penn Series Funds, Inc. in accordance with its target asset allocations (70%-100% of its assets in equity funds and 0%-30% of its assets in fixed income and money market funds). The portfolio of the Fund is more heavily allocated to stocks, and reflects a moderately aggressive approach.

Penn Series Funds, Inc.	Investment Adviser or Sub-Adviser	Objective
Moderate Allocation Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund seeks to achieve long-term capital growth and current income consistent with its asset allocation strategy by using a “fund-of-funds” strategy and investing in a combination of other portfolios of Penn Series Funds, Inc. in accordance with its target asset allocations (50%-70% of its assets in equity funds and 30%-50% of its assets in fixed income and money market funds). The portfolio of the Fund is allocated among stock, bond and cash investments with a majority of its assets allocated to stocks, and is designed to offer investors an investment option that is less aggressive than the Penn Series Aggressive Allocation and Moderately Aggressive Allocation Funds, but more aggressive than the Penn Series Moderately Conservative Allocation and Conservative Allocation Funds.
Moderately Conservative Allocation Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund seeks to achieve long-term capital growth and current income consistent with its asset allocation strategy by using a “fund-of-funds” strategy and investing in a combination of other portfolios of Penn Series Funds, Inc. in accordance with its target asset allocations (30%-50% of its assets in equity funds and 50%-70% of its assets in fixed income and money market funds). The portfolio of the Fund is more heavily allocated to bonds and cash investments, and reflects a moderately conservative approach.
Conservative Allocation Fund	Penn Mutual Asset Management, LLC Horsham, Pennsylvania	The Fund seeks to achieve long-term capital growth and current income consistent with its asset allocation strategy by using a “fund-of-funds” strategy and investing in a combination of other portfolios of Penn Series Funds, Inc. in accordance with its target asset allocations (20%-40% of its assets in equity funds and 60%-80% of its assets in fixed income and money market funds). The portfolio of the Fund is more heavily allocated to bonds and cash investments, and reflects a conservative approach.

A prospectus for each of these Funds, which contains additional information about the Funds including their investment objectives and policies and expenses, accompanies this prospectus. If the Subaccounts you select for your Contract perform poorly you could lose money, including some or all of the purchase payments made. Each Subaccount 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 Subaccount, please read the prospectus for the underlying Fund carefully.** You may also obtain copies of the prospectuses, without charge, by writing to The Penn Mutual Life Insurance Company, Customer Service Group — C3R, PO Box 178, Philadelphia, Pennsylvania 19105, or by calling, toll free, 800-523-0650.

Penn Mutual Asset Management, LLC, Horsham, Pennsylvania is investment adviser to each of the Funds and a wholly owned subsidiary of Penn Mutual. Penn Mutual Asset Management provides day-to-day investment management for the Money Market Fund, Limited Maturity Bond Fund, Quality Bond Fund, High Yield Bond Fund, Balanced Fund, Aggressive Allocation Fund, Moderately Aggressive Allocation Fund, Moderate Allocation Fund, Moderately Conservative Allocation Fund, and Conservative Allocation Fund. For the other

Funds, Penn Mutual Asset Management has appointed an investment sub-adviser to provide day-to-day management of the Funds as noted above.

Shares of Penn Series are sold to other variable life and variable annuity separate accounts of Penn Mutual and its subsidiary, The Penn Insurance and Annuity Company. For more information on the possible conflicts involved when the Separate Account invests in Funds offered to other separate accounts, see the Fund Statements of Additional Information.

The Variable Account Value

Your assets in the Separate Account are held as Accumulation Units of the Subaccounts that you select. An Accumulation Unit is a unit of measure used to compute the Variable Account Value under the Contract prior to the Annuity Date. The Variable Account Value is the sum of the values of the Accumulation Units held in the Subaccounts for this Contract.

Accumulation Units — Valuation

We value Accumulation Units as of the close of regular trading on the NYSE (generally, 4:00 p.m. ET). When you invest in, withdraw from, or transfer money to a Subaccount, you receive the Accumulation Unit value next computed after we receive and accept your Purchase Payment or your withdrawal or transfer request at our Administrative Office. Allocation, withdrawal and transfer instructions received from you or the agent of record (pursuant to your instruction) at our Administrative Office after the close of regular trading on the NYSE will be valued based on the Accumulation Unit value computed as of the close of regular trading on the next NYSE business day. In the case of your first Purchase Payment, you receive the price next computed after we accept your application to purchase a Contract.

The value of an Accumulation Unit varies and is determined by multiplying its last computed value by the net investment factor for the Subaccount for the current Valuation Period. The net investment factor measures (1) investment performance of Fund shares held in the Subaccount, (2) any taxes on income or gains from investments held in the Subaccount, and (3) the Mortality and Expense Risk Charge and Asset Based Contract Administration Charge assessed against the Subaccount.

Voting Instructions

You have the right to tell us how to vote proxies for the Fund shares in which your Purchase Payments are invested. If the law changes and permits us to vote the Fund shares, we may do so.

If you are a Contract Owner, we determine the number of full and fractional Fund shares that you may vote by dividing your interest in a Subaccount by the net asset value per share of the Fund. 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 Contract Owners and other persons entitled to provide voting instructions. Fund shares for which Contract 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 Contract Owners and other persons entitled to vote. In such cases, the Contract 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 Contract Owners can determine the outcome of a vote.

2.2. The Fixed Account

The Fixed Account is the account in which amounts are held for this Contract under all Fixed Account Options prior to the Annuity Date.

Fixed Account Options are:

- Fixed Interest Options; and
- Fixed Dollar Cost Averaging Options.

The Fixed Account Value is determined by the total amount of premium allocated to the Fixed Account Options, adjusted by partial withdrawals, transfers, charges and expenses, and accumulated at effective annual rates declared by the Company, but at no less than the Minimum Guaranteed Interest Rate specified in your Contract.

The Fixed Account (including the Fixed Interest Options and the Fixed Dollar Cost Averaging Options) is part of the Company's general account which is subject to the claims of the Company's creditors. The Company's insurance obligations and guarantees under the Contract are paid in part out of the general account and, therefore, Contract Owners should consider the Company's financial statements and claims paying ability for the payment of such obligations and guarantees.

Interests in the Fixed Account are not registered under the Securities Act of 1933 and the general account is not registered as an investment company under the Investment Company Act of 1940. This prospectus generally discusses only the variable portion of the Contract. Disclosure regarding the Fixed Account, however, may be subject to generally applicable provisions of the federal securities laws relating to the accuracy and completeness of statements made in this prospectus.

Fixed Interest Options

You may allocate or transfer your Contract Value to one or more of the Fixed Interest Options available under your Contract. Available Interest Periods of the Fixed Interest Options may range from one year to seven years, depending on the options currently being offered by the Company. The Company may provide additional Fixed Interest Options in the future.

Amounts held in the Fixed Interest Options of the Fixed Account will be credited with interest at effective annual rates declared by the Company each month. The declared interest rate will apply from the date of the allocation or transfer through the end of the elected Interest Period.

You may not transfer amounts held in the Fixed Interest Options to Subaccounts or to another Fixed Interest Option prior to the end of the Interest Period. For the 25 days following the expiration of such period, you may also transfer all or a portion of the amount held in such Fixed Interest Option to Subaccount(s) or to another account of the Fixed Interest Options. If you do not withdraw or reallocate money in a Fixed Interest Option within 25 days after the expiration of that account's Interest Period, the Company will renew the portion of the Fixed Interest Option that has expired at the new rate declared for the Interest Period at that time. Amounts withdrawn or transferred from a Fixed Interest Option with an Interest Period longer than one year outside of the 25-day "renewal window" period are subject to the Premature Withdrawal Charge (please see the "Premature Withdrawal Charge" paragraph in Section 3.1 — "Transaction Charges").

All Interest Periods end on the last day of a calendar month, therefore transfers to a Fixed Interest Option on other than the 1st of the month will result in a shorter Interest Period (*i.e.,* transfers on the 16th of a month will result in 15 fewer days of interest than the Interest Period selected).

We offer a Minimum Guaranteed Interest Rate that varies from 1% to 3%, is set on the Contract Date, and will not change through the life of the Contract. The Minimum Guaranteed Interest Rate that applies to you is specified in your Contract. The Minimum Guaranteed Interest Rate for any Fixed Interest Option is determined based on a formula established by state law as described below.

The minimum guaranteed interest rate is the lesser of (1) 3% and (2) the average over a 12-month period, rounded to the nearest 1/20th of 1%, of the 5-year constant maturity treasury rate reduced by 125 basis points, where the resulting interest rate is not less than 1%. This rate is set by the Company quarterly on January 1, April 1, July 1 and October 1. The rate calculated as shown above is the minimum guaranteed interest rate for the life of the Contract. The calculated guaranteed rate will never be lower than the minimum nonforfeiture rate required by state law.

Fixed Interest Options are not available in New York.

Fixed Dollar Cost Averaging Options

The Dollar Cost Averaging Program is described in detail in Section 1.6 — "Optional Contract Features."

Amounts held in a Fixed Dollar Cost Averaging Option of the Fixed Account will be credited with interest at effective annual rates, declared by the Company.

The Minimum Guaranteed Interest Rate applicable for any Fixed Dollar Cost Averaging Option of the Fixed Account (according to your Contract) is determined on the Contract Date. The minimum rate can range between 1% and 3%, unless applicable law permits a reduction. The minimum guaranteed interest rate for any Fixed Account Option is determined based on a formula established by state law as described below.

The minimum guaranteed interest rate is the lesser of (1) 3% and (2) the average over a 12-month period, rounded to the nearest 1/20th of 1%, of the 5-year constant maturity treasury rate reduced by 125 basis points, where the resulting interest rate is not less than 1%. This rate is set by the Company quarterly on January 1, April 1, July 1 and October 1. The rate calculated as shown above is the minimum guaranteed interest rate for the life of the Contract. The calculated guaranteed rate will never be lower than the minimum nonforfeiture rate required by state law.

The declared interest rate will apply from the date of the allocation through the end of the Dollar Cost Averaging Period. Purchase Payments received after the start of a Dollar Cost Averaging Period will create an additional Dollar Cost Averaging Period. The available periods under the Fixed Dollar Cost Averaging Options are six months and twelve months. At the end of the Dollar Cost Averaging Period any interest remaining in the account will be automatically transferred into the Subaccounts based on the allocation initially selected by the Contract Owner.

2.3. Contract Value and Surrender Value

Your Contract Value is the sum of the Variable Account Value and the Fixed Account Value. Variable Account Value is the sum of the values of the Accumulation Units held in the Subaccounts (see "The Separate Account" above). Fixed Account Value is the value of amounts held in all Fixed Account Options (Fixed Interest Options and Fixed Dollar Cost Averaging Options) of the Fixed Account for this Contract (see "The Fixed Account" above).

Your Contract also has a "Surrender Value." Your Contract's Surrender Value is equal to the Contract Value, less: 1) the Annual Contract Administrative Charge (if applicable), 2) pro-rata portion of any accrued charges for optional benefits, 3) any applicable Surrender Charges, 4) any applicable Premature Withdrawal Charges (see Section 3 — "Fees and Expenses"), and 5) forfeited Purchase Payment Enhancements, if applicable (see the "Can I Keep My Purchase Payment Enhancements?" paragraph in Section 1.5 — "Base Contract Options").

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3. Fees and Expenses

This section explains the fees and expenses you might incur. The "FEE TABLES" section of this prospectus summarizes all charges and fees that may be imposed on your Contract. Please, refer to these tables for a quick summary. You also pay expenses of the Funds that you select as investment options in the Separate Account. See the prospectus of Penn Series Funds, Inc. for additional information on Fund expenses.

3.1. Transaction Charges

Surrender Charge

If you wish to withdraw more than the Free Withdrawal Amount (see Section 4.2 "Surrender-Charge Free Withdrawals") or decide to surrender your Contract during the Surrender Charge Period, you may be assessed a Surrender Charge. This charge is used to pay our sales expenses. Sales expenses that are not covered by the Surrender Charge are paid from the surplus of the Company, which may include proceeds from the Mortality and Expense Risk Charge.

The Surrender Charge varies by the Base Contract Option and declines gradually over a period of several years. Surrender Charges will be applied to all withdrawals (including lifetime withdrawals guaranteed under the Guaranteed Growth and Income Benefit Rider and living benefit withdrawals guaranteed under the Inflation Protector Withdrawal Benefit Rider), which are not "Surrender-Charge Free Withdrawals" as described in Section 4.2 — "Surrender-Charge Free Withdrawals."

Each Purchase Payment is tracked separately and the amount of the Surrender Charge depends upon the length of time since we received your Purchase Payment. The sum of all Purchase Payments not yet withdrawn will constitute a "Surrender Charge Basis." The Surrender Charge Basis will be reduced by the full amount of each withdrawal, including the Free Withdrawal Amount.

Earnings accumulated during the life of the Contract will not be subject to a Surrender Charge. For purposes of calculating the Surrender Charge, Purchase Payments shall be treated as withdrawn prior to any available earnings. Available earnings equal the difference, if any, between the Contract Value at the time of a withdrawal and the Purchase Payments to which the Contract Value is attributable.

The Free Withdrawal Amount will be applied to the Purchase Payments with the earliest effective date. The withdrawal amount subject to charges will be taken out following the Free Withdrawal Amount, from the oldest Purchase Payment remaining in the Surrender Charge Basis first. It will thus receive the Surrender Charge associated with the Purchase Payment from which it is being withdrawn. This is called a first-in, first-out basis. There will be no Surrender Charge on amounts withdrawn that exceed the total Purchase Payments of the Contract.

Please see "Surrender Charges" example in "Appendix A: Numerical Examples."

When you request a withdrawal, we will first determine whether any portion of the requested amount is subject to the Surrender Charge. Once the amount subject to charges is determined, we will follow the first-in, first-out principle (described above) to assess the charges. The Surrender Charges are expressed as a percentage of each Purchase Payment withdrawn and vary by the age of Purchase Payment and the Base Contract Option as follows:

Schedule of Surrender Charges

Number of full years since Purchase Payment	Applicable Surrender Charge		
	Smart Foundation Prime Base Contract Option	**Smart Foundation Flex Base Contract Option**	**Smart Foundation Plus Base Contract Option**
0	8.0%	8.0%	8.0%
1	7.0%	7.0%	8.0%
2	6.0%	6.0%	8.0%
3	5.0%	5.0%	7.0%
4	4.0%	0.0%	6.0%
5	3.0%	0.0%	5.0%
6	1.5%	0.0%	4.0%
7	0.0%	0.0%	3.0%
8	0.0%	0.0%	2.0%
9	0.0%	0.0%	0.0%

Surrender Charges may vary by state. Please see "Appendix B: State Variations."

Premature Withdrawal Charge

A Premature Withdrawal Charge may be deducted from the interest earned on any amount that is withdrawn during the period for which an interest rate is guaranteed, from a Fixed Interest Option with an Interest Period longer than one year. The Premature Withdrawal Charge will be determined by multiplying the Premature Withdrawal Rate by the Premature Withdrawal Amount.

The Premature Withdrawal Rate equals one-fourth of the most recent effective annual interest rate then applicable to the Fixed Interest Option account from which the Premature Withdrawal Amount is withdrawn.

The Premature Withdrawal Amount equals (a) minus (b) where:

(a) is the total amount withdrawn from the Fixed Interest Option accounts, and

(b) is the amount withdrawn from the Fixed Interest Option accounts for which the declared effective annual interest rate has expired in the immediately preceding 25 days.

The Premature Withdrawal Charge shall not apply to a payment on death or any Annuity Payments. This charge will not apply to Required Minimum Distributions, if the Default Liquidity Order[1] is followed. Also, you must indicate (at the time of request) that you are taking a withdrawal for the purpose of satisfying Required Minimum Distributions in order for the withdrawal to be Premature-Withdrawal-Charge free. The Free Withdrawal Amount is subject to the Premature Withdrawal Charge. In no event will the Premature Withdrawal Charge invade the Contract Owner's principal investment in the applicable Fixed Interest Option.

Premature Withdrawal Charge provisions vary by state — please see "Appendix B: State Variations" for details.

Maximum Withdrawal Charge

Under no circumstances will the sum of the Premature Withdrawal Charge and the Surrender Charge exceed 10% of the amount withdrawn.

Transfer Fee

For transfers other than Dollar Cost Averaging and Automatic Asset Rebalancing, we reserve the right to charge a fee, although no charges currently exist. The transfer fee would not exceed $20.

3.2. Periodic Charges

Contract Administration Charges

These charges cover the cost of administering the Contract and the Separate Account.

Annual Contract Administration Charge

We deduct from your Variable Account Value an Annual Contract Administration Charge that is the lesser of $40 or 2% of your Variable Account Value on the deduction date, which is the last day of each Contract Year. This charge will also be deducted if the Variable Account Value is withdrawn or transferred in full on a date other than the deduction date. We will not deduct this charge if, when the deduction is to be made, your Variable Account Value is $50,000 or more[2]. The charge will not be deducted upon annuitization, or after the Annuity Date. To assess this charge, we cancel Accumulation Units credited to your Contract, pro-rata among the Subaccounts in which you invest. The Annual Contract Administration Charge is the same for all Base Contract Options.

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[1] Default Liquidity Order: the withdrawal should be taken from the Variable Account first; when the withdrawal exhausts your Variable Account Value, then any remaining withdrawal should be taken from the Fixed Interest Accounts beginning with the Fixed Interest Account with the shortest Interest Period. Within a Fixed Interest Account, withdrawals will be made from amounts most recently allocated, renewed or transferred.

[2] Value is determined after all withdrawals and Purchase Payments are processed, but before any charges are taken out, on the day of the deduction. If the Contract is surrendered, or the Variable Account Value is withdrawn in full, the Annual Contract Administration Charge will be part of the withdrawal transaction and Surrender Value calculation.

Asset Based Contract Administration Charge

This charge is expressed on an annual basis and will be assessed as a percentage of the daily net asset value of the Separate Account. The Asset Based Contract Administration Charge currently is, and will not exceed, an effective annual rate of 0.15%. The Asset Based Contract Administration Charge is the same for all Base Contract Options.

Mortality and Expense Risk Charge

We deduct from the net asset value of the Separate Account a daily Mortality and Expense Risk Charge. This charge pays for the mortality-related guarantees we make under the Contract (*e.g.*, the death benefit and the guarantee that the annuity factors will never be decreased even if mortality experience is substantially different than originally assumed) and for the risk that our Contract Administration Charges will be insufficient to cover administration expenses over the life of the Contract.

Mortality and Expense Risk Charge is 1.25% for the Smart Foundation Prime Base Contract Option, 1.50% for the Smart Foundation Flex Base Contract Option, and 1.45% for the Smart Foundation Plus Base Contract Option.

Daily Charges Summary Table

The following table summarizes the total daily Separate Account charges, including the Mortality & Expense Risk Charges and the Daily Administrative Charge for each Base Contract Option. These charges will not be increased for the life of your Contract.

Base Contract Option	Smart Foundation Prime	Smart Foundation Flex*	Smart Foundation Plus
Mortality & Expense Risk Charge	1.25%	1.50%	1.45%
Asset Based Contract Administration Charge	0.15%	0.15%	0.15%
Total	1.40%	1.65%	1.60%

* Smart Foundation Flex Base Contract Option is not available for contracts purchased on or after June 12th, 2017.

Rider Charges

You can purchase optional benefits (“Riders”) with your Contract for an additional charge (“Rider Charge”). If you make a full surrender of your Contract before the charges for any Riders have been deducted, your Contract Value will be reduced by the accrued Rider Charges, plus any applicable Surrender Charge. **In addition, upon payment of the Death Benefit associated with the Contract, the Death Benefit payable will be reduced by the accrued Rider Charges.** No Rider Charge will be imposed upon Annuitization.

Depending on the type and/or combination of the Riders that you purchase, the Rider Charge will be expressed as an annual percentage of the Withdrawal Benefit Base (Guaranteed Growth and Income Benefit Rider and Inflation Protector Withdrawal Benefit Rider), the Enhanced Death Benefit Base (Enhanced Death Benefit Rider), or Variable Account Value (Guaranteed Minimum Accumulation Benefit Rider), and will be deducted from the Contract Value each Contract Year Quarter (Guaranteed Growth and Income Benefit Rider, Inflation Protector Withdrawal Benefit Rider, and Enhanced Death Benefit Rider), or the day before Contract Anniversary (Guaranteed Minimum Accumulation Benefit Rider). The Withdrawal Benefit Base or the Enhanced Death Benefit Base used in the calculation is the average monthly benefit base over the Contract Year Quarter. Variable Account Value used in the calculation is the average monthly Contract Value over the Contract Year.

For quarterly deduction, one fourth of the annual Rider Charge will be multiplied by the average monthly benefit base over the Contract Year Quarter and this amount will be deducted on the last day of the Contract Year Quarter.

For annual deduction, the annual Rider Charge will be multiplied by the average monthly Contract Value over the Contract Year and this amount will be deducted on the last day of the Contract Year.

The Rider Charge will be deducted from the Subaccounts pro-rata, based on the fund allocation at the time of deduction.

Current and Maximum Rider Charges are summarized in the table below. The current charge for any Rider will not exceed the Maximum Rider Charge, and the increase to the charge may not be greater than the Maximum Rider Charge Increase.

More information about the Rider Charges and the Rider Charge increases is available in the applicable optional benefit section.

Current and Maximum Rider Charges

Guaranteed Growth and Income Benefit

Guarantee Type	Current Rider Charge	Maximum Rider Charge	Maximum Rider Charge Increase
Single Life Guarantee	1.25%*	2.00%	0.50%
Joint Life Guarantee	1.40%**	2.00%	0.50%

Inflation Protector Withdrawal Benefit

Guarantee Type	Current Rider Charge	Maximum Rider Charge	Maximum Rider Charge Increase
Single Life Guarantee	1.40%**	2.50%	0.50%
Joint Life Guarantee	1.65%***	2.50%	0.50%

Enhanced Death Benefit

Guarantee Type	Current Rider Charge	Maximum Rider Charge	Maximum Rider Charge Increase
Single Life Guarantee	0.35%	0.75%	0.15%
Joint Life Guarantee****	0.35%	0.75%	0.15%

Guaranteed Growth and Income and Enhanced Death Benefit Combination Rider **

Charge Type	Current Rider Charge		Maximum Rider Charge	Maximum Rider Charge Increase
	Single Life Guarantee	Joint Life Guarantee*****		
Guaranteed Growth and Income Rider Charge	1.25%*	1.40%**	2.00%	0.50%
Enhanced Death Benefit Charge	0.20%	0.20%	0.75%	0.15%

Inflation Protector Withdrawal and Enhanced Death Benefit Combination Rider ****

Charge Type	Current Rider Charge: Single Life Guarantee	Current Rider Charge: Joint Life Guarantee*****	Maximum Rider Charge	Maximum Rider Charge Increase
Inflation Protector Withdrawal Benefit Rider Charge	1.40%**	1.65%***	2.50%	0.50%
Enhanced Death Benefit Charge	0.20%	0.20%	0.75%	0.15%

* 1.05% for Contracts purchased on or prior to March 15, 2013 and 1.10% for Contracts purchased after March 15, 2013 and prior to November 2, 2020.

** 1.25% for Contracts purchased prior to November 2, 2020.

*** 1.50% for Contracts purchased prior to November 2, 2020.

**** Rider Charges, applied separately to each Benefit Base, may be increased independently.

***** The Enhanced Death Benefit is payable on death of the Covered Life with a Single Life Guarantee. If a Joint Life Guarantee is elected, on death of one Covered Life, the surviving Covered Life can choose to continue the Contract[3] and all Riders. The Enhanced Death Benefit will then be payable to the Beneficiary upon the death of the surviving Covered Life.

Guaranteed Minimum Accumulation Benefit

Current Rider Charge	Maximum Rider Charge
0.60%	1.00%

Effective September 1, 2019, the Smart Foundation Variable Annuities are no longer offered to new business clients in New York. For information about the rider charges for Contracts offered in New York prior to September 1, 2019, please see "Appendix B: State Variations" for details.

Underlying Fund Charges

The Funds assess fees and charges that you pay indirectly through your investment subaccount. For more information about these fees, see Section 3 — "Fees and Expenses" and the fee table in the Fund's prospectus.

The Company or an affiliate may receive asset-based compensation from the Funds' advisors or their affiliates for, among other things, customer service and recordkeeping services with respect to those assets. These payments are not charges under your Contract and do not increase the underlying Fund or Contract charges described in this section or in the fee table.

3.3. Deduction of Charges

The Asset Based Contract Administration Charge and the Mortality and Expense Risk Charge will be computed and deducted from each Subaccount of the Separate Account in which the Contract Owner is invested. These deductions will be made daily.

The Company will deduct charges applicable to the Variable Account by canceling Accumulation Units. The value of the canceled units will be equal to the amount of the charges. Cancellation of Accumulation Units will be in the ratio of the Contract Owner's share in each Subaccount of the Separate Account to the Variable Account Value.

[3] Federal tax regulations may require that a distribution take place upon Contract Owner's death, unless spousal continuation is exercised. If spousal continuation is not exercised or not permitted by the IRS regulations, the applicable death benefit, if any, will be paid out, and both the Contract and Rider(s) will terminate.

4. Access to Your Money

You can access your money at any time. However, if you decide to withdraw more than the Free Withdrawal Amount or surrender the Contract during the Surrender Charge Period, you may be assessed a Surrender Charge (see the "Surrender Charge" paragraph in Section 3.1 — "Transaction Charges" for details). You may also be subject to tax in the tax year in which you take a withdrawal from your Contract, including a 10% penalty tax under certain circumstances. See Section 14 — "Taxes" for details.

Before the end of the Surrender Charge Period, you can access a portion of the money in the Contract each Contract Year without being assessed a Surrender Charge. This is called a Free Withdrawal Amount (see "Surrender-Charge Free Withdrawals" below).

After the Surrender Charge Period is over, all the money in your Contract may be accessed Surrender-Charge free (see the "Purchase Payments out of the Surrender Charge Period" paragraph in Section 4.2 — "Surrender — Charge Free Withdrawals").

A waiver of Surrender Charges may be available under the Medically or Disability Related Withdrawal provision of the Contract. See Section 4.3 — "Waiver of Surrender Charges").

4.1. Ways to Access Your Money

You may access your Contract Value in one of the following ways:

- by surrendering your Contract and receiving the Surrender Value,
- by taking a partial withdrawal,
- by taking Systematic Withdrawals,
- by taking Required Minimum Distributions (Qualified Contracts only),
- when you start the Annuity Payments based on your Contract Value.

Full Surrender

You can choose to surrender your Contract for its Surrender Value at any time before the death of the Contract Owner or Annuitant, and before the Annuity Date by sending a written request to our Administrative Office. Upon your request to surrender the Contract, all benefits under the Contract, including any optional benefits, will terminate as of the date of receipt of your written request by the Company. You will receive the Surrender Value, which is your Contract Value reduced by any applicable charges, such as: Surrender Charge, Premature Withdrawal Charge, forfeited Purchase Payment Enhancement(s), Rider Charges, Annual Contract Administration Charge (also see Section 2.3 — "Contract Value and Surrender Value"). We base your Surrender Value on your Contract Value next determined after we receive proper authorization from the Contract Owner at our Administrative Office.

Withdrawals Treated as Surrenders

In some circumstances, we reserve the right to treat your withdrawal as a full surrender, or to initiate a payment of the Surrender Value to you. This will cause your Contract and any optional benefits to terminate.

The following withdrawals will be treated as full surrenders:

- Any withdrawal initiated by your request or deduction of fees or charges by the Company that brings the Contract Value to zero (unless the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider is present — see Section 9 — Guaranteed Growth and Income Benefit" and Section 11 — "Inflation Protector Withdrawal Benefit"),

- Any withdrawal that would result in the amount remaining in the Contract to be less than the Minimum Remaining Balance, or less than $250 remains in each Subaccount or Fixed Interest Option. These rules vary by your Base Contract Option and do not apply to Required Minimum Distributions, lifetime withdrawals taken under the Guaranteed Growth and Income Benefit Rider, or living benefit withdrawals taken under the Inflation Protector Withdrawal Benefit Rider.

Base Contract Option	Minimum Remaining Balance (after withdrawal)
Smart Foundation Prime	$2,000
Smart Foundation Flex	$5,000
Smart Foundation Plus	$5,000

Withdrawal requests that would cause the Contract Value to reduce to zero or fall below the Minimum Remaining Balance will not be processed. You will have the option of processing a full surrender or cancelling your withdrawal request. If the Contract Value is reduced to zero as a result of deduction of fees or charges by the Company, the Contract will be terminated as of the date of deduction and notification of termination will be made to the Contract Owner.

We also reserve the right to terminate the Contract and any applicable Death Benefit by initiating a payment of the Surrender Value to you, if there is no Purchase Payment activity during the two most recent Contract Years, and the Contract Value is less than the Minimum Remaining Balance specified under "Withdrawals Treated as Surrenders" above.

The Company will notify the Contract Owner 60 days prior to terminating the Contract, by sending a notice via US Mail to the Contract Owner's mailing address on file. A second notice will be sent 30 days prior to the date of termination. If no action is taken by the Contract Owner to increase the Contract Value to the required minimum, the Contract will be terminated by the Company and the Surrender Value will be paid to the Contract Owner.

Provisions of this section vary in certain states — please see "Appendix B: State Variations" for details.

Partial Withdrawal

You may take a partial withdrawal from your Contract Value before the Annuity Date and the death of the Contract Owner or Annuitant. We base your withdrawal on your Contract Value next determined after we receive proper authorization from the Contract Owner at our Administrative Office. We will pay you within seven days, except in limited circumstances. Please see "Deferment of Payment and Transfers" for more information on these limited circumstances. You may pay a Surrender Charge when you withdraw part of your Contract Value. See the "Surrender Charge" paragraph in Section 3.1 — "Transaction Charges" for details. You may also be subject to tax in the tax year in which you make a withdrawal, including an additional 10% tax under certain circumstances. See Section 14 — "Taxes."

The following rules and restrictions apply to partial withdrawals:

- **Minimum Withdrawal.** The minimum withdrawal is $500. If it is your first withdrawal in a Contract Year, the minimum withdrawal is the lesser of the following:

  1) Free Withdrawal Amount (as defined in the "Free Withdrawal Amount" paragraph in Section 4.2 — "Surrender-Charge Free Withdrawals"),

  2) Required Minimum Distribution amount, or

  3) $500.

- **Minimum Remaining Balance.** You may take a partial withdrawal only if the amount remaining in the Contract after the withdrawal is at least equal to the Minimum Remaining Balance (varies by the Base Contract Option) and the balance remaining in the Subaccount or Fixed Interest Option from which the withdrawal is made is at least $250:

Base Contract Option	Minimum Remaining Balance (after withdrawal)
Smart Foundation Prime	$2,000
Smart Foundation Flex	$5,000
Smart Foundation Plus	$5,000

- **Zero Contract Value.** If you take a withdrawal that brings the Contract Value to zero, your Contract will be terminated (unless the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider is present — see Section 9 — "Guaranteed Growth and Income Benefit" and Section 11 — "Inflation Protector Withdrawal Benefit").

- **Premature Withdrawal Charge.** Any withdrawal from the Fixed Interest Option (except Required Minimum Distributions if Default Liquidity Order is followed) may be subject to the Premature Withdrawal Charge, even if the amount withdrawn is within the Free Withdrawal Amount allowance.

- **Default Liquidity Order.** If you do not tell us otherwise, the withdrawal will be taken pro-rata from the Subaccounts; if the partial withdrawal exhausts your Variable Account Value, then any remaining withdrawal will be taken from the Fixed Interest Options beginning with the Fixed Interest Option with the shortest Interest Period. Within a Fixed Interest Option, partial withdrawals will be made from amounts most recently allocated, renewed or transferred.

Provisions of this section vary in certain states — please see "Appendix B: State Variations" for details.

Systematic Withdrawals

Systematic Withdrawals are regular payments that we make to you on a monthly, quarterly, semiannual or annual basis. It is a convenient way for you to withdraw your annual Free Withdrawal Amount without incurring a Surrender Charge, as well as to take Required Minimum Distributions or available elective living benefits with this product. Systematic Withdrawals are available if you have not exhausted your Free Withdrawal Amount in the current Contract Year.

If you have a Smart Foundation Plus Base Contract Option (which offers Purchase Payment Enhancements), Systematic Withdrawals are not available in the first Contract Year.

Currently, we offer the following Systematic Withdrawal Options:

- Annual Free Withdrawal Amount — see the "Free Withdrawal Amount" paragraph in Section 4.2 — "Surrender-Charge Free Withdrawals",

- Required Minimum Distribution (RMD) — see Section 4.4 — "Required Minimum Distributions" for details,

- Guaranteed Annual Withdrawal Amount as specified by the Guaranteed Growth and Income Benefit Rider,

- Guaranteed Annual Withdrawal Amount as specified by the Inflation Protector Withdrawal Benefit Rider,
- Designated Withdrawal Amount (Fixed Dollar Amount),
- Substantially Equal Periodic Payments under IRS Section 72(q)/(t).

The total amount that you withdraw in a Contract Year cannot exceed your Free Withdrawal Amount. However, RMD withdrawals, Guaranteed Annual Withdrawal Amounts under the Guaranteed Growth and Income Benefit Rider, and Guaranteed Annual Withdrawal Amounts under the Inflation Protector Withdrawal Benefit Rider can be taken systematically, even if they exceed your Free Withdrawal Amount[4].

The withdrawals can be taken on a monthly, quarterly, semiannual or annual basis, and the minimum amount of each withdrawal payment is $50. We will adjust the frequency of your payments so that payments are at least $50 each. For example, if you would like to withdraw $100 a year, you can set up annual or semiannual withdrawals, but not quarterly or monthly. Your payments will begin on the next withdrawal date following one modal period after we receive your request. For example, if we receive your request for quarterly withdrawals on January 3rd, and the next withdrawal date is the 8th of the month, your quarterly withdrawals will begin on April 8th. Please note that no confirmations will be sent on Systematic Withdrawals. Withdrawals will, however, be reflected on statements. For information on the tax treatment of withdrawals, see Section 14 — "Taxes."

In the Contract Year when the Systematic Withdrawals are elected for the first time, the entire amount of the withdrawal requested will be disbursed among the remaining Systematic Withdrawal payments to be made prior to the next Contract Anniversary. Systematic Withdrawal amounts will then be recalculated upon the next Contract Anniversary to reflect the annual withdrawal amount requested and a full year of systematic payments. For example, if you request your Free Withdrawal Amount be withdrawn with monthly Systematic Withdrawals and there are four months remaining in your Contract Year, you will receive the entire Free Withdrawal Amount divided by the four payments remaining in your Contract Year. Upon your next Contract Anniversary, your monthly Systematic Withdrawal payment will be recalculated to be 1/12 of the annual Free Withdrawal Amount. This could result in lower Systematic Withdrawal payments in your second year of withdrawal. Free Withdrawal Amount will not be recalculated to reflect Subsequent Purchase Payments until the next Contract Anniversary.

Default Liquidity Order. If you do not tell us otherwise, the withdrawal will be taken pro-rata from the Subaccounts; if the partial withdrawal exhausts your Variable Account Value, then any remaining withdrawal will be taken from the Fixed Interest Options beginning with the Fixed Interest Option with the shortest Interest Period. Within a Fixed Interest Option, partial withdrawals will be made from amounts most recently allocated, renewed or transferred.

Termination of Systematic Withdrawals. To stop the Systematic Withdrawals or to change the amount or the frequency of the withdrawals once Systematic Withdrawals are initiated, you must submit a request by sending a written notice to our Administrative Office or calling Customer Service. The Systematic Withdrawals will terminate upon the earlier of the death of the Contract Owner or the Annuitant, or upon Contract Owner's request. Systematic Withdrawals will be subject to Surrender Charge if the annual amount withdrawn exceeds the Free Withdrawal Amount. All withdrawals during the Contract Year are considered in the determination of the Free Withdrawal Amount withdrawn and the point at which Surrender Charges will be assessed for additional withdrawals.

4.2. Surrender-Charge Free Withdrawals

The following withdrawals may be taken free of the Surrender Charge:

- Free Withdrawal Amount;
- Purchase Payments out of the Surrender Charge Period; and

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[4] If the Guaranteed Annual Withdrawal Amount exceeds the Free Withdrawal Amount, Surrender Charges will apply.

- Earnings, after all Purchase Payments have been withdrawn or are out of Surrender Charge Period.

Free Withdrawal Amount

You can access up to a maximum of 10% of your total Purchase Payments each Contract Year[5] during the Surrender Charge Period, without incurring Surrender Charges. This is referred to as the "Free Withdrawal Amount" (income taxes may apply). The Free Withdrawal Amount first becomes available depending on the Base Contract Option, as described in the table below.

Base Contract Option	Free Withdrawal Amount available each Contract Year
Smart Foundation Prime . . .	10% of total Purchase Payments*, starting in the first Contract Year**
Smart Foundation Flex	10% of total Purchase Payments*, starting in the first Contract Year**
Smart Foundation Plus	10% of total Purchase Payments*, starting in the second Contract Year***

* The amount available for free withdrawal at any point during a Contract Year is 10% of all Purchase Payments as of the date of the request less the amount of all prior free withdrawals made during that Contract Year. The Free Withdrawal Amount, and then the amounts in excess of the Free Withdrawal Amount, will be applied to Purchase Payments on a first-in, first-out basis as described in the "Surrender Charge" paragraph in Section 3.1 — "Transaction Charges."

** You can take your Free Withdrawal Amount via Partial Withdrawal or Systematic Withdrawal. If you have a Smart Foundation Prime or a Smart Foundation Flex Base Contract Option, Partial Withdrawal of the entire Free Withdrawal Amount is available on the last day of the first Contract Year and any time during subsequent Contract Years. Systematic Withdrawals are available before the end of the first Contract Year, but you must wait one modal period for Systematic Withdrawals to start. For example, if you request to take your Free Withdrawal Amount monthly via the Systematic Withdrawal option, you must wait one month (at least 30 days) from the Contract Date; if you request them quarterly, you must wait three months to receive them.

*** You can take your Free Withdrawal Amount via Partial Withdrawal or Systematic Withdrawal. If you have a Smart Foundation Plus Base Contract Option, Partial Withdrawal of the entire Free Withdrawal Amount is available starting in the second Contract Year. Surrender Charges will apply and Purchase Payment Enhancements will be forfeited if any withdrawal is taken in the first Contract Year. If you are obligated to take a Required Minimum Distribution in the first Contract Year, one Surrender-Charge free withdrawal will be permitted on the last day of the first Contract Year to satisfy the requirement. This is only permissible for RMD calculations specific to this Contract, provided at each calendar year end after Contract issue, if applicable. Systematic Withdrawals are available starting in the second Contract Year, and you must wait one modal period for Systematic Withdrawals to start. For example, if you request to take your Free Withdrawal Amount monthly via the Systematic Withdrawal option, you must wait one month (at least 30 days) from the Contract Anniversary on which your Free Withdrawal Amount becomes available; if you request them quarterly, you must wait three months to receive them.

The Free Withdrawal Amount may be taken in multiple withdrawals during the Contract Year, and each withdrawal (Systematic or Partial) will reduce the Free Withdrawal Amount remaining for the Contract Year. You may not carry forward to the next Contract Year any Free Withdrawal Amount remaining at the end of the current Contract Year.

Required Minimum Distributions receive special treatment under the Surrender Charge provisions. See Section 4.4 — "Required Minimum Distributions" for details.

Withdrawals under the Guaranteed Growth and Income Benefit Rider and under the Inflation Protector Withdrawal Benefit Rider will count towards the annual Free Withdrawal Amount. If the Guaranteed Annual Withdrawal Amount exceeds the Free Withdrawal Amount, Surrender Charges will apply. Withdrawals that exceed the Guaranteed Annual Withdrawal Amount allowed by the Guaranteed Growth and Income Benefit Rider and the Inflation Protector Withdrawal Benefit Rider ("Excess Withdrawal") will significantly reduce future payments under the Riders. Carefully consider this before taking any withdrawals if you have purchased the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider.

[5] Starting in the first or second Contract Year (varies by Base Contract Option).

Partial and Systematic Withdrawals in the Same Contract Year

If you have set up and are receiving Systematic Withdrawals that are free of Surrender Charges, and then request a Partial Withdrawal during the same Contract Year, the Partial Withdrawal will be subject to Surrender Charges.

Purchase Payments out of the Surrender Charge Period

You may withdraw any Purchase Payment that is out of the Surrender Charge Period without incurring the Surrender Charge. All withdrawals will be deducted from the oldest Purchase Payments first (first in first out basis). A Surrender Charge Period applies to each Purchase Payment separately and varies by the Base Contract Option:

Base Contract Option	Surrender Charge Period
Smart Foundation Prime	Seven years
Smart Foundation Flex	Four years
Smart Foundation Plus	Nine years

4.3. Waiver of Surrender Charges

Waiver of Surrender Charges is available for the following withdrawals:

- Medically Related Withdrawal
- Disability Related Withdrawal

Waiver of Surrender Charges under the Medically Related Withdrawal or Disability Related Withdrawal provision is available after the first Contract Year and before the Annuity Date. Waiver of Surrender Charges is not available if Contract Owner's age (or Annuitant's age for entity-owned Contracts)[6] at Contract issue is greater than 75. Premature Withdrawal Charge will not be waived for Medically or Disability Related Withdrawals.

The maximum amount for which the Surrender Charges will be waived is $500,000, including amounts withdrawn from other annuity contracts containing a comparable waiver provision issued by us and our affiliates for the Contract Owner.

You must send us a written request to waive the Surrender Charges before your withdrawal is processed. We will then evaluate your request and may ask for additional information, and/or necessary proof of the medical / disability condition. Your withdrawal will be processed and Surrender Charges will be waived upon the approval of your waiver request by the Company and receipt of all necessary documents and/or proof of medical condition. If the request to waive the Surrender Charges is denied by the Company, the withdrawal proceeds will not be disbursed until you are notified of the denial and provided with the opportunity to accept or reject the withdrawal proceeds, including any Surrender Charges.

Medically Related Withdrawal

You may request the waiver of Surrender Charges for your Medically Related Withdrawal of all or part of your Contract Value if certain medically related contingencies occur. The waiver of Surrender Charges is available if either of the following events occurs:

(1) The Contract Owner (or Annuitant for entity-owned Contracts) is first confined in a nursing home or hospital while this Contract is in force and remains confined for at least 90 days in a row. The medical care facility must be prescribed based on physical limitations which prohibit daily living in a non-institutional setting (by a licensed physician in writing).

[6] If there are joint Owners or Annuitants, age restriction will be based on the person submitting the request for waiver.

(2) The Contract Owner (or Annuitant for entity-owned Contracts) is first diagnosed as having a fatal injury or illness (an injury or illness expected to result in death within 2 years for 80% of diagnosed cases) while this Contract is in force.

The medically related contingencies that must be met for waiver of Surrender Charges and availability of waiver varies by state — please see “Appendix B: State Variations.”

In the event of a qualifying medical condition, you must notify the Company of the intent to request a Waiver of Surrender Charge. We must receive the waiver request forms along with the due proof of the confinement or fatal illness in writing (including certification by a licensed physician). Waiver request forms will be provided to you within ten working days of the request. You must be living as of the date the Medically Related Withdrawal proceeds are paid.

Disability Related Withdrawal

You may request the waiver of Surrender Charges for your Disability Related Withdrawal of all or part of your Contract Value if:

(1) The Contract Owner (or Annuitant for entity-owned Contracts) becomes totally disabled as defined in section 72(m)(7) of the Code and as applied under the Social Security Act,

(2) The disability began after the Contract Date, and

(3) The disability has continued without interruption for four months.

The definition of disability and availability of waiver varies by state — please see “Appendix B: State Variations.”

In the event of a qualifying disability, the Contract Owner must notify the Company of the intent to request a Waiver of Surrender Charge. We must receive the waiver request forms along with the due proof of the disability in writing (including physician’s statement of disability). Waiver request forms will be provided to you within ten working days of the request. You must be living as of the date the Disability Related Withdrawal proceeds are paid.

4.4. Required Minimum Distributions

Required Minimum Distributions and Free Withdrawal

There is no Surrender Charge imposed upon withdrawals taken to satisfy the Required Minimum Distributions (“RMD”) which are required by the Code under qualified contracts, even if this amount exceeds the Free Withdrawal Amount (only applies to Required Minimum Distributions taken from your Penn Mutual Contract[7]). RMDs first become available after the Contract has been in effect through at least one calendar year-end. You can take RMDs as Systematic Withdrawals if you have not exhausted your Free Withdrawal Amount in the current Contract Year.

If the Free Withdrawal Amount is not available to you in the first Contract Year (applies if you have the Smart Foundation Plus Base Contract Option), and you are obligated to take an RMD applicable to this Contract in the first Contract Year, only one Surrender Charge-free withdrawal will be permitted on the last day of the first Contract Year to satisfy the requirement.

7 If Required Minimum Distributions taken are based on any contract other than your Penn Mutual Contract, from which you are taking a distribution, Surrender Charge and the Premature Withdrawal Charge will apply as described in the Contract, and any Purchase Payment Enhancement(s) will be forfeited, if withdrawal is taken within 12 months of the Purchase Payment.

RMDs reduce the Free Withdrawal Amount during the Contract Year. If you take any additional withdrawals in the same Contract Year as you receive RMD payments, these withdrawals will be subject to a Surrender Charge. However, during any given Contact Year, you are entitled to receive, free of Surrender Charge, the entire Required Minimum Distribution Amount, or the entire Free Withdrawal Amount, whichever is greater, but not both.

You must indicate (at the time of request) that you are taking a withdrawal for the purpose of satisfying RMDs for this contract in order for the withdrawal to be Surrender-Charge free. Please see "RMD and Surrender Charges / Free Withdrawal" example in "Appendix A: Numerical Examples" for more details.

Required Minimum Distributions and Premature Withdrawal Charge

The Premature Withdrawal Charge will not apply to RMDs if the Default Liquidity Order is followed (see "Default Liquidity Order" below, as well as the "Partial Withdrawal" and "Systematic Withdrawals" paragraphs in Section 4.1 — "Ways to Access Your Money"). Also, you must indicate (at the time of request) that you are taking a withdrawal for the purpose of satisfying RMDs for this contract in order for the withdrawal to be Premature-Withdrawal-Charge free.

Default Liquidity Order. The withdrawal will be taken from the variable Subaccounts first; when the withdrawal exhausts your Variable Account Value, then any remaining withdrawal will be taken from the Fixed Interest Options beginning with the Fixed Interest Option with the shortest Interest Period. Within a Fixed Interest Option, withdrawals will be made from amounts most recently allocated, renewed or transferred.

Effect of Required Minimum Distributions on Optional Benefits

Treatment of RMDs for the purpose of adjusting the optional benefit features for withdrawals will vary based on your benefit election. Please refer to the "Required Minimum Distributions" sub-section of the appropriate optional benefit section (Section 8.8 — "Required Minimum Distributions and the Enhanced Death Benefit Rider", Section 9.10 – "Required Minimum Distributions and the Guaranteed Growth and Income Benefit Rider", and Section 11.13 — "Required Minimum Distribution and the Inflation Protector Withdrawal Benefit Rider") for details.

4.5. Substantially Equal Periodic Payments under Code Section 72(q) or 72(t)

If a withdrawal is taken from the annuity before age 59 $^1/_2$, the IRS generally imposes a 10% early withdrawal penalty on such distributions. However, substantially equal periodic payments under IRC Section 72(q)/72(t) are exempt from the 10% penalty tax on early distributions. If you choose to exercise this option, you will be required to irrevocably choose one of the three acceptable methods (as defined by IRS regulations) and receive these payments until the later of five years or attainment of age 59 $^1/_2$.

If you wish to take withdrawals under the Code Sections 72(q) or 72 (t) (prior to age 59 $^1/_2$ of the Contract Owner, or Annuitant for entity owned Contracts[8]), you may do so systematically. 72 (q)/(t) withdrawals do not receive any special treatment under the Surrender Charge or the Premature Withdrawal Charge provisions. If your withdrawal exceeds the annual Free Withdrawal Amount, you will be subject to Surrender Charges as shown in the "Surrender Charge" paragraph in Section 3.1 — "Transaction Charges." If you take a withdrawal from the Fixed Account, you may also be subject to the Premature Withdrawal Charge as described in the "Premature Withdrawal Charge" paragraph in Section 3.1 — "Transaction Charges." If you purchased an optional benefit with your Contract, please refer to the appropriate optional benefit section for details on Substantially Equal Periodic Payments' treatment under your optional benefit.

8 If there are joint Owners or Annuitants, age restriction will be based on the person submitting the request for Substantially Equal Periodic Payments.

4.6. Transfers

Transfer Limits

You may transfer your Contract Value among Subaccounts and the Fixed Interest Options of the Fixed Account.

- The minimum amount that may be transferred is $250 or, if less, the total amount held in the Subaccount or Fixed Interest Option. In the case of partial transfers, the amount remaining in the Subaccount or Fixed Interest Option must be at least $250.

- You may transfer from the Fixed Interest Option(s) to other Subaccounts only at the completion of the Interest Period or within 25 days thereafter.

- You may transfer from the Six Month Fixed Dollar Cost Averaging Account or the Twelve Month Fixed Dollar Cost Averaging Account to a Subaccount as described under Dollar Cost Averaging below.

- You may not transfer from a Subaccount to the Six Month Dollar Cost Averaging Account or the Twelve Month Dollar Cost Averaging Account.

- Transfers may be subject to investment option limitations if your Contract includes any optional benefits.

General Rules

Transfers will be based on values at the end of the Valuation Period in which the transfer request is received at our Administrative Office. A transfer request must be received at our Administrative Office from you or the agent of record (pursuant to your instruction), and all other administrative requirements must be met to make the transfer. We will not be liable for following instructions, including instructions from the agent 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 require certain personal identifying information to process a request for transfer made over the telephone. For transfers other than Dollar Cost Averaging and Automatic Asset Rebalancing, we reserve the right to charge a fee, although we have no present intention of doing so. The transfer fee would not exceed $20.

The Contract may be subject to investment allocation restrictions if your Contract includes any optional benefits, which limit your right to request transfers among Subaccounts and the Fixed Interest Options. Please refer to the appropriate optional benefit section for details.

4.7. Market Timing / Excessive Trading

General Information on Market Timing

The Contract 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 Contract 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.

4.8. Deferment of Payments and Transfers

Transfers and distributions of withdrawals from the Fixed Account and distribution of any portion of the Standard Death Benefit allocated to the Fixed Account will generally be made within seven days after receipt by the Company of all documents required to process such transfer or distribution. However, we may defer a distribution of surrenders and partial withdrawals from the Fixed Account for a period not exceeding six months. The Company will disclose to the Contract Owner the specific date on which the transfer will be effective, the reason for the delay, and the value of the transfer as of the date the request is received by the Company.

Transfers and distributions of withdrawals from the Variable Account and distribution of the portion of the Standard Death Benefit allocated to the Variable Account will generally be made within seven days after receipt by the Company of all documents required for such transfer or distribution. However, we reserve the right to defer a withdrawal, a transfer of Contract Value, or annuity payments funded by the Separate Account if:

(a) The NYSE is closed (other than customary weekend and holiday closings);

(b) Trading on the NYSE is restricted;

(c) An emergency exists that makes it impractical for us to dispose of securities held in the Separate Account or to determine the value of its assets; or

(d) The Commission by order so permits for the protection of investors.

Conditions described in (b) and (c) will be decided by, or in accordance with rules of, the Commission.

5. Death Benefit

5.1. Death before Annuity Date

Prior to the Annuity Date, your Contract provides a death benefit that is payable upon the earlier death of:

(1) the Annuitant, or

(2) the Contract Owner.

The death benefit is payable to the Beneficiary. A Surviving Owner will be deemed sole primary Beneficiary regardless of named Beneficiaries. The amount payable is equal to the Contract Value[9] or the Standard Death Benefit (see below for details). We generally pay the death benefit within seven days after we receive proof of death and all required information.

You can also purchase an optional Enhanced Death Benefit Rider which offers a death benefit enhancement to your Contract. Please see Section 8 — "Enhanced Death Benefit" for an explanation of this optional benefit.

Death of the Annuitant

If the sole Annuitant is the Contract Owner and dies before the Annuity Date, we will pay the Beneficiary(ies) the Standard Death Benefit as of the date our Administrative Office receives proof of death, *i.e.*, a death certificate or other official document establishing death, and other information required to process the payment. Surviving Contract Owner will be deemed sole primary beneficiary and may be able to continue the Contract (as spousal Beneficiary) under Spousal Step-In (if permitted by federal law).

If the Annuitant, who is not the sole Contract Owner, dies before the Annuity Date, a surviving Contract Owner who is a natural person, if also named as Contingent Annuitant in the Contract, will become the new Annuitant and the Contract will continue, provided any surviving Contract Owner is permitted to continue the Contract under federal law. The Standard Death Benefit will not be paid until the new Annuitant's death.

If there is no Contingent Annuitant, or if continuation of the Contract is not permitted by federal law, the surviving Contract Owner will be deemed sole primary Beneficiary and will receive the Standard Death Benefit as of the date our Administrative Office receives proof of death.

If a sole Annuitant dies before the Annuity Date, and the Contract Owner is an entity, the Company will pay the Beneficiary the Standard Death Benefit as of the date the Company receives due proof of death, and all other documents required by the Company to process the claim.

If a Joint Annuitant is named in the Contract, the Standard Death Benefit is payable upon the later death of both Annuitants. However, a distribution may be required upon the death of a Contract Owner and the death benefit payable would be Contract Value[9].

Standard Death Benefit Calculation

The amount of the Standard Death Benefit is the greater of (1) and (2) where:

(1) is the Contract Value[10]; and

(2) is the amount of the Adjusted Net Purchase Payments (total Purchase Payments less the sum of all adjusted withdrawals), where adjusted withdrawals are the greater of (a) and (b) below, where:

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9 Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected).

10 After the Contract Value is reduced by the amount of any Purchase Payment Enhancement forfeited as a result of the withdrawal (applies only if the Smart Foundation Plus Base Contract Option is elected).

(a) is the amount of each withdrawal; and

(b) is the amount of each withdrawal multiplied by the ratio of (i) and (ii) where:

(i) is the amount of the Adjusted Net Purchase Payments just before the withdrawal, and

(ii) is the Contract Value[10] just before the withdrawal.

Example: please see "Standard Death Benefit" example in "Appendix A: Numerical Examples" for the calculation of the Standard Death Benefit.

If you take a withdrawal at a time when the amount of the Adjusted Net Purchase Payments is greater than your Contract Value, then your Standard Death Benefit amount will be reduced by an amount greater than the amount withdrawn.

If your Base Contract Option provides for a Purchase Payment Enhancement (Smart Foundation Plus), you may be subject to Purchase Payment Enhancement forfeiture at the time of the death benefit payout. Please see the "Purchase Payment Enhancements and the Standard Death Benefit" section below for details.

Provisions of this section may vary by state — please see "Appendix B: State Variations" for details.

Death of The Contract Owner

If a Contract Owner, who is the sole Annuitant, dies before the Annuity Date, the Company will pay the Beneficiary(ies) the Standard Death Benefit as described above.

If the Contract Owner, who is not the Annuitant, dies before the Annuity Date, we will pay the Beneficiary(ies) the Contract Value[11] as of the date our Administrative Office receives proof of death, *i.e.*, a death certificate or other official document establishing death, and other information required to process the payment.

Purchase Payment Enhancements and the Standard Death Benefit

This section only applies if you elect the Smart Foundation Plus Base Contract Option.

Purchase Payment Enhancements are not included in the Adjusted Net Purchase Payments component of the Standard Death Benefit, but they are included in the Contract Value component of the Standard Death Benefit.

Any Purchase Payment Enhancement credited to the Contract Value within the 12-month period preceding the date our Administrative Office receives proof of death will be forfeited. Forfeiture will be carried out as follows: the Contract Value component of the Standard Death Benefit amount payable will be reduced by the amount of any Purchase Payment Enhancements forfeited.

Provisions of this section may vary by state — please see "Appendix B: State Variations" for details.

5.2. Death after Annuity Date

If you die on or after the Annuity Date, the death benefit payable, if any, will be paid in accordance with your choice of Annuity Option. Upon receipt of due proof of death and other forms necessary to process the payment, we will pay your Beneficiary a death benefit according to the Annuity Option in force, if the option provides a death benefit.

[11] Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected).

5.3. Beneficiary

The Beneficiary is the person(s) entitled to receive the death benefit.

You should designate a Beneficiary in your application. If you fail to designate a Beneficiary, your Beneficiary will be your estate. Beneficiary designation will take effect on the Contract Date.

Any surviving Contract Owner who is a natural person will be deemed sole primary Beneficiary and should be designated as such in the application. If it is not so designated in the application, the contractual rights of the surviving Contract Owner will take precedence over the rights of any named Beneficiary. No payment will be made to any Beneficiary while the surviving Contract Owner is living.

You may change the Beneficiary at any time before your death or the death of the Annuitant, whichever occurs first, by sending a written notice to us with all the information required to process the request. A service form that indicates the required information will be provided by the Company for your convenience. Changes in Beneficiary, unless otherwise specified by you, shall take effect on the date you sign the notice of change. Approval of any change is subject to any transactions made by you or actions taken by the Company prior to receipt of this notice. We may restrict the right to make a beneficiary change if maintaining the existing beneficiary designation is required for purposes of satisfying applicable laws or regulations or the requirements of this Contract.

If the surviving Owner was named Contingent Annuitant and no distribution was required per federal tax law upon Annuitant's death (deceased Annuitant was not the Contract Owner), the Contingent Annuitant will become the Annuitant and the Contract will continue (no death benefit will be paid).

Beneficiary designations are extremely important. Please, consult your financial advisor and/or legal counsel before designating or changing Beneficiaries. You should also consider reviewing your Beneficiary designations every time a major life event takes place (such as marriage or domestic partnership, birth or adoption, divorce or death, etc.).

5.4. Spousal Beneficiary

Spousal Step-In. If the Beneficiary is the deceased Contract Owner's surviving spouse and sole primary Beneficiary, he or she may become the Contract Owner rather than receive the death benefit (as permitted by federal law). If the spouse elects to become the Contract Owner, the Contract Value will be adjusted to equal the death benefit (if it is higher than the Contract Value). The Beneficiary has one year from the Contract Owner's death to exercise this option.

If there are any Riders in force at the time of death, and the Beneficiary exercises Spousal Step-In:

- any Riders that are Single Life Guarantees, which covered the deceased Contract Owner, will be terminated;
- any Riders that are Joint Life Guarantees, which covered both the deceased Contract Owner and the spousal Beneficiary, will continue; and
- death benefit will be determined according to the terms of the Rider(s).

Exchange of Contract by Surviving Spouse. The surviving spouse may exchange this Contract for a new Contract of the same form, or for a Contract of a similar form designated by the Company if the original form is no longer available for sale at the time this option is exercised. The new Contract issued upon the exercise of this exchange, will: (a) have the surviving spouse as the Contract Owner and Annuitant; and (b) list the date of the exchange as the new Contract Date.

Optional benefits on exchanged Contracts will be available based on the selection currently offered by the Company. Exchange shall not be treated as a withdrawal under the terms of the Surrender Charge provision of this Contract, if it is exercised within 12 months of receipt of due proof of death by the Company. A Death Benefit credited to a Contract established as a result of an Exchange of Contract by a surviving spouse provision will be treated as a Purchase Payment under the terms of the Surrender Charge provision of the new Contract.

For information on the tax treatment of death benefits, see Section 14.1 — “Federal Income Tax Considerations.”

5.5. Death Benefit Settlement Options

If death occurs before the Annuity Date, your Beneficiary has one year from your death (or 60 days from the death of an Annuitant other than you) to choose one of the following Death Benefit Settlement Options.

Option 1 (Lump Sum) —The death benefit may be paid to a Beneficiary in a single lump sum. The payment will generally be made within 7 days of receipt of the necessary forms to make payment.

Option 2 (Five-Year Deferral) — The Beneficiary may elect to postpone a payment of the lump sum death benefit for up to five years after the date of any Contract Owner’s death. During this time, the Beneficiary may allocate the death settlement amount to the available investment options. Transfers among Subaccounts and Fixed Account Options are subject to the limitations imposed on such options. The money may be withdrawn in whole or in part at any time without surrender charges but amounts in the investment options may lose value. If the Beneficiary is not the surviving spouse, the death benefit must be paid out within 5 years after the date of death.

Option 3 (Annuitize) — The Beneficiary may elect to receive the payment of the death benefit in the form of one of the Annuity Options. Payments under this option must commence within one year after the date of death. Payments must be made over the Beneficiary’s lifetime or over a guaranteed period not longer than the Beneficiary’s life expectancy. This option is only available if the amount applied to the selected Annuity Option is at least $5,000.

If an election is not made within one year of the date of death of the Contract Owner or within 60 days of the death of an Annuitant other than you, the only option is a lump sum. If there is more than one surviving Beneficiary, the Beneficiaries must choose to receive their respective portions of the death benefit according to the Death Benefit Settlement Options described above. If no Beneficiary survives the first to die of the Contract Owner or the Annuitant, the death benefit will be paid in a lump sum to the Contract Owner’s estate or the Contract Owner, respectively.

ERISA Defined Benefit Plan Options

If an ERISA Defined Benefit plan trust is the owner of a Contract, the only option is a Lump Sum payout to the qualified plan trust. The trustee of the qualified plan will then distribute the proceeds pursuant to the Beneficiary election in effect under the plan.

IRA Beneficiary Options

There are additional options for IRA Beneficiaries. With some exceptions, IRA beneficiaries must receive their entire death benefit by December 31st following the tenth anniversary of the IRA owner’s death. However, a spouse named as sole primary Beneficiary may assume ownership of the IRA. An eligible designated beneficiary can continue the IRA as a “beneficiary” or a “stretch” IRA, in which case a new Penn Mutual Contract is issued. Please consult your tax advisor for additional information regarding the options of an IRA Beneficiary.

Death Benefit Summary Tables

NON-QUALIFIED CONTRACTS

	Single Owner / Annuitant (Annuitant is same as Owner)
Owner-Annuitant dies	• Beneficiary receives Standard Death Benefit, • Beneficiary has one year from death to choose the Death Benefit Settlement Option, • Beneficiary may delay disbursement for up to five years, • Spousal Beneficiary may continue the Contract.

	Single Owner / Single Annuitant (Annuitant is not the same as Owner)
Owner dies	• Beneficiary receives Contract Value, • Beneficiary has one year from death to choose the Death Benefit Settlement Option, • Beneficiary may delay disbursement for up to five years, • Spousal Beneficiary may continue the Contract (Contract Value only).
Annuitant dies	• Contract Owner who is Contingent Annuitant becomes the Annuitant and the Contract continues (no death benefit paid). OR • If there is no Contingent Annuitant, surviving Contract Owner is deemed sole primary Beneficiary before any named Beneficiaries, • Contract Owner (as deemed sole primary Beneficiary) receives Standard Death Benefit, • Surviving Owner as Beneficiary has 60 days from the death of Annuitant other than Owner to choose the Death Benefit Settlement Option.

	Single Owner / Joint Annuitants (Owner must be one of the Annuitants)
Owner-Annuitant dies	• Beneficiary receives Contract Value, • Beneficiary has until December 31st of the year following the calendar year when the contract owner died to choose the Death Benefit Settlement Option, • Beneficiary may delay disbursement for up to five years, • Spousal Beneficiary may continue the Contract (Contract Value only), • New spousal Owner will become Annuitant (if not already named as such prior to death), • Standard Death Benefit is not paid until the last Annuitant's death. Surviving Annuitant (as spousal Beneficiary) becomes Owner if permitted by federal tax law.
Non-Owner Annuitant dies	• No death benefit is paid because there was no Owner death and Annuitant death benefit is paid upon the last Annuitant's death, • Surviving Annuitant who is the Contract Owner will continue the Contract, • Standard Death Benefit is not paid until the last Annuitant's death.

	Owner is an Entity (only single Annuitant permitted)
Annuitant dies	• Beneficiary receives Standard Death Benefit, • Death Benefit Settlement Options available are Lump Sum (Option 1) or Five-Year Deferral (Option 2).

Joint Owners / Single Annuitant (Annuitant must be one of Owners)

Annuitant-Owner dies

- Surviving Owner is deemed sole primary Beneficiary before any named Beneficiaries,
- Beneficiary receives Standard Death Benefit,
- Beneficiary has one year from death to choose the Death Benefit Settlement Option,
- Beneficiary may delay disbursement for up to five years,
- Surviving Owner (if spousal Beneficiary) may continue the Contract.

Non-Annuitant Owner dies

- Surviving Owner is deemed sole primary Beneficiary before any named Beneficiaries,
- Beneficiary receives Contract Value,
- Beneficiary has one year from death to choose the Death Benefit Settlement Option,
- Beneficiary may delay disbursement for up to five years,
- Surviving Owner (if spousal Beneficiary) may continue the Contract (Contract Value only),
- Surviving Owner will become the Annuitant.

Joint Owners / Joint Annuitants (Annuitants must be the same as Owners)

First Owner-Annuitant dies

- Surviving Owner is deemed sole primary Beneficiary before any named Beneficiaries,
- Beneficiary receives Contract Value,
- Beneficiary has one year from death to choose the Death Benefit Settlement Option,
- Beneficiary may delay disbursement for up to five years,
- Surviving Owner (if spousal Beneficiary) may continue the Contract (Contract Value only),
- Standard Death Benefit is not paid until the last Annuitant's death. Surviving Owner-Annuitant becomes sole Owner if permitted by federal tax law.

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Single Owner / Annuitant (Owner must be the Annuitant)

Owner-Annuitant dies

- Beneficiary receives Standard Death Benefit,
- Beneficiary has one year from death to choose the Death Benefit Settlement Option,
- Beneficiary may delay disbursement for up to ten years,
- An eligible beneficiary may stretch the IRA by purchasing a new Penn Mutual Contract then available, or
- Spousal Beneficiary may continue the Contract.

Joint Owners / Single Annuitant (Annuitant must be one of Owners)

- Spousal Beneficiary may continue the Contract.

The Death Benefit must be distributed in accordance with applicable regulations and tax laws.

6. The Annuity Payout Period

6.1. Annuitization

Annuitization is a process by which your Contract Value is converted into a stream of regular income payments. You may choose to annuitize your Contract after the first Contract Anniversary. The Guaranteed Growth and Income Benefit Rider and the Inflation Protector Withdrawal Benefit Rider may impose different annuitization and maturity processing requirements than described below. Please see Section 9.14 — "What happens on the Annuity Date under the Rider?" and Section 11.17 — "What happens on the Annuity Date under the Rider?" for more information.

6.2. Partial Annuitization on Non-Qualified Contracts

Partial Annuitization is an irrevocable election by the Contract Owner to apply only a portion of the Contract Value to purchase a stream of annuity payments under the Contract, leaving the remainder of the Contract Value to accumulate on a tax-deferred basis.

Partial Annuitization is only available on Non-Qualified contracts, on or after the third Contract Anniversary. Partial Annuitization will be processed as of the date the written request from the Contract Owner and all required documentation is received by the Company.

If you enter the Withdrawal Phase under either the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider (*i.e.,* start your lifetime withdrawals), Partial Annuitization is no longer available to you.

You may only elect three Partial Annuitizations during the life of your Contract, and at least 12 months must elapse between Partial Annuitizations. The amount requested for Partial Annuitization must be at least $5,000 and cannot exceed 50% of your Contract Value.

Partial Annuitization will decrease the Contract Value and Surrender Charge Basis dollar-for-dollar; it will decrease the death benefit base proportionately or dollar-for-dollar, whichever is greater.

Amounts applied to Partial Annuitization are not subject to Surrender Charges. They are also not taxed as a withdrawal under the deferred Contract provided the Annuitization option includes a life contingency.

Annuitized and non-annuitized portions of the Contract will be treated as separate Contracts for tax and administrative purposes, and different Annuity Dates will be established with respect to the annuitized and non-annuitized portions of the Contract.

For exclusion ratio purposes, "investment in the contract" will be allocated proportionately between the annuitized and non-annuitized portions of the Contract. This proportional allocation will also apply for other tax treatment purposes under the Code Section 72 governing the exclusion ratio, investment in the contract, expected return, annuity starting date, and amounts not received as an annuity.

To be eligible for the exclusion ratio, the amounts must be received as an annuity for a period of 10 years or more, or for life.

We may change Contract provisions related to Partial Annuitization, if required by Internal Revenue Service regulations or other applicable laws.

6.3. Annuity Date

The Annuity Date is the date on which annuity payments begin, transitioning from the accumulation phase to the annuitization phase, based on the elected Annuity Option or the default option. The date Annuity Payments are scheduled to begin is shown on your Contract's specifications page. Unless another Annuity Date was specified on the application or requested later by written notification, the Annuity Date will be set to the later of (a) the first Monthly Anniversary following the younger Annuitant reaching the Maturity Age, or (b) the 10th Contract Anniversary. The Annuity Date must be at least one year after the Contract Date.

You may change the Annuity Date by sending a written request to our Administrative Office, which must be received by us at least 30 days before the current Annuity Date.

6.4. What happens on the Annuity Date?

On the Annuity Date, the Contract Value, net of premium taxes if applicable, must be annuitized. Upon your request or on the Annuity Date described in your Contract, you may apply the Contract Value to any of the annuity options available in the "Annuity Options" section of the Contract, at guaranteed annuity rates listed in the "Fixed Annuity Options Tables" section of the Contract. You can also elect to surrender the Contract and receive the Surrender Value[12].

A notification that an Annuity Option must be selected will be sent to you 60 days prior to your Annuity Date. You must select an Annuity Option and notify us of your election at least 30 days prior to the Annuity Date. In the event no response is received from you, and if the Annuity Date is less than the maximum maturity date, the Annuity Date will be changed to the maximum maturity date allowed by the state. If the maximum maturity date has been reached, and you did not specify an Annuity Option, the Contract Value will be annuitized on the Annuity Date based on an applicable default option. If the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider is in force on the Annuity Date, the default option will be determined by the state of the optional benefit features at the time (please, see "What Happens on the Annuity Date under the Rider?" in the appropriate optional benefit section in this prospectus — Section 8.10, Section 9.14, and Section 11.17). If the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider is not in force on the Annuity Date, the default option is the Life Annuity with Period Certain of 10 years.

Provisions of this section vary in Florida — please see "Appendix B: State Variations" for details.

6.5. Annuity Options

On or after the first Contract Anniversary, you may choose to annuitize your Contract and apply your Contract Value to one of the following Fixed Annuity Options at guaranteed annuity rates listed in the "Fixed Annuity Option Tables" section of the Contract:

- **Certain-Only Option** — Provides periodic income payments for a guaranteed period ranging from 5 to 30 years[13]. If the Annuitant dies prior to the end of the guaranteed period, payments will continue to be paid to the designated Beneficiary(ies) until the end of the guaranteed period.
- **Life-Only Option** — Provides periodic payments guaranteed for the lifetime of the Annuitant. The last payment will be the one that is due before the Annuitant's death. Upon the death of the Annuitant, payments will cease and there will be no payments made to any Beneficiary.
- **Life with Period Certain Option**[13] — Provides periodic income payments for the lifetime of the Annuitant, which are guaranteed for a period of time ("Period Certain"). The guaranteed period can range from 5 to 30 years. If the Annuitant dies prior to the end of the Period Certain,

[12] Subject to state variations: see "Appendix B: State Variations" for details.
[13] The guaranteed period may not exceed the annuitant life expectancy as defined by the IRS Life Expectancy Table for Qualified contracts.

payments will continue to be paid to the designated Beneficiary(ies) until the end of the Period Certain. If the Annuitant lives longer than the Period Certain, payments will continue until the Annuitant dies, but there will be no payment to any Beneficiary.

- **Joint and Survivor Life Option** — Provides periodic payments for the lives of the Annuitant and the Joint Annuitant. Upon the death of either Annuitant, and based on the percentage initially selected, payments will continue at a level of 100%, 75%, 66 2/3%, or 50% of the original benefit amount for the lifetime of the surviving Annuitant. The initial payment will be made if either the Annuitant or the designated second Annuitant are living. Subsequent payments will continue during the joint lives of the Annuitants and thereafter during the life of the surviving Annuitant. Payments will end with the last payment due before the death of the last Annuitant to die. After the deaths of both Annuitants, payments will cease and there will be no payments to any Beneficiary.
- Any other form of annuity that you and we may agree upon.

6.6. Annuity Payments

The Contract Value on the day immediately preceding the Annuity Date, and the guaranteed annuity rates listed in the "Fixed Annuity Option Tables" section of the Contract, will be used to determine the Annuity Payment. If your Contract Value to be applied to the selected Annuity Option on the Annuity Date is less than $5,000, we may pay you such amount in a lump sum.

The size of Annuity Payments is determined by a number of factors, including the amount of your investment, your age at the time of Annuitization, the form of annuity chosen, the expected length of the annuity period, the frequency of annuity payments and their duration, and a guaranteed rate of return. After annuity payments begin, the Annuity Option cannot be changed, and the size of your annuity payments will not change.

The annuity benefits at the time of their commencement will not be less than those that would be provided by the application of the Surrender Value to purchase a single premium immediate annuity contract at purchase rates offered by the company at the time to the same class of annuitants.

Annuity Payments will generally start within 30 days after the Annuity Date. We usually make annuity payments monthly, but we will pay you quarterly, semiannually or annually, if you prefer. The less frequently we make payments, the larger each payment will be. If necessary, we will adjust the frequency of your payments so that payments are at least $50 each. For information on the tax treatment of annuity payments, see Section 14 — "Taxes." Payments under all options will be made to or at the direction of the Contract Owner and may be elected as early as the first Contract Anniversary.

Provisions of this section may vary by state — please see "Appendix B: State Variations" for details.

7. Optional Benefits

Subject to the Company's right to discontinue or suspend the offering of optional benefits for new sales from time to time, you can purchase the optional benefits described below in addition to your Base Contract. There is an additional fee for the optional benefits. Optional benefits were not available on Smart Foundation Flex Variable Annuity contracts purchased on or after May 27, 2016. Please check with your financial professional to determine the optional benefits that may currently be available to you.

7.1. Optional Benefits

Guaranteed Growth and Income Benefit	Inflation Protector Withdrawal Benefit	Enhanced Death Benefit	Guaranteed Minimum Accumulation Benefit
Lifetime withdrawal guarantee	Lifetime or Standard withdrawal guarantee	Highest anniversary value death benefit	Guaranteed return of premium
Provides lifetime income as a percent of the Withdrawal Benefit Base, which grows with 7% simple interest(1) for 10 years or until the start of lifetime withdrawals (if sooner), and periodically locks in market gains by the use of Automatic Annual Step-Ups.	Provides lifetime or standard income as a percent of the Withdrawal Benefit Base, which grows with Inflation Increases during the Deferral Phase Inflation Increase Period and the Withdrawal Phase Inflation Increase Period, and periodically locks in market gains by the use of Automatic Annual Step-Ups.	Provides an enhanced Death Benefit by locking in market gains on each Contract Anniversary until age 80.	Provides guaranteed return of premium at the end of the benefit period (10 years), with the possibility of locking in market gains and extending the benefit period upon Step-Up (available every 5 years) or at the end of the 10-year benefit period.

(1) Growth Rate is 7% for Guaranteed Growth and Income Benefit II and VI Rider contracts. Growth Rate is 8% for Guaranteed Growth and Income Benefit I, III, IV, and V Rider contracts. Please see “Appendix B: State Variations” for details on state variations.

Guaranteed Growth and Income Benefit and Inflation Protector Withdrawal Benefit	Enhanced Death Benefit	Guaranteed Minimum Accumulation Benefit
<u>Single Life Guarantee:</u> Single Covered Life must be the sole Annuitant and the Contract Owner. <u>Joint Life Guarantee:</u> Available with single or joint ownership. If single Owner and Owner is the Annuitant, one Covered Life must be the Owner and Annuitant, and the second Covered Life may be a Joint or Contingent Annuitant. If single Owner and Owner is not the Annuitant, one Covered Life must be the Owner and either the Joint or Contingent Annuitant, and the second Covered Life must be the Annuitant. Joint Life Guarantee for Qualified Contracts is only available with single Owner same as Annuitant, and second Covered Life as Contingent Annuitant (Joint Annuitants are not permitted).	<u>Single Life Guarantee:</u> Single Covered Life must be the sole Annuitant (may be different from the Contract Owner). <u>Joint Life Guarantee:</u> Available with single or joint ownership. If single Owner and Owner is the Annuitant, one Covered Life must be the Owner and Annuitant, and the second Covered Life may be the Joint or Contingent Annuitant. If single Owner and Owner is not the Annuitant, one Covered Life must be the Owner and either the Joint or Contingent Annuitant, and the second Covered Life must be the Annuitant. Joint Life Guarantee for Qualified Contracts is only available with single Owner same as Annuitant, and second Covered Life as	<u>Single Life Guarantee:</u> Single Covered Life must be the sole Annuitant and the Contract Owner. <u>Joint Life Guarantee:</u> Joint Life Guarantee is not available.

Guaranteed Growth and Income Benefit and Inflation Protector Withdrawal Benefit	Enhanced Death Benefit	Guaranteed Minimum Accumulation Benefit
If joint Owners, both Covered Lives must be Owners, one Covered Life must be the Annuitant, and second Covered Life may be Joint or Contingent Annuitant.	Contingent Annuitant (Joint Annuitants are not permitted). If joint Owners, both Covered Lives must be Owners, one Covered Life must be the Annuitant, and second Covered Life may be Joint or Contingent Annuitant.	

7.2. Combining Optional Benefits

You may elect both the Guaranteed Growth and Income Benefit Rider and Enhanced Death Benefit Rider. Please see Section 10 — "Combining the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders."

You may elect both the Inflation Protector Withdrawal Benefit Rider and Enhanced Death Benefit Rider. Please see Section 12 — "Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders."

Guaranteed Minimum Accumulation Benefit Rider cannot be combined with any other Rider.

8. Enhanced Death Benefit

8.1. Benefit Overview and Important Information

Benefit Overview

The purpose of the Enhanced Death Benefit provided under this Rider is to provide a highest anniversary value death benefit as an enhancement to the Standard Death Benefit provided under the Contract. The Rider provides this enhancement by automatically locking in any market gains on each Contract Anniversary. If any withdrawals are taken, the benefit will be reduced by the greater of the dollar amount of the withdrawal or a pro rata reduction, and the benefit will terminate if the Contract Value goes to zero. The Rider will terminate upon assignment or a change in ownership of the Contract unless the new assignee or Contract Owner meets the qualifications specified in the Termination provision of the Rider.

The Death Benefit Enhancement provided by the Rider will be payable before the Annuity Date, until the younger Covered Life under the Rider reaches the Maturity Age, or until the Contract Value reaches zero, if earlier. The Death Benefit Enhancement will be payable upon the death of the Covered Life or the later death of the Covered Lives, if applicable, and only if the Enhanced Death Benefit Base is greater than the Standard Death Benefit under the Contract.

Prior to the Annuity date, as of the date our Administrative Office receives proof of death of the Covered Life (or both Covered Lives, if applicable) such as a death certificate or other official document establishing death, and other information required to process the payment, the Company will pay the Death Benefit Enhancement in addition to the death benefit provided in your Contract. The Death Benefit Enhancement is the amount by which the Enhanced Death Benefit Base exceeds the Standard Death Benefit payable under the Contract. This amount cannot be less than zero or greater than $1,000,000. This cap will apply at the time the claim is paid. The Death Benefit Enhancement will be payable before the Annuity Date, until the younger Covered Life under the Rider reaches the Maturity Age, or until the Contract Value reaches zero, if earlier.

Important Information about the Rider:

- This Rider is an optional benefit added to your Contract at time of purchase; it provides various benefits described in this prospectus for an additional charge.

- Your Contract may be subject to limitations on your investment allocations according to the terms of the Rider. The Company can change these limitations with 60 days prior notice to you, and may do so as a result of changes in the economic environment or for changes in the investment options available under the Contract.
- The Enhanced Death Benefit Base Step-Ups occur until age 80, and the Death Benefit Enhancement is payable before the Annuity Date, until the younger Covered Life reaches the Maturity Age, or until the Contract Value reaches zero, if earlier.
- The Enhanced Death Benefit is only payable before the Annuity Date or before the Contract Value is reduced to zero, if earlier.
- Termination of the Contract results in termination of this Rider. Termination of the Rider or the Contract will result in termination of the Enhanced Death Benefit.
- The Rider Charges are non-refundable, whether or not your Enhanced Death Benefit Base exceeds the Standard Death Benefit while the Rider is in effect, or at the time of death.
- Withdrawals taken to satisfy the Required Minimum Distributions will reduce the Enhanced Death Benefit Base by the greater of a dollar-for-dollar or pro-rata reduction.
- All withdrawals will reduce your Contract Value and death benefit.
- Withdrawals may reduce future benefits by more than the dollar amount of the withdrawal, and may result in one or more of the following:

  i) a permanent reduction in your Enhanced Death Benefit;

  ii) termination of the Rider;

  iii) termination of the Contract.

8.2. Purchasing the Enhanced Death Benefit Rider with your Contract

At the time you purchase your Contract, you have the option to purchase the Enhanced Death Benefit Rider for an additional charge. This Rider may not be added after you purchase the Contract. The Rider Effective Date is the Contract Date. This Rider is available for purchase with any available Base Contract Option, and may also be purchased in combination with the Guaranteed Growth and Income Benefit Rider (see Section 10 — "Combining the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders" for more information) or the Inflation Protector Withdrawal Benefit Rider (see Section 12 — "Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders" for more information). If you purchase the Rider in combination with any other optional benefit, you will not be able to terminate them independently in the future.

The Rider only covers natural person(s) named in the Contract, and the Covered Life(ves) (up to two) must be named at Contract issue or the Rider Effective Date.

Issue Age Requirements

Maximum issue age for the Enhanced Death Benefit Rider is 75. The Covered Life (or both Covered Lives for a Joint Life Guarantee) must satisfy this requirement on the Rider Effective Date.

A Covered Life must always meet issue age requirements at time of designation.

Issue age is determined by the Age Nearest Birthday of the Covered Life(ves).

Owner / Annuitant Requirements

For a **Single Life Guarantee** to be issued, the Covered Life under the Rider must be the sole Annuitant. A Single Life Guarantee is not available if a Joint (or Contingent) Annuitant is named in the Contract.

For a **Joint Life Guarantee** to be issued, the first Covered Life must be the Annuitant and the second Covered Life must be the Contingent Annuitant or the Joint Annuitant. At least one Covered Life must be a Contract Owner, and any non-Owner Covered Life must be the sole primary Beneficiary. If Covered Lives are both Owners, they must be each other's sole primary Beneficiary. A Joint Life Guarantee may be continued upon Contract Owner's death only if permitted by federal law. A Joint Life Guarantee is not available if the Contract Owner is an entity.

Covered Life(ves) cannot be changed after the Rider Effective Date, except under conditions outlined in "Replacing a Covered Life Under a Joint Life Guarantee" below.

Example Owner/Annuitant arrangements permitted under the Rider:

Single Life Guarantee:

Contract Owner(s)	Annuitant	Covered Life
John Smith	John Smith	John Smith
John Smith	Elisabeth Smith	Elisabeth Smith
John Smith + Elisabeth Smith	John Smith	John Smith
John Smith + Elisabeth Smith	Elisabeth Smith	Elisabeth Smith
Entity	John Smith	John Smith

Joint Life Guarantee:

Contract Owner(s)	Annuitant	Joint Annuitant (Non-Qualified Contract 1035 Exchanges Only)	Contingent Annuitant	Covered Lives
John Smith	John Smith		Elisabeth Smith	John Smith + Elisabeth Smith
John Smith	John Smith	Elisabeth Smith		John Smith + Elisabeth Smith
John Smith	Elisabeth Smith		John Smith	John Smith + Elisabeth Smith
John Smith	Elisabeth Smith	John Smith		John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	John Smith		Elisabeth Smith	John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	John Smith	Elisabeth Smith		John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	Elisabeth Smith		John Smith	John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	Elisabeth Smith	John Smith		John Smith + Elisabeth Smith

8.3. Single and Joint Life Guarantee

The Rider can be purchased as a Single or Joint Life Guarantee. Under a Single Life Guarantee, all Rider features and benefits are based on the age and lifetime of the Covered Life, and the Enhanced Death Benefit is payable on death of the Covered Life. Under a Joint Life Guarantee, all Rider features are based on the age of the younger Covered Life. If a Joint Life Guarantee is elected, upon the first death of a Covered Life, the surviving Covered Life, if permitted by federal tax law, can choose to continue the Contract[14] and the Rider, and the Enhanced Death Benefit will then be payable to the Beneficiary upon the death of the surviving Covered Life. You must specify both Covered Lives in the Application for a Joint Life Guarantee. A death benefit available at the death of the Owner prior to the later death of the Covered Lives is the Standard Death Benefit if the deceased Owner was sole Annuitant. If the Second Covered Life was also named Joint Annuitant, the death benefit payable on death of the Owner / Annuitant is Contract Value only.

Converting a Single Life Guarantee to a Joint Life Guarantee

You cannot convert a Single Life Guarantee to a Joint Life Guarantee. You will not be able to add a Covered Life after the Rider Effective Date.

Converting a Joint Life Guarantee to a Single Life Guarantee

While both Covered Lives are living, and provided that all Owner / Annuitant designation requirements outlined in the Contract are satisfied, one of the Covered Lives may be removed from the Contract by the Contract Owner(s) and the Rider will be converted to a Single Life Guarantee. You may not add an additional Covered Life in the future. If this Rider is combined with the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider, your ability to convert to a Single Life Guarantee will be subject to additional limitations. Please see Section 10 — "Combining the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders" or Section 12 — "Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders."

8.4. Enhanced Death Benefit Base

The Enhanced Death Benefit Base is the amount used to determine the value of the Death Benefit Enhancement, when compared to the Standard Death Benefit amount. The Enhanced Death Benefit Base is calculated independently of the Contract Value or any other Benefit Base. It can increase due to annual Step-Ups or Subsequent Purchase Payments and will decrease for withdrawals.

How is the Enhanced Death Benefit Base Determined?

On the Rider Effective Date, the Enhanced Death Benefit Base is equal to the Initial Purchase Payment received.

After the Rider Effective Date, the Enhanced Death Benefit Base will increase with Subsequent Purchase Payments, may Step-Up to the Contract Value, and will decrease for withdrawals.

Automatic Annual Step-Up of Enhanced Death Benefit Base. A Step-Up is an increase of the Enhanced Death Benefit Base to an amount equal to 100% of the Contract Value. The Enhanced Death Benefit Base will be evaluated for a Step-Up opportunity each Contract Anniversary, until the Contract Anniversary following the 80th birthday of the younger Covered Life. If the Contract Value at the time of evaluation is greater than the current Enhanced Death Benefit Base, the Enhanced Death Benefit Base will automatically Step-Up to the Contract Value.

Effect of Additional Purchase Payments. The Enhanced Death Benefit Base will be increased dollar-for-dollar for all Subsequent Purchase Payments. Purchase Payments made on Contract Anniversary are credited to the Enhanced Death Benefit Base after evaluation for Step-Up takes place.

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[14] Federal tax regulations may require that a distribution take place upon Contract Owner's death, unless spousal continuation is exercised. If spousal continuation is not exercised or not permitted by the IRS regulations, the applicable death benefit, if any, will be paid out, and both the Contract and the Rider(s) will terminate.

Effect of Withdrawals on Enhanced Death Benefit Base. The Enhanced Death Benefit Base will be reduced for withdrawals by the greater of (a) and (b), where:

(a) is the withdrawal amount, and

(b) is the withdrawal amount multiplied by the ratio of (1) and (2) where:

 (1) is the Enhanced Death Benefit Base immediately prior to the withdrawal, and

 (2) is the Contract Value[15] immediately prior to the withdrawal.

Effect of Partial Annuitization. Partial Annuitization will reduce the Enhanced Death Benefit Base and the Contract Value in the same manner as withdrawals (described above).

Additional Notes for the Enhanced Death Benefit Base

The Rider Charge is expressed as an annual percentage of the Enhanced Death Benefit Base. If the Enhanced Death Benefit Base increases, the dollar amount of the Rider Charge will also increase.

The Enhanced Death Benefit Base is a reference amount only, cannot be withdrawn in a lump sum, and is not payable as a death benefit.

8.5. Smart Foundation Plus Base Contract Option and the Enhanced Death Benefit Base

This section only applies to you if you have the Smart Foundation Plus Base Contract Option.

Effect of Purchase Payment Enhancements on the Enhanced Death Benefit Base

Purchase Payment Enhancements are not included in the initial Enhanced Death Benefit Base on the Contract Date, and do not increase the Enhanced Death Benefit Base when Subsequent Purchase Payments are made.

Contract Value Step-Up. If you have a Smart Foundation Plus Base Contract Option, your Contract Value will be immediately credited with the Purchase Payment Enhancement for every Purchase Payment that you make. If a Step-Up takes place, any Purchase Payment Enhancements which are part of the Contract Value also become part of the Enhanced Death Benefit Base.

Enhanced Death Benefit Base Enhancement True-Up

This feature is not available in New York.

The Enhanced Death Benefit Base Enhancement True-Up will increase the Enhanced Death Benefit Base in the event that poor market performance does not result in a Step-Up, or if the stepped-up value does not include the full amount of the Purchase Payment Enhancement(s). There is a three-year waiting period for inclusion of Purchase Payment Enhancements in the Enhanced Death Benefit Base. The Enhancement True-Ups will cease once a withdrawal is taken (including Early Access Withdrawal, if purchased in combination with the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider).

On each Contract Anniversary beginning with the third Contract Anniversary, the Enhanced Death Benefit Base Enhancement True-Up evaluation will take place, until a withdrawal is taken (including Early Access Withdrawal, if purchased in combination with the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider).

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[15] After the Contract Value is reduced by the amount of any Purchase Payment Enhancement forfeited as a result of the withdrawal (applies only if the Smart Foundation Plus Contract Option is elected).

Evaluation for an Enhanced Death Benefit Base Enhancement True-Up will be carried out in the following order:

Step 1: Enhanced Death Benefit Base is evaluated for Step-Up,

Step 2: Enhanced Death Benefit Base is evaluated for the Enhanced Death Benefit Base Enhancement True-Up.

At the time of Enhanced Death Benefit Base Enhancement True-Up evaluation, your Enhanced Death Benefit Base (determined in Step 1 above) will be compared to the Enhanced Death Benefit True-Up Base. The Enhanced Death Benefit True-Up Base is the sum of (1) and (2), where:

(1) is the sum of Purchase Payments, up to, but not including the date on which the evaluation takes place, and

(2) is the sum of Purchase Payment Enhancements which are at least 36 months old as of the date of the evaluation.

If the Enhanced Death Benefit Base (determined in Step 1) is less than the Enhanced Death Benefit True-Up Base, your Enhanced Death Benefit Base will be set equal to the Enhanced Death Benefit True-Up Base.

If you take any withdrawals, your Enhanced Death Benefit Base will no longer be evaluated for Enhanced Death Benefit Base Enhancement True-Up.

8.6. Rider Charge

There is an additional charge for the Enhanced Death Benefit Rider. This charge depends on whether you also purchase the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider with the Contract. Please refer to the "Contract Owner Periodic Expenses" subsection of "FEE TABLES" section of this prospectus for the summary of charges, or to the "Rider Charges" subsection of "Fees and Expenses" section in this prospectus for more details.

The Rider Charge is expressed as an annual percentage of the Enhanced Death Benefit Base, and $^1/_4$ of the charge will be deducted from the Contract Value on a quarterly basis, whether or not the Enhanced Death Benefit Base exceeds the Standard Death Benefit. One fourth of the annual Rider Charge will be multiplied by the average monthly Enhanced Death Benefit Base for the quarter and this amount will be deducted on the last day of the Contract Year Quarter. The Enhanced Death Benefit Base used in the calculation is the average monthly benefit base over the last quarter. Rider Charges will be deducted until the Annuity Date. The Rider Charge will be deducted from the Subaccounts, pro-rata based on the fund allocation at the time of deduction.

If you make a full surrender of your Contract before the charges for any Riders are deducted, your Contract Value will be reduced by the accrued Rider Charges, plus any applicable Surrender Charge. **In addition, upon payment of the Death Benefit associated with the Contract, the Death Benefit payable will be reduced by the accrued Rider Charges.** No Rider Charge will be imposed upon Annuitization, or deducted after the Annuity Date.

The current Rider Charge for Single or Joint Life Guarantee is 0.35%. The Maximum Rider Charge is 0.75%. Current and Maximum Rider Charges, as well as the Maximum Charge Increases are summarized in the "Rider Charges" subsection of Section 3.2 — "Periodic Charges."

On the date of automatic Step-Up of the Enhanced Death Benefit Base to the Contract Value, the effective annual Rider Charge may be increased, but will not be greater than the current charge applicable to the class of Contract Owners then electing the Rider, and the increase will be no more than 0.15%.

The Contract Owner can reject the Rider Charge increase and thus terminate the Rider by sending, at least 30 days prior to a Contract Anniversary, a written request to the Company to do so. If you also purchased the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider, both Riders must be terminated simultaneously. Please see Section 10 — "Combining the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders" and Section 12 — "Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders" for more information.

8.7. Investment Allocation Options

The Separate Account. At the present time, no investment allocation program is required for the Contract Value allocated to the Separate Account if this Rider is purchased without the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider. If the Company requires an investment allocation program in the future, or if there is a change to an existing program, you will be notified in writing 60 days prior to an investment allocation program being required or a change to an existing program becoming effective. The new program or changes to an existing program may apply to existing and new purchasers of this Rider. If the investment allocation program is required, we reserve the right to add or change limitations and the way we administer them in the future.

The Fixed Account. You may not allocate or transfer your Contract Value to any Fixed Interest Options if you have purchased this Rider. Purchase Payments or transfers directed to the Fixed Interest Options will not be accepted.

8.8. Required Minimum Distributions and the Enhanced Death Benefit Rider

There is no special treatment of Required Minimum Distributions under the Enhanced Death Benefit Rider.

Please see the "RMD and Enhanced Death Benefit" example in "Appendix A: Numerical Examples."

8.9. What if the Enhanced Death Benefit Base or the Contract Value is reduced to zero?

The Enhanced Death Benefit Rider will terminate once the Enhanced Death Benefit Base or the Contract Value is reduced to zero.

8.10. What happens on the Annuity Date under the Rider?

The Enhanced Death Benefit Rider will terminate on the Annuity Date.

8.11. What happens upon death under the Rider?

The Rider will terminate upon the death of a sole Covered Life for a Single Life Guarantee, or the later death of both Covered Lives for a Joint Life Guarantee. The Death Benefit, including the Death Benefit Enhancement provided by this Rider, will then be distributed as described below.

The Enhanced Death Benefit is payable upon the death of the Covered Life under the Rider, or the later death of two Covered Lives with a Joint Life Guarantee. The amount payable is the Death Benefit Enhancement, which is the amount (capped at $1,000,000.00) by which the Enhanced Death Benefit Base exceeds the Standard Death Benefit payable under the Contract. The Death Benefit Enhancement amount is determined as of the date our Administrative Office receives proof of death of the Covered Life (both Covered Lives for a Joint Life Guarantee) such as a death certificate or other official document establishing death, and other documents required to process the payment.

If the Enhanced Death Benefit Base is less than or equal to the Standard Death Benefit, no Death Benefit Enhancement is payable. The maximum Death Benefit Enhancement amount we will pay is $1,000,000 (this cap will apply at the time the death benefit is calculated). The Death Benefit Enhancement will be payable before the Annuity Date, until the younger Covered Life under the Rider reaches the Maturity Age, or until the Contract Value reaches zero, if earlier.

Under a Single Life Guarantee:

If the sole Contract Owner is also the sole Annuitant and sole Covered Life, then:

(a) Upon the death of the sole Contract Owner / Annuitant / Covered Life, the death benefit, including any Death Benefit Enhancement payable under the Rider, will be paid to the Contract Owner's Beneficiary. If permitted by federal law, a spouse of the deceased Contract Owner may exercise Spousal Step-In according to the terms of this Contract, but the Rider will terminate.

If the sole Contract Owner is not the sole Annuitant and Covered Life, then:

(a) Upon Contract Owner's death, Contract Value[16] will be paid as a death settlement to the Contract Owner's Beneficiary according to the terms of the Contract. The surviving Annuitant / Covered Life (as spousal Beneficiary) may also choose to exercise Spousal Step-In according to the terms of this Contract if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death), and the Rider will continue.

(b) Upon Annuitant's death where the Contract Owner is named as the Contingent Annuitant in the Contract, the Contract Owner will become the Annuitant and the Contract will continue, but the Rider will terminate (no death benefit will be paid).

(c) Upon Annuitant's death where no Contingent Annuitant is named in the Contract, the death benefit, including any Death Benefit Enhancement payable under the Rider, will be paid to the surviving Contract Owner, who is deemed to be sole primary Beneficiary under the Beneficiary provision of the Contract.

(d) Upon Annuitant's death where the Contract Owner is an entity, the death benefit, including any Death Benefit Enhancement payable under the Rider, will be paid to the Contract Owner.

On a jointly owned Contract:

(a) Upon death of a sole Annuitant who is the Covered Life under the Rider, the death benefit, including any Death Benefit Enhancement payable under the Rider, will be paid to the surviving Contract Owner, who is deemed to be sole primary Beneficiary under the Beneficiary provision of the Contract. The surviving spousal Contract Owner may also choose to exercise Spousal Step-In according to the terms of this Contract if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death), but the Rider will terminate.

(b) Upon death of the Contract Owner who is not the Annuitant and sole Covered Life, the surviving spousal Contract Owner, who is also the sole Annuitant and the Covered Life under the Rider, may continue the Contract and the Rider if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death). Surviving Contract Owner may also choose to receive the Contract Value[17] as a death settlement.

[16] Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected).

[17] Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected). If continuation is not permitted by federal law, the surviving Contract Owner may receive the Contract Value as the death settlement (and thus terminate the Contract and the Rider).

Under a Joint Life Guarantee:

If the sole Contract Owner is the sole Annuitant, then:

(a) Upon death of the Covered Life who is the sole Annuitant and the Contract Owner, the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Standard Death Benefit (and thus terminate the Contract and the Rider) or continue the Contract (under spousal Step-In) and the Enhanced Death Benefit Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

(b) Upon death of the Covered Life who is designated as the Contingent Annuitant and who is not the Contract Owner, no death benefit is payable, and the Contract Owner may continue the Contract and the Rider as sole Annuitant and Covered Life.

If the sole Contract Owner is the Contingent Annuitant named in the Contract, then:

(a) Upon death of the Annuitant who is not the Contract Owner, the surviving Contract Owner who is also the surviving Covered Life, will become the Annuitant and continue the Contract and the Rider as-is.

(b) Upon death of the Contract Owner who is also the Contingent Annuitant in the Contract, the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Contract Value[18] as a death settlement (and thus terminate the Contract and the Rider), or continue the Contract (under Spousal Step-In) and the Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

If there is only one Contract Owner and Joint Annuitants are named in the Contract:

(a) Upon death of the Annuitant or Joint Annuitant who is also the Contract Owner, the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Contract Value as a death settlement (and thus terminate the Contract and the Rider), or continue the Contract (under Spousal Step-In) and the Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death). The Standard Death Benefit is not payable until the later death of Annuitant and Joint Annuitant.

(b) Upon death of the Covered Life who is not the Contract Owner and is named as Annuitant or Joint Annuitant, no death benefit is payable, and the Contract Owner may continue the Contract (under Spousal Step-In) and Rider as sole Annuitant and Covered Life.

On a jointly owned Contract with a sole Annuitant:

(a) Upon death of the sole Annuitant, the surviving Contract Owner, who is also the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Standard Death Benefit (and thus terminate the Contract and the Rider) or continue the Contract (under Spousal Step-In) and the Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

[18] Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected).

(b) Upon death of the Contract Owner named as Contingent Annuitant who is also a Covered Life, no death benefit will be paid. The surviving Contract Owner who is the Annuitant and surviving Covered Life may continue the Contract (under Spousal Step-In) and the Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death). If continuation is not permitted by federal law, the surviving Contract Owner may receive the Contract Value[18] as the death settlement (and thus terminate the Contract and the Rider).

On a jointly owned Contract with Joint Annuitants:

(a) Upon first death, the surviving Contract Owner who is also the surviving Annuitant and surviving Covered Life, as sole primary Beneficiary, may choose to receive the Contract Value[19] (and thus terminate the Contract and the Rider), or continue the Contract (under Spousal Step-In) and the Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

(b) Upon later death, the death benefit, including any Death Benefit Enhancement payable under the Rider, will be paid to the Contract Owner's Beneficiary(ies).

8.12. Removing the Enhanced Death Benefit Rider from your Contract

You can cancel the Enhanced Death Benefit Rider at any time on or after the first Contract Anniversary. If you also purchased the Guaranteed Growth and Income Benefit Rider, both Riders must be terminated simultaneously. Please see Section 10 — "Combining the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders" for more information. If you also purchased the Inflation Protector Withdrawal Benefit Rider, both Riders must be terminated simultaneously. Please see Section 12 — "Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders" for more information.

8.13. Termination of the Enhanced Death Benefit Rider

Upon the earliest of the following, the Enhanced Death Benefit Rider will be terminated, but the Contract will remain in force:

(1) At any time after the first Contract Anniversary immediately following receipt by the Company of a written request by the Contract Owner to discontinue the Rider;

(2) Upon a change in ownership (or assignment) of the Contract unless:

(a) The new Contract Owner or assignee assumes full ownership of the Contract and is essentially the same person:

(i) an individual ownership changed to a personal revocable trust, or

(ii) an eligible spousal Beneficiary who is also a Covered Life elects to become the successor Owner of the Contract and the Rider upon Owner / Annuitant's death, or

(iii) a change to the Contract Owner's spouse during the Contract Owner's lifetime, or

(iv) a change to a court appointed guardian representing the Contract Owner during the Contract Owner's lifetime; or

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19 Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected).

(b) The assignment is for the purposes of effectuating a 1035 exchange of the Contract;

(3) Spousal Step-In of a Contract with a Single Life Guarantee upon the Contract Owner's death (where the Contract Owner is the sole Covered Life);

(4) Termination of the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider (if either is purchased together with this Rider);

(5) Annuitization under the Base Contract.

Charges for the Rider stop accruing, and any investment allocation restrictions cease upon Rider termination.

If the Contract is terminated, the Rider will also be terminated. Both the Contract and the Rider will terminate upon the earliest of:

(1) Full surrender of the Contract;

(2) Enhanced Death Benefit is paid upon the death of the Covered Life for Single Life Guarantees, or the date of the later death of both Covered Lives for a Joint Life Guarantee;

(3) Standard Death Benefit is paid to surviving Covered Life (as sole primary Beneficiary) upon the death of the sole Annuitant with Joint Life Guarantee (where the deceased Annuitant is one of the Covered Lives);

(4) Contract Value[20] is paid as a death settlement upon the death of the Contract Owner when:

(a) The deceased Contract Owner was not the Annuitant, and the Covered Life under the Single Life Guarantee is the sole Annuitant (if the Covered Life / sole Annuitant is not the Beneficiary or if not permitted to continue the Contract by federal law),

(b) The deceased Contract Owner was one of the Annuitants and one of the Covered Lives under the Joint Life Guarantee, but the surviving Annuitant / Covered Life is not permitted to continue the Contract by federal law;

(5) The Contract Value is reduced to zero;

(6) The Enhanced Death Benefit Base is reduced to zero.

Termination provisions may vary by state — please see "Appendix B: State Variations" for details.

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9. Guaranteed Growth and Income Benefit

9.1. Benefit Overview and Important Information

The Guaranteed Growth and Income Benefit Rider may not be available in all states and the Company reserves the right to generally discontinue or suspend the availability of the Rider for new sales from time to time. Please check with your financial professional to determine availability.

Benefit Overview

Lifetime Withdrawal Guarantee. The Guaranteed Growth and Income Benefit Rider (also referred to as "Rider" throughout this section) is an optional benefit that provides a Lifetime Withdrawal Guarantee—payments for the lifetime of the Covered Life (with a Single Life Guarantee), or for the lifetime of the last surviving Covered Life (with a Joint Life Guarantee). This Rider provides for a guaranteed lifetime withdrawal

[20] Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected).

benefit adjusted for the Guaranteed Growth Increase and market Step-Ups. The Guaranteed Growth Increase provides a simple interest increase to the Withdrawal Benefit Base for a period of 10 years, while market Step-Ups lock in the market performance annually (if higher than the Guaranteed Growth Increase). The Withdrawal Benefit Base is accumulated in this way before withdrawals under the Lifetime Withdrawal Guarantee are exercised. The Lifetime Withdrawal Guarantee is then based on this Withdrawal Benefit Base and provides lifetime income at eligible ages. Lifetime income is guaranteed as a percentage of the Withdrawal Benefit Base that varies with age at the time the Lifetime Withdrawal Guarantee is exercised (based on the age of the younger Covered Life). After the start of withdrawals, the Guaranteed Annual Withdrawal Amount will be adjusted for market Step-Ups only (Guaranteed Growth Increases will stop). Payments will be made for the life of the Covered Life or for the lifetime of the last surviving Covered Life for a Joint Life Guarantee.

This Rider is designed for someone who is seeking guaranteed income, but also wants to stay invested in the securities market to allow for potentially higher growth in Contract Value and market Step-Ups of the Withdrawal Benefit Base. You will most benefit from this Rider if you delay your lifetime withdrawals to allow your Withdrawal Benefit Base to increase with the Guaranteed Growth and/or market Step-Ups. Lifetime income becomes available starting at age 55, and guaranteed withdrawal percentages vary based on the age at which you exercise your Lifetime Withdrawal Guarantee. Withdrawal percentages are based on the age of the younger Covered Life, if you elect the Joint Life Guarantee.

The Annuity Payout Period (Annuitization) may begin under certain conditions of the Rider and may be payable at the Guaranteed Annual Withdrawal Amount according to the Rider. For further information, please see Section 9.13 — "What if the Withdrawal Benefit Base or Contract Value is reduced to zero?" and Section 9.14 — "What happens on the Annuity Date under the Rider?"

Important Information about the Rider:

- The Rider is an optional benefit added to your Contract; it provides various benefits described in this prospectus for an additional charge.
- Termination of the Contract results in termination of this Rider. Termination of the Rider or the Contract will result in termination of guaranteed lifetime withdrawals.
- The Rider Charges are non-refundable, whether or not you take withdrawals while the Rider is in effect.
- All withdrawals, including the withdrawals taken while the Rider is in effect, reduce your Contract Value and death benefit.
- All withdrawals, including the Free Withdrawal Amount, will be subject to the terms of the Rider. If the withdrawal amount is greater than the Free Withdrawal Amount (whether or not it is below the Guaranteed Annual Withdrawal Amount), it will be subject to Surrender Charges (See the "Surrender Charge" subsection of Section 3.1 — "Transaction Charges" for details) and any other applicable charges.
- Your Contract is subject to limitations on your Fixed Interest and Subaccount allocations according to the terms of the Rider. The Company can change these limitations with 60 days prior notice to you, and may do so as a result of changes in the economic environment or for changes in the Subaccount options available under the Contract.
- Excess Withdrawals may reduce future benefits by more than the dollar amount of the Excess Withdrawal, and may result in one or more of the following:

    i) a permanent reduction in your future Guaranteed Annual Withdrawal Amount;

    ii) termination of the Rider;

    iii) termination of the Contract.

To determine if your withdrawal would be considered an Excess Withdrawal and/or to find out what your Guaranteed Annual Withdrawal Amount would be after the Excess Withdrawal is taken, please contact Customer Service prior to requesting the withdrawal.

- Withdrawals from tax-qualified contracts during the Withdrawal Phase up to the amount of Required Minimum Distributions are not considered Excess Withdrawals and do not incur the adverse consequences of Excess Withdrawals under the Rider).

9.2. Purchasing the Guaranteed Growth and Income Benefit Rider with your Contract

At the time you purchase your Contract, you have the option to purchase a Guaranteed Growth and Income Benefit Rider for an additional charge. This Rider may not be added after you purchase the Contract. The Rider Effective Date is the Contract Date. This Rider is available for purchase with any available Base Contract Option, and may also be purchased in combination with the Enhanced Death Benefit Rider (see Section 8 — "Enhanced Death Benefit" and Section 10 — "Combining the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders" for more information). If you purchase the Rider in combination with the Enhanced Death Benefit Rider, you will not be able to terminate them independently in the future.

The Rider only covers natural person(s) named in the Contract, and the Covered Life(ves) (up to two) must be named at Contract issue or the Rider Effective Date.

Issue Age Requirements

The Single Life Guarantee is available only if the Covered Life is between the ages of 35 and 80 on the Rider Effective Date. The Joint Life Guarantee is available only if, on the Rider Effective Date, the older Covered Life is between the ages of 35-85, and the younger Covered Life is between the ages of 35-80.

A Covered Life must always meet issue age requirements at time of designation.

Issue age for the Rider is determined by the Age Nearest Birthday of the Covered Life(ves).

Owner / Annuitant Requirements

For a **Single Life Guarantee** to be issued, the Covered Life under the Rider must be the sole Annuitant. The Covered Life must also be a Contract Owner unless the Contract Owner is an entity. The Single Life Guarantee is not available if Joint Annuitants are named in the Contract.

For a **Joint Life Guarantee** to be issued, the first Covered Life must be the Annuitant and the second Covered Life must be the Contingent Annuitant or the Joint Annuitant. At least one Covered Life must be a Contract Owner, and any non-Owner Covered Life must be the sole primary Beneficiary. If Covered Lives are both Owners, they must be each other's sole primary Beneficiary. A Joint Life Guarantee may be continued upon Contract Owner's death only if permitted by federal law. A Joint Life Guarantee is not available if the Contract Owner is an entity.

Covered Life(ves) cannot be changed after the Rider Effective Date, except under conditions outlined in "Replacing a Covered Life Under a Joint Life Guarantee" below.

Example Owner / Annuitant arrangements permitted under the Rider:

Single Life Guarantee:

Contract Owner(s)	Annuitant	Covered Life
John Smith	John Smith	John Smith
John Smith + Elisabeth Smith	John Smith	John Smith
John Smith + Elisabeth Smith	Elisabeth Smith	Elisabeth Smith
Entity	John Smith	John Smith

Joint Life Guarantee:

Contract Owner(s)	Annuitant	Joint Annuitant (Non-Qualified Contract 1035 Exchanges Only)	Contingent Annuitant	Covered Lives
John Smith	John Smith		Elisabeth Smith	John Smith + Elisabeth Smith
John Smith	John Smith	Elisabeth Smith		John Smith + Elisabeth Smith
John Smith	Elisabeth Smith		John Smith	John Smith + Elisabeth Smith
John Smith	Elisabeth Smith	John Smith		John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	John Smith		Elisabeth Smith	John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	John Smith	Elisabeth Smith		John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	Elisabeth Smith		John Smith	John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	Elisabeth Smith	John Smith		John Smith + Elisabeth Smith

9.3. Single and Joint Life Guarantees

The Rider can be purchased as a Single or Joint Life Guarantee. Under a Single Life Guarantee, all Rider features and benefits are measured using the age and lifetime of the sole Covered Life, who is also the sole Annuitant. Under a Joint Life Guarantee, all Rider features are measured using the age of the younger Covered Life, and all lifetime benefits are payable over the lifetime of the last survivor of the Covered Lives. You must specify both Covered Lives in the Application for a Joint Life Guarantee.

Converting a Single Life Guarantee to a Joint Life Guarantee

You cannot convert a Single Life Guarantee to a Joint Life Guarantee. You will not be able to add a Covered Life after the Rider Effective Date.

Converting a Joint Life Guarantee to a Single Life Guarantee

If you have not started withdrawals under the Lifetime Withdrawal Guarantee of the Rider, and provided that all Owner / Annuitant designation requirements outlined in the Contract are satisfied, you may convert a Joint Life Guarantee to a Single Life Guarantee under the following conditions:

- Death of a Covered Life; or
- Removal of a Covered Life by the Contract Owner(s).

Once the Rider is converted to a Single Life Guarantee, the Rider Charge will change from Joint to Single, and no additional Covered Life may be added in the future. Upon conversion from a Joint Life Guarantee to a Single Life Guarantee, the withdrawal rates may be adjusted based on the age of the single covered life.

If you have started withdrawals under the Lifetime Withdrawal Guarantee of the Rider, the Joint Life Guarantee cannot be converted to a Single Life Guarantee. The Covered Life can be removed from the

Contract by the Contract Owner(s) (provided that all Owner / Annuitant requirements are satisfied), but the charge for the Rider would remain at the Joint Life Guarantee charge, and all features and benefits of the Rider will continue to be based upon the age/lifetime of the original Covered Lives.

Replacing a Covered Life Under a Joint Life Guarantee

If you have not started withdrawals under the Lifetime Withdrawal Guarantee of the Rider, and provided that all Owner / Annuitant designation requirements outlined in the Contract are satisfied, a Covered Life may be replaced by the Contract Owner(s). All features and benefits of the Rider will be based on the age of the younger Covered Life (after replacement), and any Covered Life must also meet issue age requirements at time of designation.

If you have started withdrawals under the Lifetime Withdrawal Guarantee of the Rider, the Covered Life cannot be replaced. The Covered Life can be removed from the Contract by the Contract Owner(s) (provided that all Owner / Annuitant designation requirements are satisfied), but no additional Covered Life may be added in the future, and the Rider Charge would remain at the Joint Life Guarantee charge.

Impact of Divorce

Upon divorce, unless the divorce decree provides otherwise, you have the following options:

(1) change the Rider from a Joint Life Guarantee to a Single Life Guarantee (subject to conditions outlined under "Converting a Joint Life Guarantee to a Single Life Guarantee" above);

(2) keep the Joint Life Guarantee, but replace a Covered Life (subject to conditions outlined under "Replacing a Covered Life under a Joint Life Guarantee" above); or

(3) terminate the Rider, thereby eliminating the Lifetime Withdrawal Guarantee.

The Company will attempt to accommodate any other arrangements provided in a divorce decree. Any change or transfer of ownership as a result of divorce is subject to the change in ownership provisions of the Contract.

9.4. Withdrawal Benefit Base

The Withdrawal Benefit Base is the amount used to determine the value of the Guaranteed Annual Withdrawal Amount under the Lifetime Withdrawal Guarantee.

In the Deferral Phase, the Withdrawal Benefit Base can grow due to Guaranteed Growth Increases, Step-Ups, or Subsequent Purchase Payments and decrease for Early Access Withdrawals. The period during which withdrawals are taken under the Lifetime Withdrawal Guarantee is called the Withdrawal Phase. In the Withdrawal Phase, the Withdrawal Benefit Base may increase with annual Step-Ups and decrease for Excess Withdrawals.

How is the Withdrawal Benefit Base determined?

On the Rider Effective Date, the Withdrawal Benefit Base is equal to the Initial Purchase Payment received by the Company.

After the Rider Effective Date, the value of the Withdrawal Benefit Base is determined based on the Contract Phase.

In the Deferral Phase, the Withdrawal Benefit Base increases dollar-for-dollar with each Purchase Payment. Each year on the Contract Anniversary until the earlier of the end of the Guaranteed Growth Period or the younger Covered Life reaching the Maturity Age, a Guaranteed Growth Increase will be credited to the

Withdrawal Benefit Base, followed by evaluation of a Step-Up opportunity (see below for details on the Guaranteed Growth Increase calculation, Guaranteed Growth Period and Step-Up evaluation). The Withdrawal Benefit Base will be decreased for Early Access Withdrawals (see "Deferral Phase — Early Access Withdrawal Option" paragraph in Section 9.8 — "Withdrawal Options under the Rider" for more details).

At the time the Lifetime Withdrawal Guarantee is exercised, the Withdrawal Benefit Base will be set equal to the greater of the following:

1) Contract Value immediately prior to the first lifetime withdrawal, or

2) Withdrawal Benefit Base, including the Guaranteed Growth Increase prorated for any partial year since the prior Contract Anniversary.

Please, see the "Guaranteed Growth and Income Benefit Rider: Withdrawal Benefit Base at the start of Lifetime Withdrawals" examples in "Appendix A: Numerical Examples" for details on how the Withdrawal Benefit Base is determined at the time you begin your Lifetime Withdrawals.

The Guaranteed Annual Withdrawal Amount will be calculated based on the Withdrawal Benefit Base at that time.

In the Withdrawal Phase, Guaranteed Growth Increase and Purchase Payments will no longer be credited to the Withdrawal Benefit Base. The Withdrawal Benefit Base will continue to be evaluated for Automatic Annual Step-Up opportunities each year (on the Contract Anniversary) through the Maturity Age. Withdrawal Benefit Base will be reduced for Excess Withdrawals (see "Effect of Withdrawals on Withdrawal Benefit Base" paragraph in Section 9.8 — "Withdrawal Options under the Rider" for more details).

There are additional conditions that apply to Withdrawal Benefit Base increases if your Base Contract option includes Purchase Payment Enhancements. Please, see Section 9.5 "Smart Foundation Plus Base Contract Option and the Guaranteed Growth and Income Benefit Rider."

Maximum Withdrawal Benefit Base is $10,000,000.

Guaranteed Growth Increase of Withdrawal Benefit Base

On each Contract Anniversary, before the end of the Guaranteed Growth Period and if the Withdrawal Benefit Base is greater than zero, the Company will credit a Guaranteed Growth Amount to the Withdrawal Benefit Base.

Guaranteed Growth Period

Guaranteed Growth Increases are only available during the Guaranteed Growth Period. This period will start on the Rider Effective Date and will last as described below, unless a Step-Up occurs, in which case the Guaranteed Growth Period will reset.

The Guaranteed Growth Period lasts until the earlier of (1), (2), or (3) where:

(1) the younger Covered Life reaches the Maturity Age or the Annuity Date (if earlier);

(2) the 10th Contract Anniversary since the later of (a) and (b) where

  (a) is the Rider Effective Date, and

  (b) is the date of the most recent Step-Up;

(3) the end of the Deferral Phase.

Guaranteed Growth Amount

The Guaranteed Growth Amount is a dollar amount which is credited to the Withdrawal Benefit Base on each Contract Anniversary during the Guaranteed Growth Period. The Guaranteed Growth Amount is based on the Guaranteed Growth Base, and is added to the Withdrawal Benefit Base. The Guaranteed Growth Amount is calculated by applying the Growth Rate to the Guaranteed Growth Base, adjusted for any Purchase Payments and Early Access Withdrawals throughout the Contract Year (see "Guaranteed Growth and Income Benefit Rider: Guaranteed Growth Increase in the Deferral Phase" examples in "Appendix A: Numerical Examples").

Guaranteed Growth Amount will always be based on the Guaranteed Growth Base (see below), but added to the Withdrawal Benefit Base. If a Step-Up occurs, the Guaranteed Growth Amount will be added to the stepped-up Withdrawal Benefit Base the following Contract Year.

Growth Rate

The Growth Rate is the simple interest percentage used to determine the Guaranteed Growth Amount.

The Growth Rate for Guaranteed Growth and Income Benefit II and VI is 7%. The Growth Rate for Guaranteed Growth and Income Benefit I, III, IV and V is 8%. Please see "Appendix B: State Variations" for details on state variations.

Guaranteed Growth Base

The Guaranteed Growth Base is the amount used to determine the annual Guaranteed Growth Amount and is equal to Net Purchase Payments (sum of all Purchase Payments less any withdrawals on a dollar-for dollar basis). The Guaranteed Growth Base is separate from the Contract Value or Withdrawal Benefit Base.

Purchase Payment Enhancements (applicable only with the Smart Foundation Plus Base Contract Option) are not included in the Guaranteed Growth Base.

Automatic Annual Step-Up of Withdrawal Benefit Base

A Step-Up is an increase of the Withdrawal Benefit Base to an amount equal to 100% of the Contract Value. On each Contract Anniversary until the younger Covered Life reaches the Maturity Age, your Withdrawal Benefit Base will be evaluated for a Step-Up opportunity. If the Contract Value at the time of evaluation is greater than the Withdrawal Benefit Base (after a Guaranteed Growth Increase has been applied if your Contract is still in the Guaranteed Growth Period), the Withdrawal Benefit Base will automatically Step-Up to the Contract Value. In addition, if the Contract has entered the Withdrawal Phase, the Guaranteed Annual Withdrawal Amount will increase by the same percentage as the Withdrawal Benefit Base, unless the Lifetime Withdrawal Rate is also increased (see "Lifetime Withdrawal Rate after Step-Up" under "Calculating Lifetime Withdrawals" below).

Age-Banded Lifetime Withdrawal Rates for Guaranteed Growth and Income Benefit contracts vary in New York in certain cases — please see "Appendix B: State Variations" for details.

Example. Please see "Guaranteed Growth and Income Benefit Rider: Automatic Annual Step-Up of Withdrawal Benefit Base in the Deferral Phase" examples in "Appendix A: Numerical Examples."

Effect of Additional Purchase Payments

During the Deferral Phase, the Withdrawal Benefit Base increases dollar-for-dollar with each Subsequent Purchase Payment. Purchase Payments made on a Contract Anniversary are credited to the Withdrawal Benefit Base after the Guaranteed Growth Amount is credited and evaluation for Step-Up takes place. During the Withdrawal Phase, the Withdrawal Benefit Base does not increase for Subsequent Purchase Payments.

Additional Notes For The Withdrawal Benefit Base

The Rider Charge is expressed as an annual percentage of the Withdrawal Benefit Base. If the Withdrawal Benefit Base increases, the dollar amount of the Rider Charge will also increase.

The Withdrawal Benefit Base is a reference amount only, cannot be withdrawn in a lump sum, and is not payable as a death benefit.

9.5. Smart Foundation Plus Base Contract Option and the Guaranteed Growth and Income Benefit Rider

This section applies only if you purchase the Smart Foundation Plus Base Contract Option.

Effect of Purchase Payment Enhancements on the Withdrawal Benefit Base

Purchase Payment Enhancements are not included in the initial Withdrawal Benefit Base on the Contract Date, and do not increase the Withdrawal Benefit Base when Subsequent Purchase Payments are made.

Automatic Annual Step-Up of Withdrawal Benefit Base — Deferral Phase. If you have a Smart Foundation Plus Base Contract Option, your Contract Value will be immediately credited with the Purchase Payment Enhancement for every Purchase Payment that you make. If an Automatic Annual Step-Up of Withdrawal Benefit Base under this Rider takes place, any Purchase Payment Enhancements which are part of the then current Contract Value also become part of the Withdrawal Benefit Base.

Withdrawal Benefit Base Enhancement True-Up

This feature is not available in New York.

The Withdrawal Benefit Base Enhancement True-Up will increase the Withdrawal Benefit Base in the event that poor market performance does not result in a Step-Up, or if the stepped-up value does not reflect the full amount of the Purchase Payment Enhancement(s). There is a three-year waiting period for inclusion of Purchase Payment Enhancements in the Withdrawal Benefit Base. Withdrawal Benefit Base Enhancement True-Ups will cease when the first withdrawal is taken (including Early Access Withdrawal).

On each Contract Anniversary beginning with the third Contract Anniversary, the Withdrawal Benefit Base Enhancement True-Up evaluation will take place every anniversary, until a withdrawal is taken (including an Early Access Withdrawal).

Evaluation for a Withdrawal Benefit Base Enhancement True-Up will be carried out in the following order:

Step 1: Guaranteed Growth Amount is credited to the Withdrawal Benefit Base,

Step 2: Withdrawal Benefit Base is evaluated for an Automatic Step-Up of Withdrawal Benefit Base,

Step 3: Withdrawal Benefit Base is evaluated for Withdrawal Benefit Base Enhancement True-Up.

At the time of Withdrawal Benefit Base Enhancement True-Up evaluation, your Withdrawal Benefit Base (determined in Step 2) will be compared to the Withdrawal Benefit Enhancement True-Up Base. The Withdrawal Benefit Enhancement True-Up Base is the sum (to date, including the date on which the evaluation takes place) of (1), (2) and (3), where:

(1) is the sum of Purchase Payments, up to, but not including the date on which the evaluation takes place,

(2) is the sum of Purchase Payment Enhancements which are at least 36 months old as of the date of the evaluation, and

(3) is the sum of Guaranteed Growth Amounts credited to the Withdrawal Benefit Base to date, including the date on which the evaluation takes place.

If the Withdrawal Benefit Base (determined in Step 2) is less than the Withdrawal Benefit Enhancement True-Up Base, your Withdrawal Benefit Base will be set equal to the Withdrawal Benefit Enhancement True-Up Base.

If you take any withdrawals, including Early Access Withdrawals, your Withdrawal Benefit Base will no longer be evaluated for Withdrawal Benefit Base Enhancement True-Up.

Purchase Payments made on Contract Anniversary will be added to the Withdrawal Benefit Base after the evaluation for Withdrawal Benefit Base Enhancement True-Up has occurred.

Please, refer to the "Guaranteed Growth and Income Benefit Rider: Enhancement True-Up" examples in "Appendix A: Numerical Examples."

Effect of Purchase Payment Enhancements on the Guaranteed Growth Base

Purchase Payment Enhancements are not included in the Guaranteed Growth Base, and will not increase the Guaranteed Growth Amount.

9.6. Rider Charge

The Rider Charge is expressed as an annual percentage of the Withdrawal Benefit Base, and $^{1}/_{4}$ of the annual charge will be deducted from the Contract Value on a quarterly basis. One fourth of the annual Rider Charge will be multiplied by the average monthly Withdrawal Benefit Base for the quarter and this amount will be deducted on the last day of the Contract Year Quarter. The Withdrawal Benefit Base used in the calculation is the average monthly Withdrawal Benefit Base over the quarter, which does not include the Guaranteed Growth for the current Contract Year. Rider Charges will be deducted until the Annuity Date. The Rider Charge will be deducted from the Subaccounts pro-rata based on the fund allocation at the time of deduction.

Please refer to the "Guaranteed Growth and Income Benefit Rider: Rider Charge" examples in "Appendix A: Numerical Examples."

If you make a full surrender of your Contract before the charges for any Riders are deducted, your Contract Value will be reduced by the accrued Rider Charges, plus any applicable Surrender Charge. **In addition, upon payment of the Death Benefit associated with the Contract, the Death Benefit payable will be reduced by the accrued Rider Charges.** No Rider Charge will be imposed upon Annuitization, or deducted after the Annuity Date.

The current Rider Charge for a Single Life Guarantee is 1.25% (1.05% for Guaranteed Growth and Income Benefit I Rider contracts and 1.10% for Guaranteed Growth and Income Benefit II, III, IV, and V Rider contracts), and 1.40% for a Joint Life Guarantee (1.25% for Guaranteed Growth and Income Benefit I, II, III, IV, and V Rider contracts). The Maximum Rider Charge is 2.00%. Current and Maximum Rider Charges, as well as the Maximum Charge Increases are summarized in the "Rider Charges" subsection in Section 3.2 — "Periodic Charges."

On the date of an automatic Step-Up of the Withdrawal Benefit Base to the Contract Value, the effective annual Rider Charge may be increased, but will not be greater than the current charge applicable to the class of Contract Owners then electing the Rider, and the increase may be no more than 0.50%. The Contract Owner will be notified 60 days before an applicable Rider Charge increase and can opt out of any future Rider Charge increases by sending, at least 30 days prior to a Contract Anniversary, a written request to the Company to do so. No future increases in the current charge for the Rider will be made and all future Automatic Annual Step-Ups will be suspended. The Contract Owner may request a reinstatement of the Automatic Annual Step-Ups of the Withdrawal Benefit Base by sending a written request to the Company, which must be received at least 30 days prior to a Contract Anniversary on which the reinstatement is requested to be effective. Future charges will be the same as the charges applied to the class of Contract Owners electing the benefit at that time, not to exceed the Maximum Rider Charge.

Rider Charge for Guaranteed Growth and Income Benefit I contracts (available for contracts purchased on or prior to March 15, 2013), varies in New York — please see "Appendix B: State Variations" for details.

9.7. Contract Phases under the Rider — Overview

The Rider has two phases, the Deferral Phase and the Withdrawal Phase. These phases are independent of the Accumulation Period and Annuity Payout Period of your Contract.

I Deferral Phase

Your Contract will stay in the Deferral Phase until you exercise withdrawals under the Lifetime Withdrawal Guarantee and enter the Withdrawal Phase. In the Deferral Phase (prior to the Annuity Date), you can take withdrawals that do not initiate the Withdrawal Phase of the Rider. Such withdrawals are called Early Access Withdrawals: please see "Deferral Phase — Early Access Withdrawal Option" below for details.

The Deferral Phase begins on the Contract Date and continues until the earliest of the following:

(a) Lifetime Withdrawal Guarantee is exercised (not available before Actual Age 55 is attained by the younger Covered Life — please see "Withdrawal Phase — Lifetime Withdrawal Guarantee" paragraph in Section 9.8 — "Withdrawal Options under the Rider" for more details),

(b) The younger Covered Life reaches the Maturity Age and the Contract enters the Annuity Payout Period (please see Section 9.14 — "What happens on the Annuity Date under the Rider?" for more details),

(c) Contract Value is reduced to zero (please see Section 9.13 — "What if the Withdrawal Benefit Base or Contract Value is reduced to zero?" for more details),

(d) Termination of the Contract or Rider,

(e) Annuitization, or

(f) The death of the sole Covered Life for a Single Life Guarantee, or the later death of both Covered Lives for a Joint Life Guarantee.

II Withdrawal Phase

The period during which you take withdrawals under the Lifetime Withdrawal Guarantee is called the Withdrawal Phase.

The Withdrawal Phase begins when you first exercise the Lifetime Withdrawal Guarantee (*i.e.,* initiate lifetime withdrawals) and continues until the earliest of the following:

(a) The younger Covered Life reaches the Maturity Age and the Contract enters the Annuity Payout Period (please see Section 9.14 — "What happens on the Annuity Date under the Rider?" for more details),

(b) Withdrawal Benefit Base and Contract Value is reduced to zero, or the Contract Value is reduced to zero and no Lifetime Withdrawal Guarantee is available based on the age of the younger Covered Life (please see Section 9.13 — "What if the Withdrawal Benefit Base or Contract Value is reduced to zero?" for more details),

(c) Termination of the Contract or Rider,

(d) Annuitization (please see Section 9.14 — "What happens on the Annuity Date under the Rider?" for more details), or

(e) The death of a sole Covered Life for a Single Life Guarantee, or the later death of both Covered Lives for a Joint Life Guarantee.

The Withdrawal Phase may occur during the Accumulation Period of the Contract prior to beginning the Annuity Payout Period. Lifetime withdrawals become available at Actual Age 55 of the younger Covered Life. Your guaranteed withdrawal rate will depend on the age (of the younger Covered Life) at the time the Lifetime Withdrawal Guarantee is exercised. Please see the "Withdrawal Phase — Lifetime Withdrawal Guarantee" paragraph in Section 9.8 — "Withdrawal Options under the Rider" for details.

Regardless of the Contract Phase, Surrender Charges will apply if withdrawals exceed the Contract's annual Free Withdrawal Amount. Surrender charges are not a fixed amount. Please see the "Surrender Charge" paragraph in Section 3.1 — "Transaction Charges" for more details.

9.8. Withdrawal Options under the Rider

Withdrawals can be taken in both the Deferral and Withdrawal Phases.

Deferral Phase — Early Access Withdrawal Option

You are permitted to take a withdrawal during the Deferral Phase that does not initiate the Lifetime Withdrawal Guarantee and will keep the Contract in the Deferral Phase. Such withdrawals allow you to wait for a higher Lifetime Withdrawal Rate and continue the Guaranteed Growth Period and can be taken under the Early Access Withdrawal Option. You may elect to take the Early Access Withdrawal as a one-time or systematic withdrawal. At the time the withdrawal is requested, you must indicate to the Company that you are requesting an Early Access Withdrawal and that you do not wish to enter the Withdrawal Phase.

Important Note: If you do not indicate that you are requesting to remain in the Deferral Phase by utilizing the Early Access Withdrawal Option, and you are eligible to receive Lifetime Withdrawals based on the age of the younger Covered Life, your Lifetime Withdrawal Guarantee will be initiated, and the Contract will move into the Withdrawal Phase.

Withdrawal in the Deferral Phase before the Lifetime Withdrawal Guarantee becomes available

If you request a withdrawal before the Lifetime Withdrawal Guarantee becomes available to you (based on the age of the younger Covered Life), it will be treated as an Early Access Withdrawal, which can be taken as a one-time distribution or periodically under the Systematic Withdrawal option, and the Contract will remain in the Deferral Phase. If the withdrawals are set up systematically, the Contract will remain in the Deferral Phase until the request is received by the Company with instructions to enter the Withdrawal Phase and to exercise the Lifetime Withdrawal Guarantee. There may be tax implications to taking withdrawals prior to age 59 $^{1}/_{2}$. See Section 14 — "Taxes" for more information.

Withdrawal in the Deferral Phase after the Lifetime Withdrawal Guarantee becomes available

If you request a withdrawal after the Lifetime Withdrawal Guarantee becomes available to you (based on the age of the younger Covered Life), your Lifetime Withdrawal Guarantee will be exercised, and the Contract will move into the Withdrawal Phase. If you wish to remain in the Deferral Phase, you must specifically request an Early Access Withdrawal, which can be taken as a one-time distribution or systematically. If you request to receive an Early Access Withdrawal systematically, your Contract will remain in the Deferral Phase until you send us a request with instructions to enter the Withdrawal Phase and exercise the Lifetime Withdrawal Guarantee. There may be tax implications to taking withdrawals prior to age 59 $^{1}/_{2}$. See Section 14 — "Taxes" for more details.

Effect of Early Access Withdrawal on Withdrawal Benefit Base

Early Access Withdrawals in the Deferral Phase reduce the Withdrawal Benefit Base by the greater of (a) and (b) where:

(a) is the Early Access Withdrawal amount, and

(b) is the Early Access Withdrawal amount multiplied by the ratio of (1) and (2) where:

(1) is the Withdrawal Benefit Base just prior to the Early Access Withdrawal (not including pro-rated growth for the current Contract Year), and

(2) is the Contract Value[21] just prior to the Early Access Withdrawal.

Effect of Early Access Withdrawal on Guaranteed Growth Base

Early Access Withdrawals reduce the Guaranteed Growth Base by the dollar amount of the Early Access Withdrawal.

Effect of Early Access Withdrawal on Contract Value

Early Access Withdrawals reduce the Contract Value by the dollar amount of the Early Access Withdrawal, plus any taxes and/or fees, if applicable. If the amount of the Early Access Withdrawal exceeds the Free Withdrawal Amount, Surrender Charges will apply. Please, see the "Surrender Charge" paragraph in Section 3.1 — "Transaction Charges" for details. There may be tax implications to taking withdrawals prior to age 59 $^{1}/_{2}$. See Section 14 — "Taxes" for more details.

Effect of Partial Annuitization

Partial Annuitization (available only in the Deferral Phase) will reduce the Withdrawal Benefit Base, Guaranteed Growth Base, and the Contract Value in the same manner as Early Access Withdrawals (described above).

Withdrawal Phase — Lifetime Withdrawal Guarantee

Once the younger Covered Life has reached the eligible age of 55, you may exercise your Lifetime Withdrawal Guarantee and enter the Withdrawal Phase.

Once withdrawals have started under the Lifetime Withdrawal Guarantee, Partial Annuitization is no longer available.

Lifetime Withdrawal Guarantee

Your Lifetime Withdrawal Guarantee provides lifetime withdrawals up to the Guaranteed Annual Withdrawal Amount for the lifetime of the Covered Life or for the lifetime of the last surviving Covered Life for a Joint Life Guarantee. The Guaranteed Annual Withdrawal Amount is adjusted for Guaranteed Growth and Contract Value Step-Ups. The Lifetime Withdrawal Guarantee is only available if the younger Covered Life at the time of the first Lifetime Withdrawal is 55 or older. **Termination of the Rider or the Contract will result in termination of payments under this guarantee** (please refer to Section 9.17 — "Termination of the Guaranteed Growth and Income Benefit Rider" for more details).

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[21] After the Contract Value is reduced by the amount of any Purchase Payment Enhancement forfeited as a result of the withdrawal (applies only if the Smart Foundation Plus Base Contract Option is elected).

Calculating Lifetime Withdrawals

Guaranteed Annual Withdrawal Amount

You may take withdrawals annually up to the Guaranteed Annual Withdrawal Amount, which is calculated on every Contract Anniversary and is equal to the Lifetime Withdrawal Rate multiplied by the Withdrawal Benefit Base.

If the Guaranteed Annual Withdrawal Amount is greater than the Free Withdrawal Amount, Surrender Charges and any other applicable charges will apply (see Section 3.1—"Transaction Charges" for details).

Lifetime Withdrawal Rate

The Lifetime Withdrawal Rate is used to determine the amount of your lifetime withdrawals (Guaranteed Annual Withdrawal Amount). The age at the time the Lifetime Withdrawal Guarantee is first exercised determines the Lifetime Withdrawal Rate. For a Single Life Guarantee, the Lifetime Withdrawal Rate is based on the Actual Age of the Covered Life at the time you exercise the Lifetime Withdrawal Guarantee. For a Joint Life Guarantee, the Lifetime Withdrawal Rate is based on the Actual Age of the younger Covered Life at the time you exercise the Lifetime Withdrawal Guarantee (referred to as "age" or "Actual Age" in the section below).

Age-Banded Lifetime Withdrawal Rates for Guaranteed Growth and Income Benefit VI (available for contracts issued outside of New York on or after November 2, 2020)

Actual Age at the Start of Withdrawal Phase		Lifetime Withdrawal Rate for Single Life Guarantee	Lifetime Withdrawal Rate for Joint Life Guarantee
At Least	But Less Than		
55	60	3.35%	2.85%
60	65	3.75%	3.25%
65	70	4.80%	4.30%
70	75	4.90%	4.40%
75 and over		5.00%	4.50%

Age-Banded Lifetime Withdrawal Rates for Guaranteed Growth and Income Benefit V (available for contracts issued outside of New York on or after May 1, 2020 and before November 2, 2020)

Actual Age at the Start of Withdrawal Phase		Lifetime Withdrawal Rate for Single Life Guarantee	Lifetime Withdrawal Rate for Joint Life Guarantee
At Least	But Less Than		
55	60	3.00%	2.50%
60	65	3.40%	2.90%
65	70	4.30%	3.80%
70	75	4.45%	3.95%
75 and over		4.70%	4.20%

Age-Banded Lifetime Withdrawal Rates for Guaranteed Growth and Income Benefit IV (available for contracts issued outside of New York on or after September 1, 2019 and before April 9, 2020):

Actual Age at the Start of Withdrawal Phase		Lifetime Withdrawal Rate for Single Life Guarantee	Lifetime Withdrawal Rate for Joint Life Guarantee
At Least	But Less Than		
55	60	4.00%	3.50%
60	65	4.30%	3.80%
65	70	5.25%	4.75%
70	75	5.65%	5.15%
75 and over		6.00%	5.50%

Age-Banded Lifetime Withdrawal Rates for Guaranteed Growth and Income Benefit III (available for contracts issued outside of New York on or after September 1, 2018 and before September 1, 2019):

Actual Age at the Start of Withdrawal Phase		Lifetime Withdrawal Rate for Single Life Guarantee	Lifetime Withdrawal Rate for Joint Life Guarantee
At Least	But Less Than		
55	65	4.00%	3.50%
65	70	5.25%	4.75%
75 and over		6.00%	5.50%

Age-Banded Lifetime Withdrawal Rates for Guaranteed Growth and Income Benefit II (available for contracts issued after March 15, 2013 and before September 1, 2018 — in New York after March 15, 2013 and before September 1, 2019):

Actual Age at the Start of Withdrawal Phase		Lifetime Withdrawal Rate for Single Life Guarantee	Lifetime Withdrawal Rate for Joint Life Guarantee
At Least	But Less Than		
55	65	4.00%	3.50%
65	70	4.50%	4.00%
70 and over		5.00%	4.50%

Age-Banded Lifetime Withdrawal Rates for Guaranteed Growth and Income Benefit I (available for contracts issued on or prior to March 15, 2013):

Actual Age at the Start of Withdrawal Phase		Lifetime Withdrawal Rate
At Least	But Less Than	
55	65	4.00%
65	75	5.00%
75 and over		6.00%

Age-banded Lifetime Withdrawal Rates for Guaranteed Growth and Income Benefit contracts may vary in New York — please see "Appendix B: State Variations" for details.

Lifetime Withdrawal Rate after Step-Up

If a Step-Up occurs during the Withdrawal Phase, the Contract is eligible to receive the Lifetime Withdrawal Rate for the current age.

> **Example:** Guaranteed Growth and Income Benefit VI Contract is purchased for a single life at age 59; withdrawals start at age 63 at a Lifetime Withdrawal Rate of 3.75%. Step-Up occurs at age 67; the new Lifetime Withdrawal Rate is 4.80%.

Effect Of Withdrawals On Withdrawal Benefit Base

Effect of Withdrawals less than Guaranteed Annual Withdrawal Amount

If your total withdrawals in a Contract Year do not exceed the Guaranteed Annual Withdrawal Amount, the Withdrawal Benefit Base will not be reduced. The Withdrawal Benefit Base remains equal to the Withdrawal Benefit Base just prior to the withdrawal.

If you elect to take less than or none of the Guaranteed Annual Withdrawal Amount in any given Contract Year, the Guaranteed Annual Withdrawal Amount is not increased in subsequent Contract Years for the amount not taken. You cannot carry over any unused Guaranteed Annual Withdrawal Amounts to any future Contract Years.

Example: Suppose that the Guaranteed Annual Withdrawal Amount is $1,000 and you withdraw $500 during the current Contract Year. The Guaranteed Annual Withdrawal Amount will not increase by $500 in the next Contract Year or in any future Contract Year.

Effect of Withdrawals more than Guaranteed Annual Withdrawal Amount (Excess Withdrawals)

In each Contract Year, when there is Contract Value remaining, you may withdraw more than the Guaranteed Annual Withdrawal Amount in effect at the time of the withdrawal request, up to the current Contract Value.

Excess Withdrawals. Any portion of a withdrawal that causes cumulative withdrawals in a given Contract Year to exceed the Guaranteed Annual Withdrawal Amount is referred to as an Excess Withdrawal. An Excess Withdrawal could significantly reduce your Withdrawal Benefit Base by more than the dollar amount of your Excess Withdrawal. Excess Withdrawals will also reduce the amount of the future Guaranteed Annual Withdrawal Amount.

Excess Withdrawal Amount = Total Withdrawal – remaining portion of the Guaranteed Annual Withdrawal Amount (prior to the withdrawal)

Excess Withdrawals reduce the Withdrawal Benefit Base by the greater of (a) and (b) where:

(a) is the Excess Withdrawal Amount

(b) is the Excess Withdrawal Amount multiplied by the ratio of (1) and (2) where:

(1) is the Withdrawal Benefit Base just prior to the Excess Withdrawal, and

(2) is the greater of zero and the difference between (i) and (ii) where:

(i) is the Contract Value[22] immediately prior to the Excess Withdrawal, and

(ii) is the Guaranteed Annual Withdrawal Amount remaining prior to the Excess Withdrawal.

Please see the "Guaranteed Growth and Income Benefit Rider: Excess Withdrawals" example in "Appendix A: Numerical Examples."

If the Withdrawal Benefit Base is reduced by an Excess Withdrawal, your Guaranteed Annual Withdrawal Amount will be reduced on the Contract Anniversary following the Excess Withdrawal.

At the time you request the withdrawal (whether over the telephone or via a withdrawal form provided by the Company), the Company will provide information necessary to determine if the requested withdrawal amount would result in Excess Withdrawal treatment and thus reduce the Withdrawal Benefit Base. You may also contact the Company's Customer Service at any time to determine whether a contemplated withdrawal would result in Excess Withdrawal treatment.

9.9. Systematic Withdrawals

Systematic Withdrawals may be taken under either of the Withdrawal Options. The maximum systematic withdrawal amount is the Free Withdrawal Amount. However, Systematic Withdrawals can still be taken for the full Guaranteed Annual Withdrawal Amount in the Withdrawal Phase, even if it exceeds the Free Withdrawal Amount, but surrender charges will apply once the Free Withdrawal Amount has been depleted.

22 After the Contract Value is reduced by the amount of any Purchase Payment Enhancement forfeited as a result of the withdrawal (applies only if the Smart Foundation Plus Base Contract Option is elected).

9.10. Required Minimum Distributions and the Guaranteed Growth and Income Benefit Rider

If you are obligated to take Required Minimum Distributions (due to IRS rules), and your Contract has been in effect through at least one calendar year-end, you can elect Required Minimum Distribution (RMD) withdrawals. You may elect to take your distributions as a one-time or systematic withdrawal. The Company will automatically calculate your distribution each calendar year-end. RMD calculations will be limited to your Penn Mutual Contract only.

Required Minimum Distributions in the Deferral Phase

In order to receive the RMDs from this Contract in the Deferral Phase without initiating the Lifetime Withdrawal Guarantee, the Company must receive a request to take RMDs as Early Access Withdrawals. The Contract will then remain in the Deferral Phase, and each RMD will reduce the Withdrawal Benefit Base and the Guaranteed Growth Base as outlined in the "Deferral Phase — Early Access Withdrawal Option" paragraph in Section 9.8 — "Withdrawal Options under the Rider."

Required Minimum Distributions in the Withdrawal Phase

RMD withdrawals in the Withdrawal Phase are subject to more favorable Excess Withdrawal treatment. Such treatment is contingent on your acceptance of the Company's calculations of the RMD amounts, and RMD calculations will be limited to your Penn Mutual Contract only.

In the Withdrawal Phase, upon receipt of the written notification of the election of RMD withdrawals by the Company, the benefit will be treated as follows:

- Every Contract Year the Guaranteed Annual Withdrawal Amount will be calculated as outlined above. This amount will not be changed based on the RMD requirement (which will be calculated every calendar year-end).
- If the RMD amount is greater than the Guaranteed Annual Withdrawal Amount:
    - Withdrawal Benefit Base will not be reduced for withdrawals up to the RMD amount;
    - Withdrawals in excess of RMD Amount will be treated as Excess Withdrawals.

Please see the "RMD and Guaranteed Growth and Income Benefit Rider" example in "Appendix A: Numerical Examples."

If your RMD amount exceeds your Guaranteed Annual Withdrawal Amount, you will have to withdraw more than the Guaranteed Annual Withdrawal Amount. Any RMD amount that is not taken as required will be subject to an imposition of the 50% excise tax as prescribed by federal law. RMD amounts may include a percentage of the value of all benefits under the Contract, which may include the present value of benefits under the Guaranteed Growth and Income Benefit Rider and other Contract provisions. Required Minimum Distributions from an IRA are always taxable.

9.11. 72 (q)/(t) Considerations

If a withdrawal is taken from the annuity before age 59 $^1/_2$, the IRS generally imposes a 10% early withdrawal penalty on such distributions. However, substantially equal periodic payments under IRC Section 72(q)/72(t) are exempt from the 10% penalty tax on early distributions. If you choose to exercise this option, you will be required to irrevocably choose one of the three acceptable methods (as defined by IRS regulations) and receive these payments until the later of five years or attainment of age 59 $^1/_2$.

If you wish to take withdrawals under the Code Sections 72(q) or 72 (t) ("72 (q)/(t)") prior to age 59 $^1/_2$, you may do so systematically. If Lifetime Withdrawals are available to you (based on the Actual Age of the younger Covered Life), your Lifetime Withdrawal Guarantee will be exercised, and the Contract will move into the Withdrawal Phase. If you do not wish to exercise your Lifetime Withdrawal Guarantee, at the time the withdrawal is requested, you must request that the withdrawal be treated as an Early Access Withdrawal. The Contract will then remain in the Deferral Phase. If you are not yet eligible for the Lifetime Withdrawal Guarantee at the time the withdrawal is requested, the 72 (q)/(t) withdrawal will be automatically treated as an Early Access Withdrawal.

72 (q)/(t) withdrawals do not receive any special treatment under the Rider. If you take them as Early Access Withdrawals, the Withdrawal Benefit Base will be reduced as outlined under the "Deferral Phase — Early Access Withdrawal Option" paragraph of Section 9.8 — "Withdrawal Options under the Rider." If 72 (q)/(t) withdrawals are taken under the Lifetime Withdrawal Guarantee and the amount of the withdrawal exceeds the Guaranteed Annual Withdrawal Amount, it will be subject to an Excess Withdrawal treatment.

At the end of your 72 (q)/(t) withdrawal period, withdrawal options are available to you if you wish to continue receiving distributions. You will be contacted in writing about your withdrawal options. If no response is received, distributions will end after your last 72 (q)/(t) payment.

9.12. Investment Allocation Options

Investment limitations and restrictions will be effective on the Rider Effective Date (as applicable to the Fixed Account) or the day the Contract enters the Withdrawal Phase (as applicable to the Separate Account). Once the investment allocation restrictions become effective, you must choose new allocations that satisfy the investment restrictions. If you attempt to allocate to Subaccounts which are not on the list of available options described below or to the Fixed Interest Options, or if you do not specify a change to your allocations when you enter the Withdrawal Phase, the Company will move the funds from Subaccounts which are not on the list to the Money Market Subaccount. You may specify a new allocation among Subaccounts on the list of available options at any time.

If you terminate the Rider, you will no longer be subject to investment allocation limitations and restrictions.

The Fixed Account

Fixed Interest Options are not available with the presence of this Rider. Purchase Payments or transfers directed to the Fixed Interest Options will not be accepted.

The Separate Account

Upon entering the Withdrawal Phase of the Rider, you will be subject to limitations and restrictions on your right to allocate Contract Value among the Subaccounts, your right to request transfers between Subaccounts and your right to allocate Purchase Payments to Subaccounts. We reserve the right to add or change limitations and the way we administer them in the future, as well as to enforce limitations and restrictions in the Deferral Phase. Any change to investment options, limitations, or restrictions will be communicated to the Contract Owner 60 days prior to the date such change becomes effective, and the changes may apply to existing and new purchasers of this benefit.

The list of Subaccounts available as investment options in the Withdrawal Phase of the Rider is limited. This list is subject to change, and you will be notified in writing 60 days prior to any such change. The restrictions in place allow you to allocate your Purchase Payments to, and make transfers between, the following Subaccounts only:

Penn Series Funds, Inc.	**Adviser / Sub-Adviser**
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

Penn Series Funds, Inc.	Adviser / Sub-Adviser
Flexibly Managed Fund	T. Rowe Price Associates, Inc.
Balanced Fund	Penn Mutual Asset Management, LLC
Index 500 Fund	SSGA Funds Management, Inc.
Small Cap Index Fund	SSGA Funds Management, Inc.
Developed International Index Fund	SSGA Funds 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

Purchase Payments or transfers directed to the Subaccounts that are not listed above will not be accepted.

9.13. What if the Withdrawal Benefit Base or Contract Value is reduced to zero?

Effect of Withdrawal Benefit Base Reducing to Zero

If the Withdrawal Benefit Base reduces to zero, and the Contract Value is greater than zero, the Withdrawal Benefit Base will be reset to the Contract Value on the next Contract Anniversary, unless the Contract Owner sends a written notice to the Company requesting to terminate the Rider. Upon this reset, the Guaranteed Annual Withdrawal Amount will be recalculated, and the guarantee will continue based on the recalculated values.

If the Withdrawal Benefit Base reduces to zero, and the Contract Value also reduces to zero, the Contract will be terminated.

Effect of Contract Value reducing to Zero

If the Contract Value is reduced to zero and any benefits are due under the Lifetime Withdrawal Guarantee, payments will continue annually according to the guarantee as described below. No Subsequent Purchase Payments will be accepted once the Contract Value is reduced to zero.

If the Contract Value reduces to zero in the **Deferral Phase:**

- If the Withdrawal Benefit Base is greater than zero and you are eligible for the Lifetime Withdrawal Guarantee (based on age of the younger Covered Life), the Contract will be annuitized. The Guaranteed Annual Withdrawal Amount will be determined based on Withdrawal Benefit Base at the time of Annuitization and the then applicable Lifetime Withdrawal Rate (based on age of the younger Covered Life); Guaranteed Growth Increases will no longer apply.

- If the Withdrawal Benefit Base is greater than zero but you are not yet eligible for the Lifetime Withdrawal Guarantee (based on age of the younger Covered Life), the Contract will be terminated.

- If the Withdrawal Benefit Base also goes to zero, the Contract will be terminated.

If the Contract Value reduces to zero in the **Withdrawal Phase:**

- If the Withdrawal Benefit Base is greater than zero, the Contract will be annuitized at the Guaranteed Annual Withdrawal Amount using the Withdrawal Benefit Base at the time of Annuitization and the Lifetime Withdrawal Rate. Payments will continue for the lifetime of the Covered Life(ves).

- If the Withdrawal Benefit Base also reduces to zero, the Contract will be terminated.

9.14. What happens on the Annuity Date under the Rider?

The Annuity Date is specified in your Contract, and may be changed by your written request. On the Annuity Date, the Contract Value must be annuitized (please, see Section 6 — "The Annuity Payout Period").

If the Guaranteed Growth and Income Benefit Rider is in effect on the Annuity Date described in your Contract, you will be offered an annuitization option which guarantees annuity payments in an amount at least equal to your Guaranteed Annual Withdrawal Amount. You may choose among the following options at annuitization:

(1) Surrender the Contract and receive a Surrender Value,

(2) Apply the Contract Value to any of the Annuity Options described in the "Annuity Options" section of the Contract,

(3) Annuitize your Contract under the terms of the Rider.

If the Contract is surrendered or if the Contract Value is applied to an Annuity Option described in the Contract, the Lifetime Withdrawal Guarantee will expire. If the Contract is annuitized under the terms of the Rider, the annuity payments will continue according to the Lifetime Withdrawal Guarantee.

Annuitization under the terms of the Rider. Under the terms of the Rider, if both the Contract Value and the Withdrawal Benefit Base are greater than zero on the Annuity Date, your Contract will be annuitized as follows:

- If the Contract is in the **Deferral Phase** as of the Annuity Date, it will be annuitized at the Guaranteed Annual Withdrawal Amount using the Lifetime Withdrawal Rate applicable at the time of Annuitization (based on the Actual Age of the younger Covered Life). This amount will be payable annually for the last surviving Covered Life's Lifetime. After Annuitization, Guaranteed Growth Increases and Step-Ups will no longer apply.

- If the Contract has entered the **Withdrawal Phase**, it will be annuitized at the Guaranteed Annual Withdrawal Amount effective at the time of Annuitization. This amount will be payable annually during the lifetime of the last surviving Covered Life. After Annuitization, Step-Ups will no longer apply.

You must select an Annuity Option at least 30 days prior to the Annuity Date. If the Guaranteed Growth and Income Benefit Rider is in effect when the maximum maturity date has been reached, and you did not specify an option you wish to exercise, your Contract will be annuitized under the conditions of the Rider.

When your Contract is annuitized, your payment schedule and the amount are fixed and cannot be altered. You will not be able to change to a different Annuity Option after the Contract is annuitized.

If the Contract is annuitized based on the Rider's Lifetime Withdrawal Guarantee, the Death Benefit is no longer payable. Also, any favorable treatment of RMD withdrawals under the Rider no longer applies, as such distributions are no longer required. If the remaining payments due each Contract Year are less than $100, the remaining annuity payments will be commuted and a lump sum will be paid.

Annuitization under the Rider provisions vary in certain states — please see "Appendix B: State Variations" for details.

9.15. What happens upon death under the Rider?

The Guaranteed Growth and Income Benefit Rider will terminate upon the death of the sole Covered Life for a Single Life Guarantee, or later death of both Covered Lives for a Joint Life Guarantee. The Death Benefit will then be distributed according to the death settlement options available under the terms of the Base Contract.

If the sole Annuitant dies, and there is a Joint Life Guarantee, the surviving Covered Life (as sole primary Beneficiary) may take the Standard Death Benefit payout and thus terminate the Rider. The Surviving Covered Life may also continue the Rider as-is, if permitted by federal law (continuation of the Contract is subject to distribution requirements upon the Contract Owner's death according to IRS regulations).

Upon Contract Owner's death, Contract Value will be payable to the Beneficiary and both the Contract and the Rider will terminate, unless there is a surviving Covered Life, who, as sole primary Beneficiary, continues the Contract (under Spousal Step-In) and the Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

9.16. Removing the Guaranteed Growth and Income Benefit Rider from your Contract

You can cancel the Guaranteed Growth and Income Benefit Rider any time on or after the third Contract Anniversary by sending a written request to the Company to do so. All charges for the Rider, Investment Allocation Restrictions and guaranteed payments will cease upon Rider termination.

9.17. Termination of the Guaranteed Growth and Income Benefit Rider

Upon the earliest of the following, the Guaranteed Growth and Income Benefit Rider will be terminated, but the Contract will remain in force:

(1) At any time on or after the third Contract Anniversary, immediately following receipt by the Company of a written request by the Contract Owner to discontinue the Rider;

(2) Upon a change in ownership (or assignment) of the Contract unless:

- (a) The new Contract Owner or assignee assumes full ownership of the Contract and is essentially the same person, such as:
  - (i) an individual ownership changed to a personal revocable trust, or
  - (ii) an eligible spousal Beneficiary who is also the surviving Covered Life elects to become the successor Owner of the Contract and the Rider upon Contract Owner's death, or
  - (iii) a change to the Contract Owner's spouse during the Contract Owner's lifetime, or
  - (iv) a change to a court appointed guardian representing the Contract Owner during the Contract Owner's lifetime; or
- (b) The assignment is for the purposes of effectuating a 1035 exchange of the Contract.

(3) Spousal Step-In of a Contract with a Single Life Guarantee upon the Contract Owner's death (where the Contract Owner is the sole Covered Life);

(4) Termination of the Enhanced Death Benefit (if purchased together with this Rider);

(5) Annuitization under the Base Contract.

Upon Rider termination:

- Charges for the Rider stop accruing,
- Investment Allocation restrictions no longer apply, and
- Guaranteed withdrawals available under the Rider will terminate.

If the Contract is terminated, the Rider will also terminate. Both the Contract and the Rider will terminate upon the earlier of:

(a) Full surrender of the Contract;

(b) Death of the Covered Life for a Single Life Guarantee, or the later death of both Covered Lives for a Joint Life Guarantee;

(c) Standard Death Benefit is paid to surviving Covered Life (as sole primary Beneficiary) upon the death of the sole Annuitant with a Joint Life Guarantee (where the deceased Annuitant is one of the Covered Lives);

(d) Contract Value is paid as a death settlement upon the death of the Contract Owner (who is one of the Annuitants and one of the Covered Lives under the Joint Life Guarantee), but the surviving Annuitant / Covered Life is not permitted to continue the Contract by federal law;

(e) The Contract Value is reduced to zero and the Withdrawal Benefit Base is also reduced to zero;

(f) The Contract Value is reduced to zero and you are not eligible for a Lifetime Withdrawal Guarantee based on your age as defined in your Contract, regardless of the value of the Withdrawal Benefit Base.

Termination provisions may vary by state — please see “Appendix B: State Variations” for details.

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10. Combining the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders

10.1. Purchasing both the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders with your Contract

You may purchase both the Guaranteed Growth and Income Benefit and the Enhanced Death Benefit optional benefits at the time you purchase your Contract. This will be referred to as the “Combination Rider” in the section below.

The Combination Rider only covers natural person(s) named in the Contract, and the Covered Life(ves) (up to two) must be named at Contract issue or the Rider Effective Date.

Neither the Guaranteed Growth and Income Benefit nor the Enhanced Death Benefit is available on Smart Foundation Flex Variable Annuity for contracts purchased on or after May 27, 2016.

Issue Age Requirements

The strictest issue age requirement of the two stand-alone Riders must be met to purchase the Combination Rider. The Single Life Guarantee is available only if the Covered Life is between the ages of 35 and 75 on the Rider Effective Date. The Joint Life Guarantee is available only if, on the Rider Effective Date, both Covered Lives are between the ages of 35-75.

A Covered Life must always meet issue age requirements at time of designation.

Issue age for the Combination Rider is determined by the Age Nearest Birthday of the Covered Life(ves).

Owner / Annuitant Requirements

For a **Single Life Guarantee** to be issued, the Covered Life under the Combination Rider must be the sole Annuitant. The Covered Life must also be a Contract Owner unless the Contract Owner is an entity. Single Life Guarantee is not available if Joint Annuitants are named in the Contract.

For a **Joint Life Guarantee** to be issued, the first Covered Life must be the Annuitant and the second Covered Life must be the Contingent Annuitant or the Joint Annuitant. At least one Covered Life must be a Contract Owner, and any non-Owner Covered Life must be the sole primary Beneficiary. If Covered Lives are both Contract Owners, they must be each other's sole primary Beneficiary. A Joint Life Guarantee may be continued upon Contract Owner's death only if permitted by federal law. A Joint Life Guarantee is not available if the Contract Owner is an entity.

Covered Life(ves) cannot be changed after the Rider Effective Date, except under conditions outlined in "Replacing a Covered Life Under a Joint Life Guarantee" below.

10.2. Single and Joint Life Guarantees

The Combination Rider can be purchased as a Single or Joint Life Guarantee. Under a Single Life Guarantee, all Rider features and benefits are measured using the age and lifetime of the Covered Life, and the Enhanced Death Benefit is payable on death of the Covered Life. Under a Joint Life Guarantee, all Rider features are measured using the age of the younger Covered Life. If a Joint Life Guarantee is elected, upon the first death of a Covered Life, the surviving Covered Life can choose to continue the Contract[23] and the Combination Rider, and the Enhanced Death Benefit will then be payable to the Beneficiary upon the death of the surviving Covered Life. You must specify both Covered Lives in the Application for a Joint Life Guarantee. A death benefit available at the death of the Owner (or Annuitant if the Owner is a non-natural person) prior to the later death of the Covered Lives is Contract Value only.

If you elect a Joint Life Guarantee for the Guaranteed Growth and Income Benefit Rider, your Enhanced Death Benefit automatically becomes a Joint Life Guarantee.

Converting a Single Life Guarantee to a Joint Life Guarantee

You cannot convert a Single Life Guarantee to a Joint Life Guarantee. You will not be able to add a Covered Life after the Rider Effective Date.

Converting a Joint Life Guarantee to a Single Life Guarantee

While both Covered Lives are living, if you have not started withdrawals under the Lifetime Withdrawal Guarantee of the Guaranteed Growth and Income Benefit Rider, and provided that all Owner / Annuitant designation requirements outlined in the Contract are satisfied, you may convert a Joint Life Guarantee to a Single Life Guarantee under the following conditions:

- Death of a Covered Life; or
- Removal of a Covered Life by the Contract Owner(s).

Once the Rider is converted to a Single Life Guarantee, the Rider Charge will change from Joint to Single, and no additional Covered Life may be added in the future. Upon conversion from a Joint Life Guarantee to a Single Life Guarantee, the withdrawal rates may be adjusted based on the age of the single covered life.

If you have started withdrawals under the Lifetime Withdrawal Guarantee of the Rider, the Joint Life Guarantee cannot be converted to a Single Life Guarantee. The Covered Life can be removed from the Contract by the Contract Owner(s) (provided that all Owner / Annuitant requirements are satisfied), but the charge for the Rider would remain at the Joint Life Guarantee charge, and all features and benefits of the Rider will continue to be based upon the age/lifetime of the original Covered Lives.

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[23] Federal tax regulations may require that a distribution take place upon Contract Owner's death, unless spousal continuation is exercised. If spousal continuation is not exercised or not permitted by the IRS regulations, the applicable death benefit, if any, will be paid out, and both the Contract and the Rider(s) will terminate.

Replacing a Covered Life Under a Joint Life Guarantee

If you have not started withdrawals under the Lifetime Withdrawal Guarantee of the Guaranteed Growth and Income Benefit Rider, and provided that all Owner / Annuitant designation requirements outlined in the Contract are satisfied, a Covered Life may be replaced by the Contract Owner(s). All features and benefits of the Combination Rider will be based on the age of the younger Covered Life (after replacement), and any Covered Life must also meet issue age requirements at the time of designation.

If you have started withdrawals under the Lifetime Withdrawal Guarantee of the Combination Rider, the Covered Life cannot be replaced. The Covered Life can be removed from the Contract by the Contract Owner(s) (provided that all Owner / Annuitant designation requirements are satisfied), but no additional Covered Life may be added in the future, and the Rider Charge would remain at the Joint Life Guarantee charge.

Impact of Divorce

Upon divorce, unless the divorce decree provides otherwise, you have the following options:

(1) change the Combination Rider from a Joint Life Guarantee to a Single Life Guarantee (subject to conditions outlined under "Converting a Joint Life Guarantee to a Single Life Guarantee" above);

(2) keep the Joint Life Guarantee, but replace a Covered Life (subject to conditions outlined under "Replacing a Covered Life under a Joint Life Guarantee" above); or

(3) terminate the Combination Rider, thereby eliminating the Lifetime Withdrawal Guarantee and the Enhanced Death Benefit.

The Company will attempt to accommodate any other arrangements provided in a divorce decree.

10.3. What happens upon death under the Combination Rider?

The Combination Rider will terminate upon the death of the sole Covered Life for a Single Life Guarantee, or later death of both Covered Lives for a Joint Life Guarantee. The Death Benefit, including the Death Benefit Enhancement provided by this Rider, will then be distributed as described below.

The Enhanced Death Benefit is payable upon the death of the Covered Life under the Single Life Guarantee, or the later death of both Covered Lives under the Joint Life Guarantee. The amount payable is the Death Benefit Enhancement, which is the amount by which the Enhanced Death Benefit Base exceeds the Standard Death Benefit payable under the Contract. The Death Benefit Enhancement amount is determined as of the date our Administrative Office receives proof of death of the Covered Life (both Covered Lives for a Joint Life Guarantee) such as a death certificate or other official document establishing death, and other documents required to process the payment.

If the Enhanced Death Benefit Base is less than or equal to the Standard Death Benefit, no Death Benefit Enhancement is payable. The maximum Death Benefit Enhancement amount we will pay is $1,000,000 (this cap will apply at the time the death benefit is calculated). The Death Benefit Enhancement will be payable before the Annuity Date, until the younger Covered Life under the Rider reaches the Maturity Age, or until the Contract Value reaches zero, if earlier.

Under a Single Life Guarantee:

If the sole Contract Owner is also the sole Annuitant and sole Covered Life, then:

(a) Upon the death of the sole Contract Owner / Annuitant / Covered Life, the death benefit, including any Death Benefit Enhancement payable under the Combination

Rider, will be paid to the Contract Owner's Beneficiary. If permitted by federal law, a spouse of the deceased Contract Owner may exercise Spousal Step-In according to the terms of the Contract, but the Combination Rider will terminate.

If the sole Contract Owner is not the sole Annuitant and Covered Life, then:

(a) Upon Annuitant's death where the Contract Owner is an entity, the death benefit, including any Death Benefit Enhancement payable under the Rider, will be paid to the Contract Owner.

On a jointly owned Contract:

(a) Upon death of the sole Annuitant who is the Covered Life under the Combination Rider, the death benefit, including any Death Benefit Enhancement payable under the Combination Rider, will be paid to the surviving Contract Owner, who is deemed to be sole primary Beneficiary under the Beneficiary provision of the Contract. The surviving spousal Contract Owner may also choose to exercise Spousal Step-In according to the terms of the Contract if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death), but the Combination Rider will terminate.

(b) Upon death of the Contract Owner who is not the Annuitant and sole Covered Life, the surviving spousal Contract Owner, who is also the sole Annuitant and the Covered Life under the Combination Rider, may continue the Contract and the Combination Rider if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death). Surviving Contract Owner may also choose to receive the Contract Value[24] as a death settlement.

Under a Joint Life Guarantee:

If the sole Contract Owner is the sole Annuitant, then:

(a) Upon death of the Covered Life who is the sole Annuitant and the Contract Owner, the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Standard Death Benefit (and thus terminate the Contract and the Rider) or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

(b) Upon death of the Covered Life who is designated as the Contingent Annuitant and who is not the Contract Owner, no death benefit is payable, and the Contract Owner may continue the Contract and the Combination Rider as sole Annuitant and Covered Life.

If the sole Contract Owner is the Contingent Annuitant named in the Contract, then:

(a) Upon death of the Annuitant who is not the Contract Owner, the surviving Contract Owner who is also the surviving Covered Life, will become the Annuitant and continue the Contract and the Combination Rider as-is.

(b) Upon death of the Contract Owner who is also the Contingent Annuitant in the Contract, the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Contract Value[24] as a death settlement (and thus terminate the Contract

[24] Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected).

and the Combination Rider), or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

If there is only one Contract Owner and Joint Annuitants are named in the Contract:

(a) Upon death of the Annuitant or Joint Annuitant who is also the Contract Owner, the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Contract Value[24] as a death settlement (and thus terminate the Contract and the Combination Rider), or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death). The Standard Death Benefit is not payable until the later death of Annuitant and Joint Annuitant.

(b) Upon death of the Covered Life who is not the Contract Owner and is named as Annuitant or Joint Annuitant, no death benefit is payable, and the Contract Owner may continue the Contract and Combination Rider as sole Annuitant and Covered Life.

On a jointly owned Contract with a sole Annuitant:

(a) Upon death of the sole Annuitant, the surviving Contract Owner, who is also the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Standard Death Benefit (and thus terminate the Contract and the Rider) or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

(b) Upon death of the Contract Owner named as Contingent Annuitant who is also a Covered Life, no death benefit will be paid. The surviving Contract Owner who is the Annuitant and surviving Covered Life may continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death). If continuation is not permitted by federal law, the surviving Contract Owner may receive the Contract Value as the death settlement (and thus terminate the Contract and the Rider).

On a jointly owned Contract with Joint Annuitants:

(a) Upon first death, the surviving Contract Owner who is also the surviving Annuitant and surviving Covered Life, as sole primary Beneficiary, may choose to receive the Contract Value[25] (and thus terminate the Contract and the Combination Rider), or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

(b) Upon later death, the death benefit, including any Death Benefit Enhancement payable under this Combination Rider, will be paid to the Contract Owner's Beneficiary(ies).

10.4. Rider Charge

If you purchase the Combination Rider, you will pay a reduced charge for the Enhanced Death Benefit Rider. Current and maximum charges, as well as the maximum charge increases, for the Guaranteed Growth and

[25] After the Contract Value is reduced by the amount of any Purchase Payment Enhancement forfeited as a result of the withdrawal (applies only if the Smart Foundation Plus Base Contract Option is elected).

Income Benefit Rider and the Enhanced Death Benefit Rider when purchased in combination are summarized in the “Rider Charges” subsection of Section 3.2 — “Periodic Charges.”

10.5. Investment Allocation Options

If you purchase the Guaranteed Growth and Income Benefit Rider and Enhanced Death Benefit Rider together, you will be subject to the most restrictive limitation and requirements of the two stand-alone Riders in regards to your right to allocate Contract Value among the Subaccounts, your right to request transfers between Subaccounts and your right to allocate Purchase Payments to Subaccounts. Currently, the Investment Allocation Options available with the Guaranteed Growth and Income Benefit Rider supersede those of the Enhanced Death Benefit Rider. The Investment Allocation Options are designed to reduce the overall volatility of your Contract and to limit the Company’s risk under the Riders. During rising markets, the Investment Allocation Options could cause your Contract Value to rise less than would be the case had you been invested in more aggressive investment strategies. Conversely, in declining markets, the Investment Allocation Options could cause your Contract Value to decline less than would be the case had you been invested in more aggressive investment strategies. These options are described in detail in section 9.12 — “Investment Allocation Options.”

We reserve the right to add or change limitations and the way we administer them in the future. Any change to investment options, limitations, or restrictions will be communicated to the Contract Owner 60 days prior to the date such change becomes effective, and the changes may apply to existing and new purchasers of this benefit.

If you terminate the Guaranteed Growth and Income Benefit Rider and Enhanced Death Benefit Rider, which can only be done simultaneously, you will no longer be subject to these limitations and restrictions.

10.6. Removal or Termination of the Guaranteed Growth and Income and Enhanced Death Benefit Combination Rider

You can cancel the Combination Rider at any time on or after the third Contract Anniversary. You cannot terminate each Rider independently.

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11. Inflation Protector Withdrawal Benefit

The Inflation Protector Withdrawal Benefit Rider may not be available in all states and the Company reserves the right to generally discontinue or suspend the availability of the Rider for new sales from time to time. Please check with your financial professional to determine availability.

11.1. Benefit Overview and Important Information

Benefit Overview

Living Benefit Guarantee. The Inflation Protector Withdrawal Benefit (also referred to as “Rider” throughout this section) is an optional benefit that provides a Living Benefit Guarantee. This Rider provides for Living Benefit Withdrawals that are adjusted for Inflation Increases and market Step-Ups. The Living Benefit Guarantee provides a choice of withdrawals for either –

1) the lifetime of the last surviving Covered Life under the Lifetime Withdrawal Guarantee, or

2) the earlier of the Standard Withdrawal Benefit Balance reducing to zero or the lifetime of the last surviving Covered Life under the Standard Withdrawal Guarantee.

The Inflation Increase provides a compound interest increase to the Withdrawal Benefit Base, while market Step- Ups lock in Contract Value annually (if higher than the Withdrawal Benefit Base after the Inflation Increase is credited). The Withdrawal Benefit Base is accumulated in this way both before and after withdrawals under the Living Benefit Guarantee are exercised (Inflation Increases may expire under certain conditions).

The Living Benefit Withdrawal is based on this Withdrawal Benefit Base and provides income at eligible ages.

Under the Lifetime Withdrawal Guarantee, lifetime income is guaranteed as a percentage of the Withdrawal Benefit Base that varies with the age of the younger Covered Life and the number of years that Purchase Payments have been in the Contract (if applicable) at the time the Lifetime Withdrawal Guarantee is exercised.

Under the Standard Withdrawal Guarantee, income for the earlier of the Standard Withdrawal Benefit Balance reducing to zero or life is guaranteed as a percentage of the Withdrawal Benefit Base. The percentage is selected by the Contract Owner at the time the Standard Withdrawal Guarantee is elected. The available percentages vary with the then applicable Lifetime Withdrawal Rate, the Standard Withdrawal Rate Threshold, and the age of the younger Covered Life at the time the Standard Withdrawal Guarantee is exercised.

This Rider is appropriate for someone who is seeking guaranteed income which grows with inflation, but also wants to stay invested in the securities market to allow for potentially higher growth in Contract Value and market Step-Ups of the Withdrawal Benefit Base. Income under the Lifetime Withdrawal Guarantee and the Standard Withdrawal Guarantee becomes available starting at age 55. Withdrawal percentages are based on the age of the younger Covered Life, if you elect the Joint Life Guarantee.

The Annuity Payout Period (Annuitization) may begin under certain conditions of the Rider and may be payable at the Guaranteed Annual Withdrawal Amount according to the Rider. For further information, please see Section 11.16 — "What if the Withdrawal Benefit Base or Contract Value is reduced to zero?" and Section 11.17 — "What happens on the Annuity Date under the Rider."

Important Information about the Rider:

- The Rider is an optional benefit added to your Contract; it provides various benefits described in this prospectus for an additional charge.
- Termination of the Contract results in termination of this Rider. Termination of the Rider or the Contract will result in termination of guaranteed living benefit withdrawals.
- The Rider Charges are non-refundable, whether or not you take withdrawals while the Rider is in effect.
- All withdrawals, including the withdrawals taken while the Rider is in effect, reduce your Contract Value and death benefit.
- All withdrawals, including the Free Withdrawal Amount, will be subject to the terms of the Rider. If the withdrawal amount is greater than the Free Withdrawal Amount (whether or not it is below the Guaranteed Annual Withdrawal Amount), it will be subject to Surrender Charges (See "Surrender Charge" subsection of Section 3.1 — "Transaction Charges" for details) and any other applicable charges.
- Your Contract is subject to limitations on your Fixed Interest and Subaccount allocations according to the terms of the Rider. The Company can change these limitations with 60 days prior notice to you, and may do so as a result of changes in the economic environment or for changes in the Subaccount options available under the Contract.
- Excess Withdrawals may reduce future benefits by more than the dollar amount of the Excess Withdrawal, and may result in one or more of the following:

    i) a permanent reduction in your future Guaranteed Annual Withdrawal Amount;

    ii) termination of the Rider;

iii) termination of the Contract.

To determine if your withdrawal would be considered an Excess Withdrawal and/or to find out what your Guaranteed Annual Withdrawal Amount would be after the Excess Withdrawal is taken, please contact Customer Service prior to requesting the withdrawal.

- Withdrawals from tax-qualified contracts during the Withdrawal Phase up to the amount of Required Minimum Distributions are not considered Excess Withdrawals and do not incur the adverse consequences of Excess Withdrawals under the Rider).

11.2. Purchasing the Inflation Protector Withdrawal Benefit Rider with your Contract

At the time you purchase your Contract, you have the option to purchase an Inflation Protector Withdrawal Benefit Rider for an additional charge. This Rider may not be added after you purchase the Contract. The Rider Effective Date is the Contract Date. This Rider is available for purchase with any available Base Contract Option, and may also be purchased in combination with the Enhanced Death Benefit Rider (see Section 8 — "Enhanced Death Benefit" and Section 12 — "Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders" for more information). If you purchase the Rider in combination with the Enhanced Death Benefit Rider, you will not be able to terminate them independently in the future.

The Rider only covers natural person(s) named in the Contract, and the Covered Life(ves) (up to two) must be named at Contract issue or the Rider Effective Date.

Issue Age Requirements

The Single Life Guarantee is available only if the Covered Life is between the ages of 35 and 80 on the Rider Effective Date. The Joint Life Guarantee is available only if, on the Rider Effective Date, the older Covered Life is between the ages of 35-85, and the younger Covered Life is between the ages of 35-80.

A Covered Life must always meet issue age requirements at time of designation.

Issue age for the Rider is determined by the Age Nearest Birthday of the Covered Life(ves).

Owner / Annuitant Requirements

For a **Single Life Guarantee** to be issued, the Covered Life under the Rider must be the sole Annuitant. The Covered Life must also be a Contract Owner unless the Contract Owner is an entity. Single Life Guarantee is not available if Joint Annuitants are named in the Contract.

For a **Joint Life Guarantee** to be issued, the first Covered Life must be the Annuitant and the second Covered Life must be the Contingent Annuitant or the Joint Annuitant. At least one Covered Life must be a Contract Owner, and any non-Owner Covered Life must be the sole primary Beneficiary. If Covered Lives are both Owners, they must be each other's sole primary Beneficiary. A Joint Life Guarantee may be continued upon Contract Owner's death only if permitted by federal law. A Joint Life Guarantee is not available if the Contract Owner is an entity.

Covered Life(ves) cannot be changed after the Rider Effective Date, except under conditions outlined in "Replacing a Covered Life Under a Joint Life Guarantee" below.

Example Owner / Annuitant arrangements permitted under the Rider:

Single Life Guarantee:

Contract Owner(s)	Annuitant	Covered Life
John Smith	John Smith	John Smith
John Smith + Elisabeth Smith	John Smith	John Smith
John Smith + Elisabeth Smith	Elisabeth Smith	Elisabeth Smith
Entity	John Smith	John Smith

Joint Life Guarantee:

Contract Owner(s)	Annuitant	Joint Annuitant (Non-Qualified Contract 1035 Exchanges Only)	Contingent Annuitant	Covered Lives
John Smith	John Smith		Elisabeth Smith	John Smith + Elisabeth Smith
John Smith	John Smith	Elisabeth Smith		John Smith + Elisabeth Smith
John Smith	Elisabeth Smith		John Smith	John Smith + Elisabeth Smith
John Smith	Elisabeth Smith	John Smith		John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	John Smith		Elisabeth Smith	John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	John Smith	Elisabeth Smith		John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	Elisabeth Smith		John Smith	John Smith + Elisabeth Smith
John Smith + Elisabeth Smith	Elisabeth Smith	John Smith		John Smith + Elisabeth Smith

11.3. Single and Joint Life Guarantees

The Rider can be purchased as a Single or Joint Life Guarantee. Under a Single Life Guarantee, all Rider features and benefits are measured using the age and lifetime of the sole Covered Life, who is also the sole Annuitant. Under a Joint Life Guarantee, all Rider features are measured using the age of the younger Covered Life, and all lifetime benefits are payable over the lifetime of the last survivor of the Covered Lives. You must specify both Covered Lives in the Application for a Joint Life Guarantee.

Converting a Single Life Guarantee to a Joint Life Guarantee

You cannot convert a Single Life Guarantee to a Joint Life Guarantee. You will not be able to add a Covered Life after the Rider Effective Date.

Converting a Joint Life Guarantee to a Single Life Guarantee

If you have not started withdrawals under one of the Living Benefit Guarantee withdrawal options of the Rider, and provided that all Owner / Annuitant designation requirements outlined in the Contract are satisfied, you may convert a Joint Life Guarantee to a Single Life Guarantee under the following conditions:

- Death of a Covered Life; or
- Removal of a Covered Life by the Contract Owner(s).

Once the Rider is converted to a Single Life Guarantee, all Single Life Guarantee Rider features and benefits provided under the Rider will apply, and no additional Covered Life may be added in the future.

If you have started withdrawals under one of the Living Benefit Guarantee withdrawal options of the Rider, the Joint Life Guarantee cannot be converted to a Single Life Guarantee. The Covered Life can be removed from the Contract by the Contract Owner(s) (provided that all Owner / Annuitant requirements are satisfied), but the features and benefits provided under a Joint Life Guarantee will still apply.

Replacing a Covered Life Under a Joint Life Guarantee

If you have not started withdrawals under one of the Living Benefit Guarantee withdrawal options of the Rider, and provided that all Owner / Annuitant designation requirements outlined in the Contract are satisfied, a Covered Life may be replaced by the Contract Owner(s). All features and benefits of the Rider will be based on the age of the younger Covered Life (after replacement), and any Covered Life must also meet issue age requirements at time of designation.

If you have started withdrawals under one of the Living Benefit Guarantee withdrawal options of the Rider, the Covered Life cannot be replaced. The Covered Life can be removed from the Contract by the Contract Owner(s) (provided that all Owner / Annuitant designation requirements are satisfied), but no additional Covered Life may be added in the future, and the features and benefits provided under a Joint Life Guarantee would still apply.

Impact of Divorce

Upon divorce, unless the divorce decree provides otherwise, you have the following options:

(1) change the Rider from a Joint Life Guarantee to a Single Life Guarantee (subject to conditions outlined under "Converting a Joint Life Guarantee to a Single Life Guarantee" above);

(2) keep the Joint Life Guarantee, but replace a Covered Life (subject to conditions outlined under "Replacing a Covered Life under a Joint Life Guarantee" above); or

(3) terminate the Rider, thereby eliminating the Living Benefit Guarantee.

The Company will attempt to accommodate any other arrangements provided in a divorce decree. Any change or transfer of ownership as a result of divorce is subject to the change in ownership provisions of the Contract.

11.4. Withdrawal Benefit Base

The Withdrawal Benefit Base is the amount used to determine the value of the Guaranteed Annual Withdrawal Amount for the Living Benefit Guarantee withdrawal options.

In the Deferral Phase, the Withdrawal Benefit Base can grow due to Inflation Increases, Step-Ups, or Subsequent Purchase Payments and decrease for Early Access Withdrawals. The period during which withdrawals are taken under one of the Living Benefit Guarantee withdrawal options is called the Withdrawal Phase. In the Withdrawal Phase, the Withdrawal Benefit Base may increase with Inflation Increases, or annual Step-Ups and decrease for Excess Withdrawals.

Subsequent Purchase Payments will not be permitted during the Withdrawal Phase.

How is the Withdrawal Benefit Base determined?

On the Rider Effective Date, the Withdrawal Benefit Base is equal to the Purchase Payments received by the Company.

After the Rider Effective Date, the value of the Withdrawal Benefit Base is determined based on the Contract Phase.

In the Deferral Phase, the Withdrawal Benefit Base increases by the dollar amount of each subsequent Purchase Payment. Each year on the Contract Anniversary until the end of the Deferral Phase Inflation Increase Period (described below), an Inflation Increase will be credited to the Withdrawal Benefit Base. After the Inflation Increase (if applicable) is credited, the Withdrawal Benefit Base will be evaluated for an Automatic Annual Step-Up opportunity until the younger Covered Life reaches the Maturity Age or until the Annuity Date (if earlier). The Withdrawal Benefit Base will decrease for Early Access Withdrawals (see the "Deferral Phase — Early Access Withdrawal Option" paragraph in Section 11.9 — "Withdrawal Options under the Rider — Deferral Phase" for more details).

At the time the Living Benefit Guarantee is first exercised, if the Contract Value is greater than the Withdrawal Benefit Base, then the Withdrawal Benefit Base will be set equal to the Contract Value.

Please, see the "Inflation Protector Withdrawal Benefit Rider: Withdrawal Benefit Base at the start of Living Benefit Guarantee withdrawals" example in "Appendix A: Numerical Examples" for details on how the Withdrawal Benefit Base is determined at the time you begin your Living Benefit Guarantee withdrawals.

The Guaranteed Annual Withdrawal Amount will be calculated based on the Withdrawal Benefit Base at that time.

In the Withdrawal Phase, each year on the Contract Anniversary until the end of the Withdrawal Phase Inflation Increase Period (described below) an Inflation Increase will be credited to the Withdrawal Benefit Base. After the Inflation Increase (if applicable) is credited, the Withdrawal Benefit Base will continue to be evaluated for an Automatic Annual Step-Up opportunity until the younger Covered Life reaches the Maturity Age or until the Annuity Date (if earlier). The Withdrawal Benefit Base will decrease for Excess Withdrawals (see the "Effect of Withdrawals on Withdrawal Benefit Base" subsection in Section 11.10 — "Withdrawal Options under the Rider — Lifetime Withdrawal Guarantee under the Living Benefit Guarantee" and Section 11.11 — "Withdrawal Options under the Rider — Standard Withdrawal Guarantee under the Living Benefit Guarantee" for more details).

There are additional conditions that apply to Withdrawal Benefit Base increases if your Base Contract option includes Purchase Payment Enhancements. Please see Section 11.5 "Smart Foundation Plus Base Contract Option and the Inflation Protector Withdrawal Benefit Rider."

The Maximum Withdrawal Benefit Base is $10,000,000.

Inflation Increase of Withdrawal Benefit Base

On each Contract Anniversary, before the end of the Deferral Phase Inflation Increase Period in the Deferral Phase or the Withdrawal Phase Inflation Increase Period in the Withdrawal Phase, and if the Withdrawal Benefit Base is greater than zero, the Company will credit an Inflation Increase to the Withdrawal Benefit Base. The Inflation Increase is calculated on Contract Anniversary and equals the Inflation Factor multiplied by the average monthly Withdrawal Benefit Base over the prior Contract Year.

Inflation Factor. The Inflation Factor is calculated based on the Consumer Price Index for All Urban Consumers (CPI-U), which is published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor on a one-month lag. If this Index is discontinued or a new index series is established on a different basis, the Company may establish a new basis for determining the Inflation Factor. The Contract Owner will be given at least 90-days' notice prior to any such change.

CPI-U. The Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. It represents a substantial percentage of the total U.S. population, counting almost all residents of urban and metropolitan areas. The CPI-U, or "headline inflation," is the most comprehensive and widely used inflation measurement. Unlike the widely utilized core inflation, CPI-U includes goods with high price volatility such as food and energy.

The Inflation Factor applicable to the Contract on its Contract Anniversary will be determined at the beginning of the calendar month that contains the Contract Anniversary. The Inflation Factor equals the lesser of the Maximum Inflation Factor of 6% or the ratio of (1) to (2), where:

(1) is the greater of zero and the difference between (a) and (b), where:

(a) is the CPI-U released in the previous month (most recent release), and

(b) is the CPI-U released twelve months prior to the most recent release, and

(2) is the CPI-U released twelve months prior to the most recent release.

Maximum Inflation Factor for Inflation Protector Withdrawal Benefit varies in certain states — please see "Appendix B: State Variations" for details.

Average Monthly Withdrawal Benefit Base. The average monthly Withdrawal Benefit Base is used to calculate the annual Inflation Increase. The average monthly Withdrawal Benefit Base is the average monthly value (on each Monthly Anniversary) of the Withdrawal Benefit Base over the previous twelve months of the Contract Year.

Deferral Phase Inflation Increase Period. In the Deferral Phase, the period of time during which Inflation Increases will be applied to the Withdrawal Benefit Base is defined as the Deferral Phase Inflation Increase Period.

The Deferral Phase Inflation Increase Period begins on the Rider Effective Date and lasts until the end of the Deferral Phase (see "Deferral Phase" paragraph in Section 11.7 — "Contract Phases under the Rider — Overview").

Please see the "Inflation Protector Withdrawal Benefit Rider: Inflation Increase of Withdrawal Benefit Base in Deferral Phase" example in "Appendix A: Numerical Examples."

Withdrawal Phase Inflation Increase Period – Lifetime Withdrawal Guarantee. In the Withdrawal Phase under the Lifetime Withdrawal Guarantee (described in Section 11.10 — "Withdrawal Options under the Rider — Lifetime Withdrawal Guarantee under the Living Benefit Guarantee"), Inflation Increases will be applied to the Withdrawal Benefit Base as long as the Contract Value is greater than zero within the Withdrawal Phase.

If at some point in the Withdrawal Phase under the Lifetime Withdrawal Guarantee the Contract Value reduces to zero, the Withdrawal Phase Inflation Increase Period will cease when 20 contract years have passed since the later of (1) and (2), where:

(1) is the Contract Year in which Lifetime Withdrawals began, and

(2) is the date of the most recent Automatic Annual Step-Up of Withdrawal Benefit Base.

If the Contract is still in the Withdrawal Phase when the younger Covered Life reaches the Maturity Age or on the Annuity Date (if earlier), the Withdrawal Phase Inflation Increase Period will cease upon Annuitization.

Withdrawal Phase Inflation Increase Period – Standard Withdrawal Guarantee. In the Withdrawal Phase under the Standard Withdrawal Guarantee (described in Section 11.11 — "Withdrawal Options under the Rider — Standard Withdrawal Guarantee under the Living Benefit Guarantee"), Inflation Increases will be applied to the Withdrawal Benefit Base until the earlier of (1) and (2), where:

(1) is when the younger Covered Life reaches the Maturity Age or the Annuity Date (if earlier), and

(2) is the last Contract Anniversary prior to the Standard Withdrawal Benefit Balance reducing to zero.

Automatic Annual Step-Up of Withdrawal Benefit Base

An Automatic Annual Step-Up of Withdrawal Benefit Base is an increase of the Withdrawal Benefit Base to an amount equal to 100% of the Contract Value. On each Contract Anniversary until the younger Covered Life reaches the Maturity Age or until the Annuity Date (if earlier), your Withdrawal Benefit Base will be evaluated for an Automatic Annual Step-Up opportunity. If the Contract Value at the time of evaluation is greater than the Withdrawal Benefit Base (after an Inflation Increase is credited, if applicable), the Withdrawal Benefit Base will automatically step-up to the Contract Value. In addition, if the Contract has entered the Withdrawal Phase, the Guaranteed Annual Withdrawal Amount will increase by the same percentage as the Withdrawal Benefit Base, unless you have chosen the Lifetime Withdrawal Guarantee and the Lifetime Withdrawal Rate is also increased (see the "Lifetime Withdrawal Rate after Step-Up" paragraph in Section 11.10 — "Withdrawal Options under the Rider — Lifetime Withdrawal Guarantee under the Living Benefit Guarantee").

Example. Please see "Inflation Protector Withdrawal Benefit Rider: Automatic Annual Step-Up of Withdrawal Benefit Base in Deferral Phase" example in "Appendix A: Numerical Examples."

Effect of Additional Purchase Payments

During the Deferral Phase, the Withdrawal Benefit Base increases by the dollar amount of each Subsequent Purchase Payment. Purchase Payments made on Contract Anniversary are credited to the Withdrawal Benefit Base after the Inflation Increase is credited and evaluation for an Automatic Annual Step-Up of Withdrawal Benefit Base takes place.

Additional Purchase Payments will not be permitted during the Withdrawal Phase.

Additional Notes for the Withdrawal Benefit Base

The Rider Charge is expressed as an annual percentage of the Withdrawal Benefit Base. If the Withdrawal Benefit Base increases, the dollar amount of the Rider Charge will also increase.

The Withdrawal Benefit Base is a reference amount only, cannot be withdrawn in a lump sum, and is not payable as a death benefit.

11.5. Smart Foundation Plus Base Contract Option and the Inflation Protector Withdrawal Benefit Rider

This section applies only if you purchase the Smart Foundation Plus Base Contract Option.

Effect of Purchase Payment Enhancements on the Withdrawal Benefit Base

Purchase Payment Enhancements are not included in the initial Withdrawal Benefit Base on the Contract Date, and do not increase the Withdrawal Benefit Base when Subsequent Purchase Payments are made.

Automatic Annual Step-Up of Withdrawal Benefit Base — Deferral Phase. If you have a Smart Foundation Plus Base Contract Option, your Contract Value will be immediately credited with the Purchase Payment Enhancement for every Purchase Payment that you make. If an Automatic Annual Step-Up of Withdrawal Benefit Base under this Rider takes place, any Purchase Payment Enhancements which are part of the then current Contract Value also become part of the Withdrawal Benefit Base.

Withdrawal Benefit Base Enhancement True-Up

This feature is not available in New York.

Each Purchase Payment Enhancement is subject to the Withdrawal Benefit Enhancement True-Up Waiting Period of three years, beginning on the date of the Purchase Payment, for inclusion in the True-Up evaluation. After the Withdrawal Benefit Base True-Up Waiting Period has elapsed for the initial Purchase Payment, the Withdrawal Benefit Enhancement True-Up will take place every anniversary, until a withdrawal is taken (including Early Access Withdrawals).

Evaluation for a Withdrawal Benefit Base Enhancement True-Up will be carried out in the following order:

Step 1: Inflation Increase is credited to the Withdrawal Benefit Base,

Step 2: Withdrawal Benefit Base is evaluated for an Automatic Annual Step-Up of Withdrawal Benefit Base,

Step 3: Withdrawal Benefit Base is evaluated for Withdrawal Benefit Base Enhancement True-Up.

At the time of Withdrawal Benefit Base Enhancement True-Up evaluation, your Withdrawal Benefit Base (determined in Step 2) will be compared to the Withdrawal Benefit Enhancement True-Up Base. The Withdrawal Benefit Enhancement True-Up Base is the sum of (1) and (2), where:

(1) is the sum of Purchase Payments, up to, but not including the date on which the evaluation takes place, and

(2) is the sum of Purchase Payment Enhancements which are at least 36 months old as of the date of the evaluation, multiplied by the Withdrawal Benefit Enhancement True-Up percentage of 100%.

If the Withdrawal Benefit Base (determined in Step 2) is less than the Withdrawal Benefit Enhancement True-Up Base, your Withdrawal Benefit Base will be set equal to the Withdrawal Benefit Enhancement True-Up Base.

If you take any withdrawals, including Early Access Withdrawals, your Withdrawal Benefit Base will no longer be evaluated for Withdrawal Benefit Base Enhancement True-Up.

Purchase Payments made on Contract Anniversary will be added to the Withdrawal Benefit Base after the evaluation for Withdrawal Benefit Base Enhancement True-Up has occurred.

Please, refer to the "Inflation Protector Withdrawal Benefit Rider: Enhancement True-Up" example in "Appendix A: Numerical Examples."

11.6. Rider Charge

The Rider Charge is expressed as an annual percentage of the Withdrawal Benefit Base. One fourth of the annual Rider Charge will be multiplied by the average monthly Withdrawal Benefit Base for the quarter and this amount will be deducted on the last day of the Contract Year Quarter. The Withdrawal Benefit Base used in the calculation is the average monthly Withdrawal Benefit Base over the quarter, which does not include the Inflation Increase for the current Contract Year. Rider Charges will be deducted until the Annuity Date. The Rider Charge will be deducted from the Subaccounts pro-rata based on the fund allocation at the time of deduction.

Please see the "Inflation Protector Withdrawal Rider: Rider Charge" example in "Appendix A: Numerical Examples."

If you make a full surrender of your Contract before the charges for any Riders are deducted, your Contract Value will be reduced by the accrued Rider Charges, plus any applicable Surrender Charge, on the date the Contract is surrendered. **In addition, upon payment of the Death Benefit associated with the Contract, the Death Benefit payable will be reduced by the accrued Rider Charges.** No Rider Charge will be imposed upon Annuitization, or deducted after the Annuity Date.

The current Rider Charge for a Single Life Guarantee is 1.40% (1.25% for Inflation Protector Withdrawal Benefit I, II, and III Rider contracts), and 1.65% for a Joint Life Guarantee (1.50% for Inflation Protector Withdrawal Benefit I, II, and III Rider contracts). The Maximum Rider Charge is 2.50% and the Maximum Rider Charge Increase is 0.50%. Current and Maximum Rider Charges, as well as the Maximum Charge Increases are summarized in the "Rider Charges" subsection in Section 3.2 — "Periodic Charges."

Rider Charge for Inflation Protector Withdrawal Benefit varies in certain states — please see "Appendix B: State Variations" for details.

On the date of an Automatic Annual Step-Up of Withdrawal Benefit Base to the Contract Value, the Rider Charge may be increased, but by no more than the Maximum Rider Charge Increase, and will not be greater than the Rider Charge applicable to the class of Contract Owners then electing this Rider. The Rider Charge will not exceed the Maximum Rider Charge. The Contract Owner will be notified 60 days before an applicable Rider Charge increase and can opt out of any future Rider Charge increases by sending a written request to the Company at least 30 days prior to a Contract Anniversary. If the Contract Owner opts out of the Rider Charge increase, no future increases in the current charge for the Rider will be made and all future Automatic Annual Step-Ups of Withdrawal Benefit Base will be suspended.

The Contract Owner may request a reinstatement of the Automatic Annual Step-Ups of the Withdrawal Benefit Base by sending a written request to the Company, which must be received at least 30 days prior to a Contract Anniversary, on which the reinstatement is requested to be effective. Future charges will be the same as the charges applied to the class of Contract Owners electing the benefit at that time. The Rider Charge upon reinstatement may be increased by more than the Maximum Rider Charge increase, but will never exceed the Maximum Rider Charge.

11.7. Contract Phases under the Rider — Overview

The Rider has two phases, the Deferral Phase and the Withdrawal Phase. These phases are independent of the Accumulation Period and Annuity Payout Period of your Contract.

I Deferral Phase

Your Contract will stay in the Deferral Phase until you exercise withdrawals under the Living Benefit Guarantee and enter the Withdrawal Phase. In the Deferral Phase (prior to the Annuity Date), you can take withdrawals that do not initiate the Withdrawal Phase of the Rider. Such withdrawals are called Early Access Withdrawals: please see "Deferral Phase — Early Access Withdrawal Option" subsection in 11.9 — "Withdrawal Options under the Rider — Deferral Phase" for details.

The Deferral Phase begins on the Contract Date and continues until the earliest of the following:

(a) One of the Living Benefit Guarantee withdrawal options is exercised (Lifetime Withdrawal Guarantee and Standard Withdrawal Guarantee not available before Actual Age 55 is attained by the younger

Covered Life — please see Section 11.10 — "Withdrawal Options under the Rider — Lifetime Withdrawal Guarantee under the Living Benefit Guarantee" and Section 11.11 — "Withdrawal Options under the Rider — Standard Withdrawal Guarantee under the Living Benefit Guarantee" for more details),

(b) Contract Value is reduced to zero and the Living Benefit Guarantee is not available (please see Section 11.16 — "What if the Withdrawal Benefit Base or Contract Value is reduced to zero?" for more details),

(c) Annuitization upon the earlier of:

(1) Contract Value is reduced to zero and the Living Benefit Guarantee is available (please see Section 11.16 — "What if the Withdrawal Benefit Base or Contract Value is reduced to zero?" for more details),

(2) The younger Covered Life reaching Maturity Age or the Annuity Date (if earlier) and the Contract enters the Annuity Payout Period (please see Section 11.17 — "What happens on the Annuity Date under the Rider?" for more details),

(d) Termination of the Contract or Rider, or

(e) The death of the sole Covered Life for a Single Life Guarantee, or the later death of both Covered Lives for a Joint Life Guarantee.

II Withdrawal Phase

The period during which you take withdrawals under one of the Living Benefit Guarantee withdrawal options is called the Withdrawal Phase.

The Withdrawal Phase begins when you first exercise one of the Living Benefit Guarantee withdrawal options (*i.e.,* initiate living benefit withdrawals) and continues until the earliest of the following:

(a) Withdrawal Benefit Base and Contract Value is reduced to zero, or the Contract Value is reduced to zero and no Living Benefit Guarantee is available based on the age of the younger Covered Life (please see Section 11.16 — "What if the Withdrawal Benefit Base or Contract Value is reduced to zero?" for more details),

(b) Termination of the Contract or Rider,

(c) Annuitization upon the earlier of:

(1) Contract Value is reduced to zero (please see Section 11.16 — "What if the Withdrawal Benefit Base or Contract Value is reduced to zero?" for more details),

(2) The younger Covered Life reaching Maturity Age or the Annuity Date (if earlier) and the Contract enters the Annuity Payout Period (please see Section 11.17 — "What happens on the Annuity Date under the Rider?" for more details),

(d) The death of a sole Covered Life for a Single Life Guarantee, or the later death of both Covered Lives for a Joint Life Guarantee.

The Withdrawal Phase may occur during the Accumulation Period of the Contract prior to beginning the Annuity Payout Period. Lifetime withdrawals and Standard withdrawals become available at Actual Age 55 of the younger Covered Life. Please see Section 11.10 — "Withdrawal Options under the Rider — Lifetime Withdrawal Guarantee under the Living Benefit Guarantee" and Section 11.11 — "Standard Withdrawal Guarantee under the Living Benefit Guarantee" for details.

11.8. Withdrawal Options under the Rider — Overview

Withdrawals can be taken in both the Deferral and Withdrawal Phases. During both Contract Phases, surrender charges will apply if withdrawals exceed the Contract's annual Free Withdrawal Amount. Surrender charges are not a fixed amount. Please see the "Surrender Charge" paragraph in Section 3.1 — "Transaction Charges" for more details.

Deferral Phase

You are permitted to take a withdrawal during the Deferral Phase that does not initiate the Living Benefit Guarantee and will keep the Contract in the Deferral Phase.

You must request to remain in the Deferral Phase. If no written request is made and you are eligible to receive Living Benefit Guarantee withdrawals (based on the age of the younger Covered Life), your Living Benefit Guarantee will be initiated and the Contract will move into the Withdrawal Phase.

Withdrawal Phase — Living Benefit Guarantee

Once the younger Covered Life has reached the eligible age of 55, you may exercise your Living Benefit Guarantee and enter the Withdrawal Phase.

Once withdrawals have started under the Living Benefit Guarantee, Partial Annuitization is no longer available.

Living Benefit Guarantee

There are two Living Benefit Guarantee withdrawal options in the Withdrawal Phase: the Standard Withdrawal Guarantee and the Lifetime Withdrawal Guarantee. You must elect one of the withdrawal options at the time the Living Benefit Guarantee is exercised. You cannot change withdrawal options at any time after the election is requested. The Living Benefit Guarantee withdrawal options are only available if the Actual Age of the younger Covered Life at the time of the first Living Benefit Guarantee withdrawal is 55 or older for both the Standard Withdrawal Guarantee and the Lifetime Withdrawal Guarantee. Unless requested in writing to remain in the Deferral Phase, if withdrawals are requested after the age at which the Living Benefit Guarantee withdrawal options become available, the Contract will be entered into the Withdrawal Phase under the Living Benefit Guarantee.

Termination of the Rider or the Contract will result in termination of payments under this guarantee (please refer to Section 11.20 — "Termination of Inflation Protector Withdrawal Benefit Rider" for more details).

11.9. Withdrawal Options under the Rider – Deferral Phase

Deferral Phase — Early Access Withdrawal Option

You are permitted to take a withdrawal during the Deferral Phase that does not initiate the Living Benefit Guarantee and will keep the Contract in the Deferral Phase. Such withdrawals are considered Early Access Withdrawals (referred to as Deferral Phase Withdrawals in the Contract), and allow you to wait for a higher Lifetime Withdrawal Rate. You may elect to take the Early Access Withdrawal as a one-time or systematic withdrawal. At the time the withdrawal is requested, you must indicate to the Company that you are requesting an Early Access Withdrawal and that you do not wish to enter the Withdrawal Phase.

If you request a withdrawal before the Living Benefit Guarantee becomes available to you (based on the age of the younger Covered Life), it will be treated as an Early Access Withdrawal, which can be taken as a one-time distribution or periodically under the systematic withdrawal option, and the Contract will remain in the Deferral Phase. If the withdrawals are set up systematically, the Contract will remain in the Deferral Phase until the request is received by the Company with instructions to enter the Withdrawal Phase and to exercise the Living Benefit Guarantee. There may be tax implications to taking withdrawals prior to age 59½. See Section 14 — "Taxes" for more information.

If the Lifetime Withdrawal Guarantee (described in Section 11.10 — "Withdrawal Options under the Rider — Lifetime Withdrawal Guarantee under the Living Benefit Guarantee") is available to you (based on the age of younger Covered Life), you must request in writing to remain in the Deferral Phase. If no written request is made, the Living Benefit Guarantee will be exercised under the Lifetime Withdrawal Guarantee and the Contract will move into the Withdrawal Phase.

If the Lifetime Withdrawal Guarantee (described in Section 11.10 — "Withdrawal Options under the Rider — Lifetime Withdrawal Guarantee under the Living Benefit Guarantee") is not available to you (based on the age of younger Covered Life), the Living Benefit Guarantee will be exercised under the Standard Withdrawal Guarantee (described in Section 11.11 — "Withdrawal Options under the Rider — Standard Withdrawal Guarantee under the Living Benefit Guarantee") at the lowest available Standard Withdrawal Rate, and the Contract will move into the Withdrawal Phase.

If you wish to remain in the Deferral Phase, you must specifically request an Early Access Withdrawal, which can be taken as a one-time distribution or systematically. If you request to receive an Early Access Withdrawal systematically, your Contract will remain in the Deferral Phase until you send us a request with instructions to enter the Withdrawal Phase and exercise the Living Benefit Guarantee. There may be tax implications to taking withdrawals prior to age 59 ½. See Section 14 — "Taxes" for more details.

Effect of Early Access Withdrawals on Withdrawal Benefit Base

Early Access Withdrawals in the Deferral Phase reduce the Withdrawal Benefit Base by the greater of (a) and (b) where:

(a) is the Early Access Withdrawal amount, and

(b) is the Early Access Withdrawal amount multiplied by the ratio of (1) and (2) where:

  (1) is the Withdrawal Benefit Base just prior to the Early Access Withdrawal, and

  (2) is the Contract Value[26] just prior to the Early Access Withdrawal.

Effect of Early Access Withdrawal on Contract Value

Early Access Withdrawals reduce the Contract Value by the dollar amount of the Early Access Withdrawal, plus any taxes and/or fees, if applicable. If the amount of the Early Access Withdrawal exceeds the Free Withdrawal Amount, Surrender Charges will apply. Please, see the "Surrender Charge" paragraph in Section 3.1 — "Transaction Charges" for details. There may be tax implications to taking withdrawals prior to age 59 $^1/_2$. See Section 14 — "Taxes" for more details.

Effect of Partial Annuitization

Partial Annuitization (available only in the Deferral Phase) will reduce the Withdrawal Benefit Base and the Contract Value in the same manner as Early Access Withdrawals (described above).

11.10. Withdrawal Options under the Rider — Lifetime Withdrawal Guarantee under the Living Benefit Guarantee

Under the Lifetime Withdrawal Guarantee, the Company guarantees withdrawals up to the Guaranteed Annual Withdrawal Amount (based on the Withdrawal Benefit Base) for the lifetime of the Covered Life (with a Single Life Guarantee), or for the lifetime of the last surviving Covered Life (with a Joint Life Guarantee).

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26 After the Contract Value is reduced by the amount of any Purchase Payment Enhancement forfeited as a result of the withdrawal (applies only if the Smart Foundation Plus Base Contract Option is elected).

Calculating Lifetime Withdrawals

Guaranteed Annual Withdrawal Amount

You may take withdrawals annually up to the Guaranteed Annual Withdrawal Amount, which is calculated on every Contract Anniversary and is equal to the Lifetime Withdrawal Rate multiplied by the Withdrawal Benefit Base. Your Guaranteed Annual Withdrawal Amount may increase each year when the Withdrawal Benefit Base receives an Inflation Increase.

If the Guaranteed Annual Withdrawal Amount is greater than the Free Withdrawal Amount, Surrender Charges and any other applicable charges will apply (see Section 3.1 — "Transaction Charges" for details).

Lifetime Withdrawal Rate

The Lifetime Withdrawal Rate is used to determine the amount of the Guaranteed Annual Withdrawal Amount under the Lifetime Withdrawal Guarantee. The Lifetime Withdrawal Rate is the sum of the Age-Based Lifetime Withdrawal Rate (shown in the table below) and the Effective Waiting Bonus (see below) if applicable. For a Single Life Guarantee, the Actual Age of the Covered Life at the time the Lifetime Withdrawal Guarantee is first exercised determines the Age-Based Lifetime Withdrawal Rate. For a Joint Life Guarantee, the Actual Age of the younger Covered Life at the time the Lifetime Withdrawal Guarantee is first exercised determines the Age-Based Lifetime Withdrawal Rate.

Age Banded Lifetime Withdrawal Rates for Inflation Protector Withdrawal Benefit IV (available for contracts issued on or after November 2, 2020)

Actual Age at the Start of Withdrawal Phase		Age-Based Lifetime Withdrawal Rate for Single Life Guarantee	Age-Based Lifetime Withdrawal Rate for Joint Life Guarantee
At Least	But Less Than		
55	60	2.25%	1.75%
60	65	2.90%	2.40%
65	70	3.65%	3.15%
70	75	3.75%	3.25%
75 and over		4.00%	3.50%

Age Banded Lifetime Withdrawal Rates for Inflation Protector Withdrawal Benefit III (available for contracts issued on or after May 1, 2020 and before November 2, 2020)

Actual Age at the Start of Withdrawal Phase		Age-Based Lifetime Withdrawal Rate for Single Life Guarantee	Age-Based Lifetime Withdrawal Rate for Joint Life Guarantee
At Least	But Less Than		
55	60	2.00%	1.50%
60	65	2.65%	2.15%
65	70	3.35%	2.85%
70	75	3.45%	2.95%
75 and over		3.70%	3.20%

Age Banded Lifetime Withdrawal Rates for Inflation Protector Withdrawal Benefit II (available for contracts issued on or after September 1, 2019 and before April 9, 2020):

Actual Age at the Start of Withdrawal Phase		Age-Based Lifetime Withdrawal Rate for Single Life Guarantee	Age-Based Lifetime Withdrawal Rate for Joint Life Guarantee
At Least	But Less Than		
55	60	3.00%	2.50%
60	65	3.60%	3.10%
65	70	4.30%	3.80%
70	75	4.65%	4.15%
75 and over		5.00%	4.50%

Age Banded Lifetime Withdrawal Rates for Inflation Protector Withdrawal Benefit I (available for contracts issued prior to September 1, 2019):

Actual Age at the Start of Withdrawal Phase		Age-Based Lifetime Withdrawal Rate for Single Life Guarantee	Age-Based Lifetime Withdrawal Rate for Joint Life Guarantee
At Least	**But Less Than**		
55	60	3.00%	2.50%
60	65	3.50%	3.00%
65	70	4.00%	3.50%
70	75	4.50%	4.00%
75 and over		5.00%	4.50%

Effective Waiting Bonus. The Effective Waiting Bonus (referred to as Effective Lifetime Withdrawal Rate Adjustment in the Contract) is the sum of the Waiting Bonus (as defined below) for each Purchase Payment. The Effective Waiting Bonus is not applicable if:

(1) The Withdrawal Rate Adjustment Waiting Period, the Maximum Withdrawal Rate Adjustment Period, and the Annual Adjustment Rate are "Not applicable" as specified in the Additional Contract Specifications, or

(2) For each Purchase Payment, the Age of the Purchase Payment (as defined below) is zero.

Waiting Bonus. For each Purchase Payment, the Waiting Bonus is the ratio of (1) to (2), where:

(1) is the product of (a), (b), and (c), where:

(a) is the Age of the Purchase Payment at the time the Lifetime Withdrawal Guarantee is first exercised,

(b) is the Annual Adjustment Rate of 0.10%, and

(c) is the Purchase Payment amount, and

(2) the total amount of Purchase Payments at the time the Lifetime Withdrawal Guarantee is first exercised.

The Age of the Purchase Payment is defined as the greater of zero and the difference between (1) and (2), where:

(1) is the number of Contract Years since the date of the Purchase Payment, subject to the Maximum Withdrawal Rate Adjustment Period of 10 years, and

(2) is the Withdrawal Rate Adjustment Waiting Period of 0 years.

Please see the "Inflation Protector Withdrawal Benefit Rider — Lifetime Withdrawal Guarantee: Lifetime Withdrawal Rate Calculation" example in "Appendix A: Numerical Examples."

The Waiting Bonus feature is not available in New York.

Lifetime Withdrawal Rate after Step-Up

If an Automatic Annual Step-Up of Withdrawal Benefit Base occurs during the Withdrawal Phase under the Lifetime Withdrawal Guarantee, the Contract is eligible to receive the Age-Based Lifetime Withdrawal Rate for the current age of the younger Covered Life. The Effective Waiting Bonus would be added to the new Age-Based Lifetime Withdrawal Rate. It would NOT be recalculated at that time for any additional time elapsed since Purchase Payments were made.

Effect of Withdrawals On Withdrawal Benefit Base

If less than or none of the Guaranteed Annual Withdrawal Amount is taken in any given Contract Year, any unused portion of the Guaranteed Annual Withdrawal Amount cannot be carried over to any future Contract Years. If total withdrawals in a Contract Year during the Withdrawal Phase do not exceed the Guaranteed Annual Withdrawal Amount, the Withdrawal Benefit Base will not be reduced.

Effect of Withdrawals more than Guaranteed Annual Withdrawal Amount (Excess Withdrawals)

In each Contract Year, when there is Contract Value remaining, you may withdraw more than the Guaranteed Annual Withdrawal Amount in effect at the time of the withdrawal request, up to the current Contract Value.

> **Excess Withdrawals.** Any portion of a withdrawal that causes cumulative withdrawals in a given Contract Year to exceed the Guaranteed Annual Withdrawal Amount is referred to as an Excess Withdrawal. An Excess Withdrawal could significantly reduce your Withdrawal Benefit Base by more than the dollar amount of your Excess Withdrawal. Excess Withdrawals will also reduce the amount of the future Guaranteed Annual Withdrawal Amount.
>
> *Excess Withdrawal Amount = Total Withdrawal — remaining portion of the Guaranteed Annual Withdrawal Amount (prior to the withdrawal)*
>
> Any time an Excess Withdrawal is taken, the Withdrawal Benefit Base will be reduced by the greater of (a) and (b), where:
>
> (a) is the Excess Withdrawal Amount, and
>
> (b) is the Excess Withdrawal Amount multiplied by the ratio of (1) to (2), where:
>
> - (1) is the Withdrawal Benefit Base immediately prior to the Excess Withdrawal, and
> - (2) is the difference between (i) and (ii), where:
>   - (i) is the Contract Value[27] immediately prior to the withdrawal, and
>   - (ii) is the Guaranteed Annual Withdrawal Amount remaining prior to the withdrawal.
>
> Please see the "Inflation Protector Withdrawal Benefit Rider — Lifetime Withdrawal Guarantee: Excess Withdrawals" example in "Appendix A: Numerical Examples."
>
> If the Withdrawal Benefit Base is reduced by an Excess Withdrawal, the Guaranteed Annual Withdrawal Amount will be recalculated on the next Contract Anniversary.
>
> At the time you request the withdrawal (whether over the telephone or via a withdrawal form provided by the Company), the Company will provide information necessary to determine if the requested withdrawal amount would result in an Excess Withdrawal treatment and thus reduce the Withdrawal Benefit Base as well as the Guaranteed Annual Withdrawal Amount. The Contract Owner may also contact the Company's Customer Service at any time to determine whether a contemplated withdrawal would result in Excess Withdrawal treatment.
>
> If the Guaranteed Annual Withdrawal Amount remaining immediately prior to the withdrawal is greater than the Contract Value immediately prior to the withdrawal, no Excess Withdrawal is paid.

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[27] After the Contract Value is reduced by the amount of any Purchase Payment Enhancement forfeited as a result of the withdrawal (applies only if the Smart Foundation Plus Base Contract Option is elected).

The Contract Owner will receive the Guaranteed Annual Withdrawal Amount remaining and the Contract will be annuitized under the terms outlined in the "Effect of Contract Value reducing to zero" subsection of Section 11.16 — "What If the Withdrawal Benefit Base or Contract Value is reduced to zero?"

11.11. Withdrawal Options under the Rider — Standard Withdrawal Guarantee under the Living Benefit Guarantee

Standard Withdrawal Guarantee

Under the Standard Withdrawal Guarantee, the Company guarantees withdrawals up to the Guaranteed Annual Withdrawal Amount (based on the Withdrawal Benefit Base) until the Standard Withdrawal Benefit Balance is reduced to zero, or for the lifetime of the last surviving Covered Life (whichever is earlier).

The Standard Withdrawal Guarantee does not provide a lifetime benefit. The Standard Withdrawal Benefit Balance cannot be withdrawn and is not payable as a death benefit.

Guaranteed Annual Withdrawal Amount

You may take withdrawals annually up to the Guaranteed Annual Withdrawal Amount, which is calculated on every Contract Anniversary and is equal to the Standard Withdrawal Rate multiplied by the Withdrawal Benefit Base. Your Guaranteed Annual Withdrawal Amount may increase each year when the Withdrawal Benefit Base receives an Inflation Increase.

If the Guaranteed Annual Withdrawal Amount is greater than the Free Withdrawal Amount, Surrender Charges and any other applicable charges will apply (see Section 3.1 — "Transaction Charges" for details).

Standard Withdrawal Rate

The Standard Withdrawal Rate is used to determine the amount of the Guaranteed Annual Withdrawal Amount under the Standard Withdrawal Guarantee, and is equal to the Standard Withdrawal Rate selected by the Contract Owner at the time the Standard Withdrawal Guarantee is elected.

Standard Withdrawal Rates are shown in the table below. The available Standard Withdrawal Rates at the time the Standard Withdrawal Guarantee is elected will be those Standard Withdrawal Rates that are greater than or equal to the sum of the then applicable Lifetime Withdrawal Rate at the time the Living Benefit Guarantee is first exercised and the Standard Withdrawal Rate Threshold of 0.50%.

Standard Withdrawal Rates:

Age	Rate
55 and over	5.00%
	6.00%

Example: Please see "Inflation Protector Withdrawal Benefit Rider — Standard Withdrawal Guarantee: Available Standard Withdrawal Rates" example in "Appendix A: Numerical Examples."

Standard Withdrawal Benefit Balance

The Standard Withdrawal Benefit Balance is used to determine how long the benefit will last under the Standard Withdrawal Guarantee. The Standard Withdrawal Benefit Balance is established at the time you enter the Withdrawal Phase under the Standard Withdrawal Guarantee, and is set equal to the Withdrawal Benefit Base at this time. The Standard Withdrawal Benefit Balance will decrease for withdrawals less than or equal to the Guaranteed Annual Withdrawal Amount by the amount of the Withdrawal up to the Standard Annual Reduction (described below). The Standard Withdrawal Benefit Balance will step-up to the Contract Value at the time of an Automatic Annual Step-Up of the Withdrawal Benefit Base to the Contract Value (if applicable).

Standard Annual Reduction

The Standard Annual Reduction is the maximum amount by which the Standard Withdrawal Benefit Balance is reduced when a withdrawal up to the Guaranteed Annual Withdrawal Amount is taken. The Standard Annual Reduction is established at the time you enter the Withdrawal Phase under the Standard Withdrawal Guarantee. At this time, the Standard Annual Reduction will be set equal to the Standard Withdrawal Rate multiplied by the Withdrawal Benefit Base and will initially be equal to the Guaranteed Annual Withdrawal Amount. While the Guaranteed Annual Withdrawal Amount may increase thereafter as a result of Inflation Increases, the Standard Annual Reduction will not. The Standard Annual Reduction will be recalculated upon Automatic Annual Step-Up of the Withdrawal Benefit Base to the Contract Value, and may decrease upon an Excess Withdrawal.

Effect of Withdrawals on Standard Withdrawal Benefit Balance

During each Contract Year, your Standard Withdrawal Benefit Balance will be reduced for withdrawals as follows:

- For as long as cumulative withdrawals in the Contract Year are less than or equal to the Standard Annual Reduction, the Standard Withdrawal Benefit Balance will be reduced by the dollar amount of the withdrawal taken, up to the Standard Annual Reduction. Please refer to "Inflation Protector Withdrawal Benefit Rider — Standard Withdrawal Guarantee" Scenario 1 — Contract Months 1 through 5 in "Appendix A: Numerical Examples."

- The Standard Withdrawal Benefit Balance will not be reduced for amounts withdrawn in excess of the Standard Annual Reduction when cumulative withdrawals in the Contract Year exceed the Standard Annual Reduction but are less than or equal to the Guaranteed Annual Withdrawal Amount. Please refer to "Inflation Protector Withdrawal Benefit Rider — Standard Withdrawal Guarantee" Scenario 1 — Contract Months 6 through 10 in "Appendix A: Numerical Examples."

- If cumulative withdrawals in the Contract Year exceed the Guaranteed Annual Withdrawal Amount, the Standard Withdrawal Benefit Balance will be reduced as outlined below for any Excess Withdrawals at the time the Excess Withdrawal is taken. Please refer to "Inflation Protector Withdrawal Benefit Rider — Standard Withdrawal Guarantee" Scenario 1 — Contract Months 11 and 12 in "Appendix A: Numerical Examples."

Effect of Withdrawals more than Guaranteed Annual Withdrawal Amount (Excess Withdrawals) on the Standard Withdrawal Benefit Balance.

In each Contract Year, when there is Contract Value remaining, you may withdraw more than the Guaranteed Annual Withdrawal Amount in effect at the time of the withdrawal request, up to the current Contract Value.

Excess Withdrawals. Any portion of a withdrawal that causes cumulative withdrawals in a given Contract Year to exceed the Guaranteed Annual Withdrawal Amount is referred to as an Excess Withdrawal. An Excess Withdrawal could significantly reduce your Withdrawal Benefit Base by more than the dollar amount of your Excess Withdrawal. Excess Withdrawals will also reduce the amount of the future Guaranteed Annual Withdrawal Amount.

Excess Withdrawal Amount = Total Withdrawal — remaining portion of the Guaranteed Annual Withdrawal Amount (prior to the withdrawal)

Any time an Excess Withdrawal is taken, the Standard Withdrawal Benefit Balance will be reduced by the greater of (a) and (b), where:

(a) is the Excess Withdrawal Amount, and

(b) is the Excess Withdrawal Amount multiplied by the ratio of (1) to (2), where:

(1) is the difference between (i) and (ii), where:

(i) is the Standard Withdrawal Benefit Balance immediately prior to the withdrawal, and

(ii) is the Standard Annual Reduction remaining prior to the withdrawal, and

(2) is the difference between (i) and (ii), where:

(i) is the Contract Value[28] immediately prior to the Withdrawal, and

(ii) is the Guaranteed Annual Withdrawal Amount remaining prior to the withdrawal.

Please see the "Inflation Protector Withdrawal Benefit Rider — Standard Withdrawal Guarantee" Scenario 1 — Contract Months 11 and 12 in "Appendix A: Numerical Examples."

Effect of Standard Withdrawals on Withdrawal Benefit Base

If less than or none of the Guaranteed Annual Withdrawal Amount is taken in any given Contract Year, any unused portion of the Guaranteed Annual Withdrawal Amount cannot be carried over to any future Contract Years. If total withdrawals in a Contract Year during the Withdrawal Phase do not exceed the Guaranteed Annual Withdrawal Amount, the Withdrawal Benefit Base will not be reduced.

Effect of Withdrawals more than Guaranteed Annual Withdrawal Amount (Excess Withdrawals) on the Withdrawal Benefit Base.

Any time an Excess Withdrawal is taken, the Withdrawal Benefit Base will be reduced by the greater of (a) and (b), where:

(a) is the Excess Withdrawal Amount, and

(b) is the Excess Withdrawal Amount multiplied by the ratio of (1) to (2), where:

(1) is the Withdrawal Benefit Base immediately prior to the Excess Withdrawal, and

(2) is the difference between (i) and (ii), where:

(i) is the Contract Value[28] immediately prior to the withdrawal, and

(ii) is the Guaranteed Annual Withdrawal Amount remaining prior to the withdrawal.

Please see the "Inflation Protector Withdrawal Benefit Rider — Standard Withdrawal Guarantee" Scenario 1 — Contract Months 11 and 12 in "Appendix A: Numerical Examples."

If the Withdrawal Benefit Base is reduced by an Excess Withdrawal, the Guaranteed Annual Withdrawal Amount will be recalculated on the next Contract Anniversary. If this recalculated amount is less than the Standard Annual Reduction, the Standard Annual Reduction will be reset to the Guaranteed Annual Withdrawal Amount.

Please see the "Inflation Protector Withdrawal Benefit Rider — Standard Withdrawal Guarantee" Scenario 2 in "Appendix A: Numerical Examples."

[28] After the Contract Value is reduced by the amount of any Purchase Payment Enhancement forfeited as a result of the withdrawal (applies only if the Smart Foundation Plus Base Contract Option is elected).

At the time the withdrawal is requested by the Contract Owner (whether over the telephone or via a withdrawal form provided by the Company), the Company will provide information necessary to determine if the requested withdrawal amount would result in an Excess Withdrawal treatment and thus reduce the Withdrawal Benefit Base as well as the Guaranteed Annual Withdrawal Amount. The Contract Owner may also contact the Company's Customer Service at any time to determine whether a contemplated withdrawal would result in Excess Withdrawal treatment.

If the Guaranteed Annual Withdrawal Amount remaining immediately prior to the withdrawal is greater than the Contract Value immediately prior to the withdrawal, no Excess Withdrawal is paid. The Contract Owner will receive the Guaranteed Annual Withdrawal Amount remaining and the Contract will be annuitized under the terms outlined in the "Effect of Contract Value reducing to zero" subsection of Section 11.16 — "What if the Withdrawal Benefit Base or Contract Value is reduced to zero?"

Effect of Standard Withdrawal Benefit Balance Reducing to Zero. If the Standard Withdrawal Benefit Balance reduces to zero, and the Contract Value is greater than zero, the Standard Withdrawal Benefit Balance will be reset to the Contract Value, and the Withdrawal Benefit Base will be reset to the Contract Value on the next Contract Anniversary, unless the Contract Owner sends a written notice to the Company with the request to terminate the Rider. Upon this reset, the Guaranteed Annual Withdrawal Amount and the Standard Annual Reduction will be recalculated, and the Guarantee will continue based on recalculated values. Inflation Increases will continue at the time the Standard Withdrawal Benefit Balance is reset to the Contract Value. If the Standard Withdrawal Benefit Balance reduces to zero, and the Contract Value also reduces to zero, the Contract will be terminated.

Guaranteed Annual Withdrawal Amount in the final year. In the final year the Standard Withdrawal Guarantee is active (*i.e.*, the Standard Withdrawal Benefit Balance will reduce to zero by the end of the year as a result of withdrawals), a reduction to the Guaranteed Annual Withdrawal Amount may apply. This reduction is applicable if, at Contract Anniversary, the Standard Withdrawal Benefit Balance is less than the Standard Annual Reduction, and is calculated according to the following process:

(1) Every Contract Anniversary, the Standard Withdrawal Benefit Balance is compared to the Standard Annual Reduction. If, at the start of any Contract Year, the Standard Withdrawal Benefit Balance is less than the Standard Annual Reduction, the Contract may be entering the final year of the Guarantee, and the Guaranteed Annual Withdrawal Amount will be reduced.

(2) The reduction to the Guaranteed Annual Withdrawal Amount is determined by the Guaranteed Annual Withdrawal Amount Reduction Factor, which is equal to the ratio of (i) to (ii) where:

  (i) is the Standard Withdrawal Benefit Balance at the start of the final year of the Standard Withdrawal Guarantee, and

  (ii) is the Standard Annual Reduction at the start of the final year of the Standard Withdrawal Guarantee.

(3) The reduced Guaranteed Annual Withdrawal Amount in the final year of the Guarantee is determined by multiplying the original Guaranteed Annual Withdrawal Amount (Withdrawal Benefit Base multiplied by the Standard Withdrawal Rate) by the Guaranteed Annual Withdrawal Amount Reduction Factor.

Please see the "Inflation Protector Withdrawal Benefit Rider — Standard Withdrawal Guarantee: Guaranteed Annual Withdrawal Amount in the Final Year" example in "Appendix A: Numerical Examples."

11.12. Systematic Withdrawals

Systematic Withdrawals may be taken under any of the withdrawal options. The maximum systematic withdrawal amount in the Deferral Phase is the amount available under the Free Withdrawal provision of this

Contract. Systematic Withdrawals can be taken for the full Guaranteed Annual Withdrawal Amount in the Withdrawal Phase, even if it exceeds the Free Withdrawal Amount, but surrender charges will apply once the Free Withdrawal Amount has been depleted.

11.13. Required Minimum Distributions and the Inflation Protector Withdrawal Benefit Rider

If you are obligated to take Required Minimum Distributions (due to IRS rules), and your Contract has been in effect through at least one calendar year-end, you can elect Required Minimum Distribution (RMD) withdrawals. You may elect to take your distributions as a one-time or systematic withdrawal. The Company will automatically calculate your distribution each calendar year-end. RMD calculations will be limited to your Penn Mutual Contract only.

Required Minimum Distributions in the Deferral Phase

In order to receive the RMDs from this Contract in the Deferral Phase without initiating the Living Benefit Guarantee, the Company must receive the request to take RMDs as Early Access Withdrawals. The Contract will then remain in the Deferral Phase until the Company receives the request to enter the Withdrawal Phase. Each RMD will reduce the Withdrawal Benefit Base as outlined under the "Effect of Early Access Withdrawals on Withdrawal Benefit Base" paragraph of Section 11.9 — "Withdrawal Options under the Rider — Deferral Phase."

Required Minimum Distributions in the Withdrawal Phase

RMD withdrawals in the Withdrawal Phase are subject to more favorable Excess Withdrawal treatment. Such treatment is contingent on your acceptance of the Company's calculations of the RMD amounts, and RMD calculations will be limited to your Penn Mutual Contract only.

In the Withdrawal Phase under the Standard Withdrawal Guarantee, upon receipt of the written notification of the election of RMD withdrawals by the Company, the benefit will be treated as follows:

- Every Contract Year the Guaranteed Annual Withdrawal Amount will be calculated as outlined above. This amount will not be changed based on the RMD requirement (which will be calculated every calendar year-end).
- If the RMD amount is greater than the Guaranteed Annual Withdrawal Amount:
    - Standard Withdrawal Benefit Balance will be reduced by the dollar amount of withdrawals greater than the Guaranteed Annual Withdrawal Amount but less than or equal to RMD;
    - Withdrawal Benefit Base will not be reduced for withdrawals up to the RMD amount;
    - Withdrawals in excess of RMD Amount will be treated as Excess Withdrawals.

Please see the "RMD and Inflation Protector Withdrawal Benefit Rider — Standard Withdrawal Guarantee" example in "Appendix A: Numerical Examples."

In the Withdrawal Phase under the Lifetime Withdrawal Guarantee, upon receipt of the written notification of the election of RMD withdrawals by the Company, the benefit will be treated as follows:

- Every Contract Year the Guaranteed Annual Withdrawal Amount will be calculated as outlined above. This amount will not be changed based on the RMD requirement (which will be calculated every calendar year-end).

- If the RMD amount is greater than the Guaranteed Annual Withdrawal Amount:
  - Withdrawal Benefit Base will not be reduced for withdrawals up to the RMD amount;
  - Withdrawals in excess of RMD Amount will be treated as Excess Withdrawals.

Please see the "RMD and Inflation Protector Withdrawal Benefit Rider — Lifetime Withdrawal Guarantee" example in "Appendix A: Numerical Examples."

If your RMD amount exceeds your Guaranteed Annual Withdrawal Amount, you will have to withdraw more than the Guaranteed Annual Withdrawal Amount. Any RMD amount that is not taken as required will be subject to an imposition of the 50% excise tax as prescribed by federal law. RMD amounts may include a percentage of the value of all benefits under the Contract, which may include the present value of benefits under the Inflation Protector Withdrawal Benefit Rider and other Contract provisions. Required Minimum Distributions from an IRA are always taxable.

11.14. 72 (q)/(t) Considerations

If a withdrawal is taken from the annuity before age 59½, the IRS generally imposes a 10% early withdrawal penalty on such distributions. However, substantially equal periodic payments under IRC Section 72(q)/72(t) are exempt from the 10% penalty tax on early distributions. If you choose to exercise this option, you will be required to irrevocably choose one of the three acceptable methods (as defined by IRS regulations) and receive these payments until the later of five years or attainment of age 59½.

If you wish to take withdrawals under the Code Sections 72(q) or 72 (t) ("72 (q)/(t)") prior to age 59½, you may do so systematically. If Living Benefit Withdrawals are available to you (based on the Actual Age of the younger Covered Life), your Lifetime Withdrawal Guarantee will be exercised, and the Contract will move into the Withdrawal Phase. If you do not wish to exercise your Living Benefit Guarantee, at the time the withdrawal is requested, you must request that the withdrawal be treated as an Early Access Withdrawal. The Contract will then remain in the Deferral Phase. If you are not yet eligible for the Lifetime Withdrawal Guarantee at the time the withdrawal is requested, the 72 (q)/(t) withdrawal will be automatically treated as an Early Access Withdrawal.

72 (q)/(t) withdrawals do not receive any special treatment under the Rider. If you take them as Early Access Withdrawals, the Withdrawal Benefit Base will be reduced as outlined under the "Effect of Early Access Withdrawals on Withdrawal Benefit Base" subsection of Section 11.9 — "Withdrawal Options under the Rider — Deferral Phase." If 72 (q)/(t) withdrawals are taken under the Living Benefit Guarantee and the amount of the withdrawal exceeds the Guaranteed Annual Withdrawal Amount, it will be subject to an Excess Withdrawal treatment.

At the end of your 72 (q)/(t) withdrawal period, withdrawal options are available to you if you wish to continue receiving distributions. You will be contacted in writing about your withdrawal options. If no response is received, distributions will end after your last 72 (q)/(t) payment.

11.15. Investment Allocation Options

Investment limitations and restrictions will be effective on the Rider Effective Date (as applicable to the Fixed Account) or the day the Contract enters the Withdrawal Phase (as applicable to the Separate Account). Once the investment allocation restrictions become effective, you must choose new allocations that satisfy the investment restrictions. If you attempt to allocate to Subaccounts which are not on the list of available options described below or to the Fixed Interest Options, or if you do not specify a change to your allocations when you enter the Withdrawal Phase, the Company will move the funds from Subaccounts which are not on the list to the Money Market Subaccount. You may specify a new allocation among Subaccounts on the list of available options at any time.

If you terminate the Rider, you will no longer be subject to investment allocation limitations and restrictions.

The Fixed Account

Fixed Interest Options are not available with the presence of this Rider. Purchase Payments or transfers directed to the Fixed Interest Options will not be accepted.

The Separate Account

Upon entering the Withdrawal Phase of the Rider, you will be subject to limitations and restrictions on your right to allocate Contract Value among the Subaccounts, your right to request transfers between Subaccounts and your right to allocate Purchase Payments to Subaccounts. We reserve the right to add or change limitations and the way we administer them in the future, as well as to enforce limitations and restrictions in the Deferral Phase. Any change to investment options, limitations, or restrictions will be communicated to the Contract Owner 60 days prior to the date such change becomes effective, and the changes may apply to existing and new purchasers of this benefit.

The list of Subaccounts available as investment options in the Withdrawal Phase of the Rider is limited. This list is subject to change, and you will be notified in writing 60 days prior to any such change. The restrictions in place allow you to allocate your Purchase Payments to, and make transfers between, the following Subaccounts only:

Penn Series Funds, Inc.	Adviser / Sub-Adviser
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
Index 500 Fund	SSGA Funds Management, Inc.
Small Cap Index Fund	SSGA Funds Management, Inc.
Developed International Index Fund	SSGA Funds 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

Purchase Payments or transfers directed to the Subaccounts that are not listed above will not be accepted.

11.16. What if the Withdrawal Benefit Base or Contract Value is reduced to zero?

Effect of Withdrawal Benefit Base reducing to Zero

If the Withdrawal Benefit Base reduces to zero, and the Contract Value is greater than zero, the Withdrawal Benefit Base will be reset to the Contract Value on the next Contract Anniversary, unless the Contract Owner sends a written notice to the Company requesting to terminate the Rider. Upon this reset, the Guaranteed Annual Withdrawal Amount will be recalculated, and the guarantee will continue based on the recalculated values. A new Inflation Increase Period will begin at the time the Withdrawal Benefit Base is reset to the Contract Value, depending on the current Contract phase.

If the Withdrawal Benefit Base reduces to zero, and the Contract Value also reduces to zero, the Contract will be terminated.

Effect of Contract Value Reducing to Zero

If the Contract Value is reduced to zero and any benefits are due under the Living Benefit Guarantee, payments will continue according to the guarantee as described below. No Subsequent Purchase Payments will be accepted once the Contract Value is reduced to zero.

If the Contract Value reduces to zero in the **Deferral Phase**:

- If the Withdrawal Benefit Base is greater than zero and you are eligible for the Living Benefit Guarantee, and the Lifetime Withdrawal Guarantee is available (based on age of the younger Covered Life), the Contract will be annuitized using the Lifetime Withdrawal Guarantee. The Guaranteed Annual Withdrawal Amount will be determined based on the Withdrawal Benefit Base at the time of Annuitization and the then applicable Lifetime Withdrawal Rate (based on age of the younger Covered Life). The Lifetime Withdrawal Rate is based on the Age-Based Lifetime Withdrawal Rate and Waiting Bonus (if applicable) at the time the Contract Value is reduced to zero. Inflation Increases will no longer be credited to the Withdrawal Benefit Base after the Contract Value is reduced to zero in the Deferral Phase.

- If the Withdrawal Benefit Base is greater than zero and you are eligible for the Living Benefit Guarantee, but the Lifetime Withdrawal Guarantee is not available (based on age of the younger Covered Life), the Contract will be annuitized using the Standard Withdrawal Guarantee. The Guaranteed Annual Withdrawal Amount will be determined based on the Withdrawal Benefit Base at the time of Annuitization and the lowest available Standard Withdrawal Rate. Inflation Increases will no longer be credited to the Withdrawal Benefit Base after the Contract Value is reduced to zero in the Deferral Phase.

- If the Withdrawal Benefit Base is greater than zero but you are not yet eligible for the Living Benefit Guarantee (based on age of the younger Covered Life), the Contract will be terminated.

- If the Withdrawal Benefit Base also goes to zero, the Contract will be terminated.

If the Contract Value reduces to zero in the **Withdrawal Phase under the Standard Withdrawal Guarantee:**

- If the Standard Withdrawal Benefit Balance is greater than zero, the Contract will be annuitized at the Guaranteed Annual Withdrawal Amount using the Withdrawal Benefit Base at the time of Annuitization and the Standard Withdrawal Rate. Payments will continue until the Standard Withdrawal Benefit Balance is reduced to zero or for the lifetime of the last surviving Covered Life(ves) (whichever ends earlier). Inflation Increases will still be credited to the Withdrawal Benefit Base.

- If the Standard Withdrawal Benefit Balance also reduces to zero, the Contract will be terminated.

If the Contract Value reduces to zero in the **Withdrawal Phase under the Lifetime Withdrawal Guarantee:**

- If the Withdrawal Benefit Base is greater than zero, the Contract will be annuitized at the Guaranteed Annual Withdrawal Amount using the Withdrawal Benefit Base at the time of Annuitization and the Lifetime Withdrawal Rate. Payments will continue for the lifetime of the Covered Life(ves). Inflation Increases will be credited until the end of the Lifetime Withdrawal Guarantee Inflation Increase Period.

- If the Withdrawal Benefit Base also reduces to zero, the Contract will be terminated.

11.17. What happens on the Annuity Date under the Rider?

The Annuity Date is specified in your Contract, and may be changed by your written request. On the Annuity Date, the Contract Value must be annuitized (please, see Section 6 — "The Annuity Payout Period").

If the Inflation Protector Withdrawal Benefit Rider is in effect on the Annuity Date described in your Contract, you will be offered an annuitization option which guarantees annuity payments in an amount at least equal to your Guaranteed Annual Withdrawal Amount. You may choose among the following options at annuitization:

(1) Surrender the Contract and receive a Surrender Value,

(2) Apply the Contract Value to any of the Annuity Options described in the "Annuity Options" section of the Contract,

(3) Annuitize your Contract under the terms of the Rider.

If the Contract is surrendered or if the Contract Value is applied to an Annuity Option described in the Contract, the Living Benefit Guarantee will expire. If the Contract is annuitized under the terms of the Rider, the annuity payments will continue according to the elected Living Benefit Guarantee withdrawal option.

Annuitization under the terms of the Rider. Under the terms of the Rider, if both the Contract Value and the Withdrawal Benefit Base are greater than zero on the Annuity Date, your Contract will be annuitized as follows:

- If the Contract is in the **Deferral Phase** as of the Annuity Date, and the Lifetime Withdrawal Guarantee is available based on the age of the younger Covered Life, it will be annuitized under the Lifetime Withdrawal Guarantee at the Guaranteed Annual Withdrawal Amount using the Lifetime Withdrawal Rate applicable at the time of annuitization. The Lifetime Withdrawal Rate is based on the Age-Based Lifetime Withdrawal Rate and Effective Waiting Bonus (if applicable) at the time of annuitization. This amount will be payable annually during the lifetime of the last surviving Covered Life. After Annuitization, Inflation Increases and Step-Ups will no longer apply.

- If the Contract is in the **Deferral Phase** as of the Annuity Date, but the Lifetime Withdrawal Guarantee is not available based on the age of the younger Covered Life, the Contract will be annuitized using the Standard Withdrawal Guarantee. The Guaranteed Annual Withdrawal Amount will be determined based on the Withdrawal Benefit Base at the time of Annuitization and the lowest available Standard Withdrawal Rate. This amount will be payable annually until the Standard Withdrawal Benefit Balance is reduced to zero or the lifetime of the last surviving Covered Life, whichever is earlier. After Annuitization, Inflation Increases and Step-Ups will no longer apply.

- If the Contract is in the **Deferral Phase** as of the Annuity Date, but the Lifetime Withdrawal Guarantee is not available based on the age of the younger Covered Life and the Standard Withdrawal Guarantee is not available based on the age of the younger Covered Life, the Contract will be annuitized according to the terms of the Contract.

- If the Contract has entered the Withdrawal Phase under the **Lifetime Withdrawal Guarantee**, it will be annuitized at the Guaranteed Annual Withdrawal Amount effective at the time of Annuitization. This amount will be payable annually during the lifetime of the last surviving Covered Life. After Annuitization, Inflation Increases and Step-Ups will no longer apply.

- If the Contract has entered the Withdrawal Phase under the **Standard Withdrawal Guarantee**, it will be annuitized at the Guaranteed Annual Withdrawal Amount using the

Standard Withdrawal Rate. This amount will be payable annually for the Standard Withdrawal Period Remaining or the lifetime of the last surviving Covered Life, whichever is earlier. The Standard Withdrawal Period Remaining is based on the ratio of the Standard Withdrawal Benefit Balance to the Standard Annual Reduction at the time of Annuitization, rounded up to the next integer. After Annuitization, Inflation Increases and Step-Ups will no longer apply.

You must select an Annuity Option at least 30 days prior to the Annuity Date. If the Inflation Protector Withdrawal Benefit Rider is in effect when the maximum maturity date has been reached, and you did not specify an option you wish to exercise, your Contract will be annuitized under the conditions of the Rider.

When your Contract is annuitized, your payment schedule and the amount are fixed and cannot be altered. You will not be able to change to a different Annuity Option after the Contract is annuitized.

If the Contract is annuitized based on the Rider's Living Benefit Guarantee, the Death Benefit is no longer payable. Also, any favorable treatment of RMD withdrawals under the Rider no longer applies, as such distributions are no longer required. If the remaining payments due each Contract Year are less than $100, the remaining annuity payments will be commuted and a lump sum will be paid.

Annuitization under the Rider provisions vary in certain states — please see "Appendix B: State Variations" for details.

11.18. What happens upon death under the Rider?

The Inflation Protector Withdrawal Benefit Rider will terminate upon the death of the sole Covered Life for a Single Life Guarantee, or later death of both Covered Lives for a Joint Life Guarantee. The death benefit will then be distributed according to the death settlement options available under the terms of the Base Contract.

If the sole Annuitant dies, and there is a Joint Life Guarantee, the surviving Covered Life (as sole primary Beneficiary) may take the Standard Death Benefit payout and thus terminate the Rider. The Surviving Covered Life may also continue the Rider as-is, if permitted by federal law (continuation of the Contract is subject to distribution requirements upon the Contract Owner's death according to IRS regulations).

Upon Contract Owner's death, Contract Value will be payable to the Beneficiary and both the Contract and the Rider will terminate, unless there is a surviving Covered Life, who, as sole primary Beneficiary, continues the Contract (under Spousal Step-In) and the Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

11.19. Removing the Inflation Protector Withdrawal Benefit Rider from your Contract

You can cancel the Inflation Protector Withdrawal Benefit Rider any time on or after the third Contract Anniversary by sending a written request to the Company to do so. All charges for the Rider, Investment Allocation Restrictions and guaranteed payments will cease upon Rider termination.

11.20. Termination of the Inflation Protector Withdrawal Benefit Rider

Upon the earliest of the following, the Inflation Protector Withdrawal Benefit Rider will be terminated, but the Contract will remain in force:

(1) At any time on or after the third Contract Anniversary, immediately following receipt by the Company of a written request by the Contract Owner to discontinue the Rider;

(2) Upon a change in ownership (or assignment) of the Contract unless:

(a) The new Contract Owner or assignee assumes full ownership of the Contract and is essentially the same person, such as:

(i) an individual ownership changed to a personal revocable trust, or

(ii) an eligible spousal Beneficiary who is also the surviving Covered Life elects to become the successor Owner of the Contract and the Rider upon Contract Owner's death, or

(iii) a change to the Contract Owner's spouse during the Contract Owner's lifetime, or

(iv) a change to a court appointed guardian representing the Contract Owner during the Contract Owner's lifetime; or

(b) The assignment is for the purposes of effectuating a 1035 exchange of the Contract.

(3) Spousal Step-In of a Contract with a Single Life Guarantee upon the Contract Owner's death (where the Contract Owner is the sole Covered Life);

(4) Termination of the Enhanced Death Benefit (if purchased together with this Rider);

(5) Annuitization under the Base Contract.

Upon Rider termination:

- Charges for the Rider stop accruing (accrued but un-assessed rider charges will be deducted on the next applicable date when Rider Charges are deducted),
- Investment Allocation restrictions no longer apply, and
- Guaranteed minimum withdrawals available under the Rider will terminate.

If the Contract is terminated, the Rider will also terminate. Both the Contract and the Rider will terminate upon the earlier of:

(a) Full surrender of the Contract;

(b) Death of the Covered Life for a Single Life Guarantee, or the later death of both Covered Lives for a Joint Life Guarantee;

(c) Standard Death Benefit is paid to surviving Covered Life (as sole primary Beneficiary) upon the death of the sole Annuitant with a Joint Life Guarantee (where the deceased Annuitant is one of the Covered Lives);

(d) Contract Value is paid as a death settlement upon the death of the Contract Owner (who is one of the Annuitants and one of the Covered Lives under the Joint Life Guarantee), but the surviving Annuitant / Covered Life is not permitted to continue the Contract by federal law;

(e) The Contract Value is reduced to zero and the Withdrawal Benefit Base is also reduced to zero;

(f) The Contract Value is reduced to zero and you are not eligible for a Living Benefit Guarantee based on your age as defined in your Contract, regardless of the value of the Withdrawal Benefit Base.

Termination provisions may vary by state — please see "Appendix B: State Variations" for details.

12. Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders

Combining the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders may not be available in all states. Please check with your financial professional to determine availability.

12.1. Purchasing both the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders with your Contract

You may purchase both the Inflation Protector Withdrawal Benefit and the Enhanced Death Benefit optional benefits at the time you purchase your Contract. This will be referred to as the "Combination Rider" in the section below.

The Combination Rider only covers natural person(s) named in the Contract, and the Covered Life(ves) (up to two) must be named at Contract issue or the Rider Effective Date.

Issue Age Requirements

The strictest issue age requirement of the two stand-alone Riders must be met to purchase the Combination Rider. The Single Life Guarantee is available only if the Covered Life is between the ages of 35 and 75 on the Rider Effective Date. The Joint Life Guarantee is available only if, on the Rider Effective Date, both Covered Lives are between the ages of 35 and 75.

A Covered Life must always meet issue age requirements at time of designation.

Issue age for the Combination Rider is determined by the Age Nearest Birthday of the Covered Life(ves).

Owner / Annuitant Requirements

For a **Single Life Guarantee** to be issued, the Covered Life under the Combination Rider must be the sole Annuitant. The Covered Life must also be a Contract Owner unless the Contract Owner is an entity. Single Life Guarantee is not available if Joint Annuitants are named in the Contract.

For a **Joint Life Guarantee** to be issued, the first Covered Life must be the Annuitant and the second Covered Life must be the Contingent Annuitant or the Joint Annuitant. At least one Covered Life must be a Contract Owner, and any non-Owner Covered Life must be the sole primary Beneficiary. If Covered Lives are both Contract Owners, they must be each other's sole primary Beneficiary. A Joint Life Guarantee may be continued upon Contract Owner's death only if permitted by federal law. A Joint Life Guarantee is not available if the Contract Owner is an entity.

Covered Life(ves) cannot be changed after the Rider Effective Date, except under conditions outlined in "Replacing a Covered Life Under a Joint Life Guarantee" below.

12.2. Single and Joint Life Guarantees

The Combination Rider can be purchased as a Single or Joint Life Guarantee. Under a Single Life Guarantee, all Rider features and benefits are measured using the age and lifetime of the sole Covered Life, and the Enhanced Death Benefit is payable on death of the Covered Life. Under a Joint Life Guarantee, all Rider features are measured using the age of the younger Covered Life. If a Joint Life Guarantee is elected, upon the first death of a Covered Life, the surviving Covered Life can choose to continue the Contract[29] and the

[29] Federal tax regulations may require that a distribution take place upon Contract Owner's death, unless spousal continuation is exercised. If spousal continuation is not exercised or not permitted by the IRS regulations, the applicable death benefit, if any, will be paid out, and both the Contract and the Rider(s) will terminate.

Combination Rider, and the Enhanced Death Benefit will then be payable to the Beneficiary upon the death of the surviving Covered Life. You must specify both Covered Lives in the Application for a Joint Life Guarantee. A death benefit available at the death of the Owner (who is not the sole annuitant) prior to the later death of the Covered Lives is Contract Value only.

If you elect a Joint Life Guarantee for the Inflation Protector Withdrawal Benefit Rider, your Enhanced Death Benefit automatically becomes a Joint Life Guarantee.

Converting a Single Life Guarantee to a Joint Life Guarantee

You cannot convert a Single Life Guarantee to a Joint Life Guarantee. You will not be able to add a Covered Life after the Rider Effective Date.

Converting a Joint Life Guarantee to a Single Life Guarantee

While both Covered Lives are living, if you have not started withdrawals under one of the Living Benefit Guarantee withdrawal options of the Inflation Protector Withdrawal Benefit Rider, and provided that all Owner / Annuitant designation requirements outlined in the Contract are satisfied, you may convert a Joint Life Guarantee to a Single Life Guarantee under the following conditions:

- Death of a Covered Life; or
- Removal of a Covered Life by the Contract Owner(s).

Once the Rider is converted to a Single Life Guarantee, all Single Rider features and benefits provided under the Rider will apply and no additional Covered Life may be added in the future.

If you have started withdrawals under one of the Living Benefit Guarantee withdrawal options of the Rider, the Joint Life Guarantee cannot be converted to a Single Life Guarantee. The Covered Life can be removed from the Contract by the Contract Owner(s) (provided that all Owner / Annuitant requirements are satisfied), but the features and benefits provided under a Joint Life Guarantee will still apply.

Replacing a Covered Life Under a Joint Life Guarantee

If you have not started withdrawals under one of the Living Benefit Guarantee withdrawal options of the Inflation Protector Withdrawal Benefit Rider, and provided that all Owner / Annuitant designation requirements outlined in the Contract are satisfied, a Covered Life may be replaced by the Contract Owner(s). All features and benefits of the Combination Rider will be based on the age of the younger Covered Life (after replacement), and any Covered Life must also meet issue age requirements at the time of designation.

If you have started withdrawals under one of the Living Benefit Guarantee withdrawal options of the Combination Rider, the Covered Life cannot be replaced. The Covered Life can be removed from the Contract by the Contract Owner(s) (provided that all Owner / Annuitant designation requirements are satisfied), but no additional Covered Life may be added in the future, and the features and benefits provided under a Joint Life Guarantee would still apply.

Impact of Divorce

Upon divorce, unless the divorce decree provides otherwise, you have the following options:

(1) change the Combination Rider from a Joint Life Guarantee to a Single Life Guarantee (subject to conditions outlined under "Converting a Joint Life Guarantee to a Single Life Guarantee" above);

(2) keep the Joint Life Guarantee, but replace a Covered Life (subject to conditions outlined under "Replacing a Covered Life under a Joint Life Guarantee" above); or

(3) terminate the Combination Rider, thereby eliminating the Living Benefit Guarantee and the Enhanced Death Benefit.

The Company will attempt to accommodate any other arrangements provided in a divorce decree. Any change or transfer of ownership as a result of divorce is subject to the change in ownership provisions of the Contract.

12.3. What happens upon death under the Combination Rider?

The Combination Rider will terminate upon the death of the sole Covered Life for a Single Life Guarantee, or later death of both Covered Lives for a Joint Life Guarantee. The Death Benefit, including the Death Benefit Enhancement provided by this Rider, will then be distributed as described below.

The Enhanced Death Benefit is payable upon the death of the sole Covered Life under the Single Life Guarantee, or the later death of both Covered Lives under the Joint Life Guarantee. The amount payable is the Death Benefit Enhancement, which is the amount by which the Enhanced Death Benefit Base exceeds the Standard Death Benefit payable under the Contract. The Death Benefit Enhancement amount is determined as of the date our Administrative Office receives proof of death of the Covered Life (both Covered Lives for a Joint Life Guarantee) such as a death certificate or other official document establishing death, and other documents required to process the payment.

If the Enhanced Death Benefit Base is less than or equal to the Standard Death Benefit, no Death Benefit Enhancement is payable. The maximum Death Benefit Enhancement amount we will pay is $1,000,000 (this cap will apply at the time the death benefit is calculated). The Death Benefit Enhancement will be payable before the Annuity Date, until the younger Covered Life under the Rider reaches the Maturity Age, or until the Contract Value reaches zero, if earlier.

Under a Single Life Guarantee:

If the sole Contract Owner is also the sole Annuitant and sole Covered Life, then:

(a) Upon the death of the sole Contract Owner / Annuitant / Covered Life, the death benefit, including any Death Benefit Enhancement payable under the Combination Rider, will be paid to the Contract Owner's Beneficiary. If permitted by federal law, a spouse of the deceased Contract Owner may exercise Spousal Step-In according to the terms of the Contract, but the Combination Rider will terminate.

If the sole Contract Owner is not the sole Annuitant and Covered Life, then:

(a) Upon Annuitant's death where the Contract Owner is an entity, the death benefit, including any Death Benefit Enhancement payable under the Rider, will be paid to the Contract Owner.

On a jointly owned Contract:

(a) Upon death of the sole Annuitant who is the Covered Life under the Combination Rider, the death benefit, including any Death Benefit Enhancement payable under the Combination Rider, will be paid to the surviving Contract Owner, who is deemed to be sole primary Beneficiary under the Beneficiary provision of the Contract. The surviving spousal Contract Owner may also choose to exercise Spousal Step-In according to the terms of the Contract if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death), but the Combination Rider will terminate.

(b) Upon death of the Contract Owner who is not the Annuitant and sole Covered Life, the surviving spousal Contract Owner, who is also the sole Annuitant and the Covered Life under the Combination Rider, may continue the Contract and the Combination Rider if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death). Surviving Contract Owner may also choose to receive the Contract Value[30] as a death settlement.

Under a Joint Life Guarantee:

If the sole Contract Owner is the sole Annuitant, then:

(a) Upon death of the Covered Life who is the sole Annuitant and the Contract Owner, the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Standard Death Benefit (and thus terminate the Contract and the Rider) or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

(b) Upon death of the Covered Life who is designated as the Contingent Annuitant and who is not the Contract Owner, no death benefit is payable, and the Contract Owner may continue the Contract and the Combination Rider as sole Annuitant and Covered Life.

If the sole Contract Owner is the Contingent Annuitant named in the Contract, then:

(a) Upon death of the Annuitant who is not the Contract Owner, the surviving Contract Owner who is also the surviving Covered Life, will become the Annuitant and continue the Contract and the Combination Rider as-is.

(b) Upon death of the Contract Owner who is also the Contingent Annuitant in the Contract, the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Contract Value[32] as a death settlement (and thus terminate the Contract and the Combination Rider), or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

If there is only one Contract Owner and Joint Annuitants are named in the Contract:

(a) Upon death of the Annuitant or Joint Annuitant who is also the Contract Owner, the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Contract Value[32] as a death settlement (and thus terminate the Contract and the Combination Rider), or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death). The Standard Death Benefit is not payable until the later death of Annuitant and Joint Annuitant.

(b) Upon death of the Covered Life who is not the Contract Owner and is named as Annuitant or Joint Annuitant, no death benefit is payable, and the Contract Owner may continue the Contract and Combination Rider as sole Annuitant and Covered Life.

[30] Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected).

On a jointly owned Contract with a sole Annuitant:

(a) Upon death of the sole Annuitant, the surviving Contract Owner, who is also the surviving Covered Life, as sole primary Beneficiary, may choose to receive the Standard Death Benefit (and thus terminate the Contract and the Rider) or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

(b) Upon death of the Contract Owner named as Contingent Annuitant who is also a Covered Life, no death benefit will be paid. The surviving Contract Owner who is the Annuitant and surviving Covered Life may continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death). If continuation is not permitted by federal law, the surviving Contract Owner may receive the Contract Value[31] as the death settlement (and thus terminate the Contract and the Rider).

On a jointly owned Contract with Joint Annuitants:

(a) Upon first death, the surviving Contract Owner who is also the surviving Annuitant and surviving Covered Life, as sole primary Beneficiary, may choose to receive the Contract Value[31] (and thus terminate the Contract and the Combination Rider), or continue the Contract and the Combination Rider as-is if permitted by federal law (subject to IRS requirements for distribution upon Contract Owner's death).

(b) Upon later death, the death benefit, including any Death Benefit Enhancement payable under this Combination Rider, will be paid to the Contract Owner's Beneficiary(ies).

12.4. Rider Charge

If you purchase the Combination Rider, you will pay a reduced charge for the Enhanced Death Benefit Rider. Current and maximum charges, as well as the maximum charge increases, for the Inflation Protector Withdrawal Benefit Rider and the Enhanced Death Benefit Rider when purchased in combination are summarized in the "Rider Charges" subsection of Section 3.2 — "Periodic Charges."

12.5. Investment Allocation Options

If you purchase the Inflation Protector Withdrawal Benefit Rider and Enhanced Death Benefit Rider together, you will be subject to the most restrictive limitation and requirements of the two stand-alone Riders in regards to your right to allocate Contract Value among the Subaccounts, your right to request transfers between Subaccounts and your right to allocate Purchase Payments to Subaccounts. Currently, the Investment Allocation Options available with the Inflation Protector Withdrawal Benefit Rider supersede those of the Enhanced Death Benefit Rider. These options are described in detail in section 11.15 – "Investment Allocation Options."

We reserve the right to add or change limitations and the way we administer them in the future. Any change to investment options, limitations, or restrictions will be communicated to the Contract Owner 60 days prior to the date such change becomes effective, and the changes may apply to existing and new purchasers of this benefit.

If you terminate the Inflation Protector Withdrawal Benefit Rider and Enhanced Death Benefit Rider, which can only be done simultaneously, you will no longer be subject to these limitations and restrictions.

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[31] Less any Purchase Payment Enhancement(s) credited in the 12 months preceding the date our Administrative Office receives proof of death that have not been already forfeited (applies only if the Smart Foundation Plus Base Contract Option is elected).

12.6. Removal or Termination of the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Combination Rider

You can cancel the Combination Rider at any time on or after the third Contract Anniversary. You cannot terminate each Rider independently.

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13. Guaranteed Minimum Accumulation Benefit

13.1. Benefit Overview and Important Information

Benefit Overview

The Guaranteed Minimum Accumulation Benefit (referred to as the "Rider" in section 13 below) is an optional benefit that ensures the availability of a minimum value at the end of the Benefit Period (10 years). Your Contract Value will fluctuate depending on the performance of your selected Subaccounts, and there is a risk of losing value in your Subaccounts, including the possibility of your Contract Value reducing below your initial investment amount. This Rider provides protection of the principal investment, while having the opportunity to periodically lock-in the investment gains.

Contract Owner / Annuitant covered under the Rider will receive the guaranteed return of the Initial Purchase Payment, pro-rated for withdrawals, after the expiration of the Benefit Period (10 years). Subsequent Purchase Payments made in the first Contract Year following the Rider Effective Date, Step-Up, or renewal, are also included.

If the Contract Value is less than the Guaranteed Minimum Accumulation Benefit Base at the end of the Benefit Period, the Contract Value will be increased to equal the Guaranteed Minimum Accumulation Benefit Base. Additionally, the Rider provides the option to periodically lock in market gains and extend the Benefit Period.

Important Information about the Rider:

- The Rider is an optional benefit added to your Contract. The Rider provides various benefits described in this prospectus for an additional charge.
- The Guaranteed Minimum Accumulation Benefit may not be added to a Smart Foundation Flex Variable Annuity contract purchased on or after May 27, 2016.
- The Rider Charges are non-refundable, whether or not your Guaranteed Minimum Accumulation Benefit Base exceeds the Contract Value while the Rider is in effect or at the end of the Benefit Period.
- Withdrawals taken to satisfy the Required Minimum Distribution requirements do not receive any special treatment under the Rider.
- All withdrawals will reduce your Contract Value and the Guaranteed Minimum Accumulation Benefit Base.
- Withdrawals may reduce future benefits by more than the dollar amount of the withdrawal, and may result in one or more of the following:

  (1) a permanent reduction in your Guaranteed Minimum Accumulation Benefit;

  (2) termination of the Rider;

  (3) termination of the Contract.

13.2. Purchasing the Guaranteed Minimum Accumulation Benefit with your Contract

You may purchase a Guaranteed Minimum Accumulation Benefit Rider as part of your Contract at the time the Contract is issued or on any Contract Anniversary after your Contract is issued as long as we receive written notice of your intention to do so. Written notice must be received by The Penn Mutual Life Insurance Company, Customer Service Group, PO Box 178, Philadelphia, Pennsylvania 19105, at least 30 calendar days prior to your Contract Anniversary.

This Rider may not be purchased in combination with any other Rider described in this prospectus.

The Rider Effective Date will be the Contract Date, or the Contract Anniversary following the date the request to issue the Rider after the Contract Date is approved by the Company.

Issue Age Requirements

Maximum issue age for the Guaranteed Minimum Accumulation Benefit Rider is 85. The Contract Owner / Annuitant must satisfy this requirement on the Rider Effective Date. Issue age is determined by the Age Nearest Birthday.

Owner / Annuitant Requirements

The Rider can only be purchased as a Single Life Guarantee and will cover the natural person named in the Contract as Contract Owner / Annuitant. If the Contract Owner is a natural person, the Contract Owner must be the Annuitant. If the Contract Owner is an entity, the Rider will cover the Annuitant. All Rider features and benefits are measured using the age and lifetime of the Contract Owner / Annuitant. The Rider is not available if Joint Contract Owners or Joint Annuitants are named in the Contract.

13.3. Guaranteed Minimum Accumulation Benefit Base

The Guaranteed Minimum Accumulation Benefit Base will be initially set equal to the Contract Value on the Rider Effective Date, and the Benefit Period will begin.

If the Guaranteed Minimum Accumulation Benefit Base exceeds the Contract Value at the end of the Benefit Period, the Company will increase the Contract Value so that it equals the Guaranteed Minimum Accumulation Benefit Base. At the end of the Benefit Period, the Contract Owner can elect to receive the Guaranteed Minimum Accumulation Benefit or renew the Rider for a new Benefit Period. Benefit Period duration is 10 years.

Optional Step-up of the Guaranteed Minimum Accumulation Base

You can lock-in the investment gains by electing to increase the Guaranteed Minimum Accumulation Benefit Base through the use of the Step-Up.

The Step-Up benefit is the increase of the Guaranteed Minimum Accumulation Benefit Base to an amount equal to 100% of the Contract Value. The Guaranteed Minimum Accumulation Benefit provides an optional Step-Up benefit, so your Guaranteed Minimum Accumulation Benefit Base will not Step-Up automatically. In order to elect a Step-Up, you must send a written notice to the following address: The Penn Mutual Life Insurance Company, Customer Service Group, PO Box 178, Philadelphia, Pennsylvania 19105. This written notice must be received by us 30 days prior to the Contract Anniversary on which you are eligible for a Step-Up Benefit.

Your first Step-Up opportunity is available on the 5th anniversary after the Rider Effective Date. If you do not elect a Step-Up at the first opportunity, you will be able to do so the following Contract Anniversary. An additional Step-Up benefit can be elected on or after the 5th anniversary of the most recent Step-Up.

Electing a Step-Up of the Guaranteed Minimum Accumulation Benefit resets the Benefit Period for another 10 years from the Step-Up date.

Effect of Withdrawals on the Guaranteed Minimum Accumulation Base

The Guaranteed Minimum Accumulation Benefit Base will be reduced by a proportional amount for any withdrawals of the Contract Value during the Benefit Period. The reduction amount will be equal to the withdrawal amount[32] multiplied by the ratio of (1) and (2) where:

(1) is the Guaranteed Minimum Accumulation Benefit Base immediately prior to the withdrawal, and

(2) is the Contract Value immediately prior to the withdrawal.

The reduction in the Guaranteed Minimum Accumulation Benefit Base will occur as of the date of each applicable withdrawal.

Effect of Additional Purchase Payments on the Guaranteed Minimum Accumulation Base

Subsequent Purchase Payments received during the first Contract Year of the Benefit Period[33] will be added to the Guaranteed Minimum Accumulation Benefit Base dollar-for-dollar. Subsequent Purchase Payments received after the first Contract Year of the Benefit Period[33] will not be added to the Guaranteed Minimum Accumulation Benefit Base.

Effect of Purchase Payment Enhancements on the Guaranteed Minimum Accumulation Benefit Base

This section only applies if you have the Purchase Payment Enhancement Option of the Base Contract. Purchase Payment Enhancements will be included in the Guaranteed Minimum Accumulation Base whenever the Purchase Payments are included:

- The Guaranteed Minimum Accumulation Base will be initially set equal to the Contract Value on the Rider Effective Date, which will also include any Purchase Payment Enhancements;

- Subsequent Purchase Payments (and associated Purchase Payment Enhancements) received during the first Contract Year of the Benefit Period[33] will be added to the Guaranteed Minimum Accumulation Benefit Base dollar-for-dollar.

Please, see "Effect of Subsequent Purchase Payments on Guaranteed Minimum Accumulation Benefit" example in "Appendix A: Numerical Examples."

13.4. Rider Charge

There is an additional charge for the Guaranteed Minimum Accumulation Benefit.

The Rider Charge for this benefit, to be assessed annually, will be a percentage of the monthly Contract Value that is allocated to the Subaccounts. The Current Rider Charge for this Rider is 0.60%. The Maximum Rider Charge is 1.00%. Please refer to the "Contract Owner Periodic Expenses" subsection of "FEE TABLES" section of this prospectus for the summary of charges, or to the "Rider Charges" subsection of Section 3.2 — "Periodic Charges" for more details.

The effective annual Rider Charge may be increased upon elected Step-Up, but will not be greater than the current charge applicable to the class of Contract Owners then electing the Rider. The Contract Owner can

32 Including the amount of any Purchase Payment Enhancement forfeited as a result of the withdrawal (applies only if the Smart Foundation Plus Base Contract Option is elected).

33 Benefit Period starts on the Rider Effective Date, and can be renewed at the expiration or upon Step-Up.

reject the Rider Charge increase by not electing the Step-Up, or terminating the Rider by sending, at least 30 days prior to a Contract Anniversary, a written request to the Company to do so. If the Rider Charge increase is rejected, the Contract Owner can elect a Step-Up on a future Contract Anniversary. Future Rider Charges will be the same as the charges applied to the class of Contract Owners electing the benefit at that time.

If you make a full surrender of your Contract before the charges for any Riders have been deducted, your Contract Value will be reduced by the accrued Rider Charges, plus any applicable Surrender Charge. **In addition, upon payment of the Death Benefit associated with the Contract, the Death Benefit payable will be reduced by the accrued Rider Charges.** No Rider Charge will be imposed upon Annuitization.

Rider Charges will be deducted until the Annuity Date. The Rider Charge will be deducted from the Subaccounts of the Variable Account, pro-rated for the fund allocation at the time of deduction.

13.5. Investment Allocation Options

The Company reserves the right to make the availability of the Guaranteed Minimum Accumulation Benefit contingent upon the investment of the entire Contract Value according to an asset allocation program established by the Company for the full benefit period. At the present time, no asset allocation program is required for this Rider. If the Company requires an asset allocation program in the future, the asset allocation program will only apply to new purchasers of this benefit.

13.6. Required Minimum Distributions and the Guaranteed Minimum Accumulation Benefit

There is no special treatment of Required Minimum Distributions under the Guaranteed Minimum Accumulation Benefit Rider.

13.7. What happens at the end of the Benefit Period?

At the end of the Benefit Period, the Contract Owner can elect to renew the Guaranteed Minimum Accumulation Benefit for a new Benefit Period. The Guaranteed Minimum Accumulation Benefit Base will be increased to the Contract Value at the time of renewal, if higher.

You can also surrender the Contract and the Rider, and receive the greater of the Guaranteed Minimum Accumulation Base or the Contract Value, as of the end of the Benefit Period. Surrender Charges will apply to any Subsequent Purchase Payments that are not out of the Surrender Charge Period.

13.8. What if the Benefit Base or Contract Value goes to zero?

If the Guaranteed Minimum Accumulation Benefit Base goes to zero, the Guaranteed Minimum Accumulation Benefit Rider will be terminated.

If the Contract Value goes to zero, but the Guaranteed Minimum Accumulation Benefit Base is still positive, your benefit will continue until the end of the Benefit Period. At the end of the Benefit Period, your Contract Value will be set equal to the Guaranteed Minimum Accumulation Benefit Base. At this point, you can either surrender the Contract at the newly established value, or you can renew the Rider at the same value.

13.9. What happens on the Annuity Date under the Rider?

When you purchase the Guaranteed Minimum Accumulation Benefit, your Annuity Date must be after the end of your Benefit Period. If you change the Annuity Date so that it is before the end of the Benefit Period, your Contract will be annuitized at the Contract Value, the Guaranteed Minimum Accumulation Benefit will be terminated, and the charges for this benefit will not be refunded.

13.10. What happens upon death under the Rider?

Upon the death of the Contract Owner / Annuitant, the Guaranteed Minimum Accumulation Benefit will terminate.

13.11. Removing the Guaranteed Minimum Accumulation Benefit from your Contract

You can cancel the Guaranteed Minimum Accumulation Benefit Rider at any time on or after the first Contract Anniversary by sending a written request to the Company to do so.

13.12. Termination of the Guaranteed Minimum Accumulation Benefit

Upon the earliest of the following, the Guaranteed Minimum Accumulation Benefit will be terminated:

(1) At the end of the Benefit Period if the Guaranteed Minimum Accumulation Benefit is not renewed;

(2) At any time on or after the first Contract Anniversary immediately following receipt by the Company of a written request by the Contract Owner to discontinue the Rider;

(3) Annuitization under the Base Contract;

(4) Full surrender of the Contract;

(5) Date of death of the Contract Owner / Annuitant;

(6) Spousal Step-In of a Contract upon the Contract Owner's death;

(7) The Guaranteed Minimum Accumulation Benefit Base is reduced to zero.

All charges for the Rider will cease upon Rider termination. If the Contract is terminated, the Rider will also terminate.

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14. Taxes

14.1. Federal Income Tax Considerations

The following is a general summary of some federal income tax considerations generally applicable to Contracts owned by natural persons. This general summary of federal income tax does not address every issue that may affect you. It is based on the law in effect on the date of this prospectus, which may change, and does not address state or local tax laws. For further information, you should consult qualified tax counsel.

You pay no federal income tax on increases in the value of your Contract until money is distributed to you or your Beneficiary as a withdrawal, death benefit or an annuity payment.

Early Withdrawals

An additional federal income tax of 10% may be imposed on the taxable portion of an early withdrawal prior to age 59 $^{1}/_{2}$ unless one of several exceptions applies. Please see Section 4.5 — "Substantially Equal Periodic Payments under Code Section 72(q) or 72(t)" and Sections 9.11 and 11.14, each titled "72(q)/(t) Considerations," for more information. Generally, there will be no additional income tax on:

- early withdrawals that are part of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the taxpayer or the joint lives (or joint life expectancies) of the taxpayer and a Beneficiary;

- withdrawals made on or after age 59 1/2;

- distributions made on or after death; or

- withdrawals attributable to disability, as determined under the Code.

If you receive systematic payments that you intend to qualify for the "substantial equal periodic payments" exception described above, any modification (except due to death or disability) to your systematic payments before the age of 59 ½ or within five years after the beginning of those payments, whichever is later, will result in the retroactive imposition of the 10% additional income tax with interest.

Other exceptions to taxes imposed on early withdrawals in this context may apply, potentially including exceptions that the Internal Revenue Service has provided in connection with the COVID-19 pandemic. You should consult a tax advisor to determine if an early withdrawal will result in the imposition of a 10% penalty tax.

Multiple Contracts

All nonqualified Contracts that are issued by Penn Mutual to the same Contract Owner during any calendar year are treated as one annuity for purposes of determining the amount includable in such Contract Owner's taxable income when a taxable distribution (other than an annuity payment) occurs. A Nonqualified Contract is generally a Contract that does not qualify for favorable tax treatment as a qualified plan (described in more detail below), individual retirement annuity ("IRA"), Roth IRA, Simplified Employee Pension IRA, or tax-sheltered annuity.

Ownership

Subject to certain exceptions, a Contract must be held by or on behalf of a natural person in order to be treated as an annuity contract under federal income tax law and to be accorded the tax treatment described in the preceding paragraphs. If a Contract is not treated as an annuity contract for federal income tax purposes, the income on the Contract is treated as ordinary income received or accrued by the Contract Owner during the taxable year.

Transfer of Ownership

You may pay federal income taxes if you transfer the ownership of your Contract to someone else. If the transfer is for less than adequate consideration, the taxable portion would be the Contract Value at the time of transfer in excess of the investment in the Contract at such time. This rule does not apply to ownership transfers between spouses or to transfers incident to a divorce.

Separate Account Diversification

Section 817(h) of the Code provides that the investments of a separate account in which a Contract invests (underlying a variable annuity contract which is not purchased under a qualified retirement plan or certain other types of plans or the investments of a mutual fund, the shares of which are owned by the variable annuity separate account) must be "adequately diversified" in order for the Contract to be treated as an annuity contract for tax purposes. 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 each 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 Contract Owner will be considered the owner of Separate Account assets if the Contract Owner possesses incidents of ownership in those assets, such as the ability to exercise investment control over the assets. If a variable Contract Owner is treated as an owner of separate account assets, income and gain from the assets would be includable in the variable Contract Owner's gross income. The Treasury Department has indicated that, in regulations or revenue rulings under Section 817(d) (relating to the definition of a variable contract), it would provide guidance on the extent to which Contract Owners may direct their investments to particular Subaccounts without being treated as owners of the underlying shares. No such regulations have been issued to date. The Internal Revenue Service 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 contract being treated as the owner of the assets in the subaccount under the investment control doctrine.

The ownership rights under your Contract 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 Contract Owners were not owners of the Subaccount assets. Although we do not believe this to be the case, these differences could result in Contract Owners being treated as the owners of the assets of the Subaccounts under the Contract. We, therefore, reserve the right to modify the Contract as necessary to attempt to prevent the owners of the Contract from being considered the owners of a pro-rata share of the assets of the Subaccounts under the Contract. It is possible that if regulations or additional rulings are issued, the Contracts may need to be modified to comply with them.

14.2. Qualified and Non-Qualified Contracts

Non-qualified Annuity Payments

The non-taxable portion of a non-qualified annuity payment generally is determined by multiplying the payment by the ratio of the investment in the Contract (as adjusted for any refund feature) to the expected return under the Contract. The remaining portion is taxed at ordinary income tax rates. Once you have recovered the investment in the Contract, further annuity payments are taxable at ordinary income rates.

If your nonqualified Contract contains a Guaranteed Growth and Income Benefit Rider or an Inflation Protector Withdrawal Benefit Rider, it is not clear whether payments made during the Withdrawal Phase will be taxed as withdrawals or annuities. Consult a tax advisor before purchasing this Contract with such a Rider. IRA annuities in the income (payout) phase are subject to tax. Roth IRA annuities may be tax-free if it is a qualified distribution as explained below.

IRA and Qualified Annuities

Generally, unless you have a cost basis, all withdrawals and death benefits paid are subject to federal income taxation.

Roth IRA Annuities

Generally, you do not include in your gross income qualified distributions (see below) or distributions that are a return of your annual contributions from your Roth IRA.

Qualified distributions are any payments or distributions from your Roth IRA that meet both of the following requirements:

i) payment or distribution is made after the 5-year period beginning with the first taxable year for which a contribution was made to a Roth IRA established for your benefit, and

ii) payment or distribution is:

   a. made on or after the date you reach age 59 $^{1}/_{2}$

   b. made because you are disabled,

   c. made to a Beneficiary or to your estate on or after your death, or

   d. one that meets the requirements for the first-time home buyer exception to the tax on early distributions as described below (up to a $10,000 lifetime limit).

14.3. Premium Taxes

Some states and municipalities impose premium taxes on Purchase Payments received by insurance companies. Generally, any premium taxes payable will be deducted upon Annuitization, although we reserve the right to deduct such taxes when due in jurisdictions that impose such taxes on Purchase Payments. Currently, state premium taxes on Purchase Payments range from 0% to 3.5%.

14.4. Taxation of Withdrawals and Death Benefits

For U.S. federal income tax purposes, you may pay tax on a withdrawal, and your Beneficiary may pay tax on a death benefit. These payments generally will be taxable to the extent the cash value of your Contract exceeds your investment in the Contract. Ordinary income tax rates apply. If you designate a Beneficiary who is either a family member or two or more generations below you, or a person (other than a spouse) more than 37 1/2 years younger than you, you may be subject to the Generation Skipping Transfer Tax under Section 2601 of the Code.

In the case of a non-qualified Contract and death of an Annuitant who was not the Contract Owner, an election by the Beneficiary to receive the death benefit in the form of Annuity Payment must be made within 60 days. If such election is not made, the gain from the Contract will generally be taxed as a lump sum payment as described above.

14.5. Required Minimum Distributions

Required Minimum Distributions (RMDs) generally are minimum amounts that participants in qualified retirement plans and owners of individual retirement arrangements (IRAs) must withdraw each year following the calendar year that he or she reaches the required age (age 72 effective January 1, 2020). Failure to make RMDs may result in a 50% tax on the amount of the required distribution. Please, refer to Section 4.4 — "Required Minimum Distributions" for more information about the special treatment of RMDs under the Base Contract, and the appropriate subsection of the rider section that applies to you.

14.6. Withholding

Generally, for purposes of a nonqualified annuity or rollover IRA qualified under Section 408(b), unless the Contract Owner elects to the contrary and properly notifies the Company of that election, any amounts that are received under the Contract that the Company believes are includable in gross income for tax purposes will be subject to mandatory withholding to meet federal income tax obligations.

14.7 Medicare Contribution Tax

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 that are includable in gross income are considered net investment income. Income from annuities that are part of a qualified retirement plan are not treated as investment income for the purpose of this tax but may be includible for purposes of determining whether the applicable income limits are exceeded for purposes of this tax.

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15. Other Information

15.1. Contact Information

The information below lists the various ways by which you can contact Penn Mutual Customer Service, depending on your inquiry. Contact your Penn Mutual financial professional with questions or requests for information.

By Mail:

Application and Initial Purchase Payment should be sent as follows:

Penn Mutual Life Insurance Company
Annuity New Business — C2L
600 Dresher Road
Horsham, Pennsylvania 19044

All Subsequent Purchase Payments should be sent as follows:

Checks sent by regular mail:
Penn Mutual Life Insurance Company
Payment Processing Center
PO Box 9773
Providence, Rhode Island 02940-9773

Checks sent by overnight delivery:
Penn Mutual Life Insurance Company
Payment Processing Center
4400 Computer Drive
Westborough, Massachusetts 01581

All requests should be sent as follows:

New Business requests sent by regular mail:
Penn Mutual Life Insurance Company
C/O Annuity New Business — C2L
PO Box 178
Philadelphia, Pennsylvania 19105

Customer Service requests sent by regular mail:
Penn Mutual Life Insurance Company
C/O Annuity Services — C3R
PO Box 178
Philadelphia, Pennsylvania 19105

New Business or Customer Service requests sent by overnight delivery:
The Penn Mutual Life Insurance Company
600 Dresher Road
Horsham, Pennsylvania 19044

All death claims should be sent as follows:

Penn Mutual Life Insurance Company
C/O Claim Services — C3X
PO Box 178
Philadelphia, Pennsylvania 19105

By Phone:

You can call Customer Service with any inquiries or contract needs. An interpretation service is available for clients in more than 100 languages.

Toll-Free Customer Service
1-800-523-0650
Monday — Friday, 8:30 a.m. to 6:00 p.m., Eastern Time

Automated Phone Service
1-800-523-0650
Monday — Friday, 7:00 a.m. to 12:00 midnight, Eastern Time
Saturday & Sunday, 8:00 a.m. to 6:00 p.m., Eastern Time

By Fax:

Customer Service Fax Number (215) 956-7699

Via Internet:

You can go to www.pennmutual.com, and click "Customer Service." From this page, you will be able to access the Client Service Center, submit various requests, download forms, and find answers to frequently asked questions.

Customer Service Contacts for New York Contract Owners

Penn Mutual Life Insurance Company
PO Box 170
Philadelphia, Pennsylvania 19105-0170

Toll-Free Customer Service

1-855-446-7393
Monday — Friday, 8:30 a.m. to 6:00 p.m.,
Eastern Time

Requirements for Specific Requests:

You may request the following by calling our toll-free Customer Service number:

- Address change,
- Change Systematic Withdrawal options or discontinue Systematic Withdrawals (setting up Systematic Withdrawals is not allowed by phone),
- Request a fund transfer or a one-time asset-rebalance,
- Elect or discontinue participation in the Dollar Cost Averaging program or change Dollar Cost Averaging allocations,
- Elect or discontinue participation in the Automatic Asset Rebalancing program or change Automatic Asset Rebalancing allocations.

You may request the following by filling out the appropriate form:

- Setup Systematic Withdrawals,
- Setup Required Minimum Distributions,
- Request Contract Owner information changes,
- Request a Beneficiary change,
- Submit a request to terminate the Contract,
- Request Contract changes,
- Submit a death claim.

If you have other questions about your specific transaction, please contact Customer Service.

Written Requests:

Written requests are required from the Contract Owner for the following transactions within the specified time period:

- Request / change annuity date or annuity option: written notice must be received by Administrative Office 30 days before the Annuity date;
- Request a partial withdrawal: a partial withdrawal request form is available from Customer Service;
- Start or stop Systematic Withdrawals: A Systematic Withdrawal request form is available from Customer Service;
- Request a Required Minimum Distribution withdrawal;
- Request a waiver of Surrender Charges under the Medically Related or Disability Related Withdrawal provision of the Contract: Your withdrawal will be processed and Surrender Charges will be waived upon the approval of your waiver request by the Company;

- Request Partial Annuitization: Written notice must be received by Administrative Office at least 60 days prior to the Contract Anniversary, on which you would like the request to be processed;

- Opt out of Automatic Annual Step-Ups of the Withdrawal Benefit Base under the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider (if the Rider Charge is increased): written notice must be received by Administrative Office 30 days before the anniversary on which a Step-Up is scheduled to occur;

- Reinstate Automatic Annual Step-Ups of the Withdrawal Benefit Base under the Guaranteed Growth and Income Benefit Rider or the Inflation Protector Withdrawal Benefit Rider: The Contract Owner must send a written request to the Company, at least 30 days prior to a subsequent Contract Anniversary, to reinstate the Automatic Annual Step-Ups;

- Change an optional benefit from a Joint Life Guarantee to a Single Life Guarantee;

- Discontinue an optional benefit: The Enhanced Death Benefit Rider may be terminated at any time after the first Contract Anniversary, the Guaranteed Growth and Income Benefit Rider and the Inflation Protector Withdrawal Benefit Rider (stand-alone or combined with the Enhanced Death Benefit Rider) may be terminated at any time after the third Contract Anniversary;

- Surrender the Contract: All benefits under the Contract, including any optional benefits, will terminate as of the date of receipt of your written request by Administrative Office;

- Elect an optional Step-Up to the Guaranteed Minimum Accumulation Benefit.

If there is any change to investment options, limitations, or restrictions on Subaccount allocations, we will send a written notification to the Contract Owner 60 days prior to the date such change becomes effective.

15.2. Signatures

Signature of Contract Owner(s) is required on all written notifications and forms.

15.3. Reports

We provide a quarterly statement free of charge. Reports will contain at least the following information:

(a) The beginning and end dates of the current report period;

(b) The Contract Value, if any, at the beginning of the current report period and at the end of the current report period, including information on the Separate Account, the Variable Account Value, the number of Accumulation Units, the value per Accumulation Unit and the Fixed Account Value.

(c) The amounts and types of transactions that have been credited or debited to the account value during the current report period;

(d) The Surrender Value, if any, at the end of the current report period.

Additional status reports will be made available to the Contract Owner upon request for a $25 fee. The following additional status reports are available upon request:

- Reprint of your transaction confirmation,

- Reprint of your latest statement.

15.4. 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.

15.5. 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.

15.6. 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.

15.7. 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 Contract to government agencies or departments.

15.8. 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.

15.9. 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 Contracts. HTK is a wholly -owned subsidiary of Penn Mutual and is located at 600 Dresher Road, Suite C1C, in Horsham, Pennsylvania, 19044. HTK sells the Contracts through its financial professionals. HTK has also entered into selling agreements with other broker-dealers who in turn sell the Contracts through their financial professionals. 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, Inc. ("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 Contracts. 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. Premium-based commissions on Purchase Payments made under the Contract will not exceed 8%.

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 web site 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 contracts.

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 agents 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 Contract 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 Contract, 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.

16. STATEMENT OF ADDITIONAL INFORMATION CONTENTS

17. Appendices

Appendix A: Numerical Examples

Standard Death Benefit

Assume that there is a single initial Purchase Payment of $100,000.

Scenario 1.

Prior to any withdrawals:

Adjusted Net Purchase Payments (total Purchase Payments less the sum of all adjusted withdrawals) = $100,000;

Contract Value = $90,000

A withdrawal in the amount of $10,000 is taken.

Adjusted Net Purchase Payments will be reduced by the adjusted withdrawal amount, which is the greater of (a) and (b) where:

(a) is the amount of each withdrawal; and

(b) is the amount of each withdrawal multiplied by the ratio of (i) and (ii) where:

- (i) is the amount of the Adjusted Net Purchase Payments just before the withdrawal, and
- (ii) is the Contract Value just before the withdrawal.

(a) = $10,000

(b) = $10,000 × ((i) $100,000) / ((ii) $90,000) = $11,111

In this case, (b) = $11,111, is greater than (a) = $10,000. Therefore, the Net Purchase Payments will be reduced by (b) = $11,111. The Adjusted Net Purchase Payments amount after withdrawal will be $100,000 − $11,111 = $88,889.

The Standard Death Benefit after the withdrawal is taken will be equal to the greater of (1) and (2), where:

(1) is the Contract Value = $90,000 − $10,000 = $80,000; or

(2) is the Adjusted Net Purchase Payments = $88,889 (as calculated above).

In this case, (2) is greater, and therefore the Standard Death Benefit will be equal to $88,889.

Scenario 2.

The Contract Value prior to the withdrawal is $120,000. The Standard Death Benefit will be equal to the greater of:

(1) $110,000 ($120,000 less the $10,000 withdrawal)

(2) $100,000 − (Greater of a and b) = $100,000 − $10,000 = $90,000

- (a) $10,000
- (b) $10,000 × ((i) $100,000) / ((ii) $120,000) = $8,333

Standard Death Benefit = $110,000

SURRENDER CHARGES

Suppose you have purchased the Smart Foundation Prime Variable Annuity Base Contract on 01/01/2020. Your Initial Purchase Payment was for $20,000. Assume that you also make an additional Purchase Payment on 01/01/2021 for $30,000.

On 12/01/2022, you take a $30,000 withdrawal. You can access up to 10% of your Total Purchase Payments in the Contract Year without incurring Surrender Charges. The Surrender Charge schedule for the Smart Foundation Prime Variable Annuity is:

Number of full years since Purchase Payment	0	1	2	3	4	5	6	7+
Applicable Surrender Charge	8.0%	7.0%	6.0%	5.0%	4.0%	3.0%	1.5%	0.0%

Total Purchase Payments on 12/01/2022	$50,000
Contract Value on 12/01/2022:	$55,000
Free Withdrawal Amount available on 12/01/2022:	$ 5,000
Withdrawal Amount:	$30,000

The total amount of the withdrawal is greater than the Free Withdrawal Amount available. The withdrawal amount is also greater than the Initial Purchase Payment of $20,000; the remaining $10,000 will be taken out of the additional Purchase Payment. Thus, a Surrender Charge may be applied to both Purchase Payments. The Free Withdrawal Amount, and then the amounts in excess of the Free Withdrawal Amount, will be applied to Purchase Payments on a first-in, first-out basis. The Surrender Charge is calculated as follows:

Number of full years since Initial Purchase Payment:	2
Number of full years since additional Purchase Payment:	1

Surrender Charge = ($20,000 − $5,000) * 6.0% + ($10,000) * 7.0% = $900+ $700 = $1,600

The total Surrender Charge is $1,600.

SMART FOUNDATION PLUS: QUALIFYING FOR HIGHER ENHANCEMENT RATE IN THE FIRST CONTRACT YEAR

Assume that you have a Smart Foundation Plus Base Contract Option and there is a single Initial Purchase Payment on 01/01/2012 of $100,000.

Since the Cumulative Net Purchase Payments amount is less than $150,000, a 4% Purchase Payment Enhancement will be credited to your Contract at the time of the Initial Purchase Payment. This equates to 4.0% * $100,000 = $4,000.

Assume further that you make an additional $80,000 Purchase Payment on 07/01/2012 (in the first Contract Year).

If, during the first Contract Year, your Cumulative Purchase Payments reach the threshold to receive a higher Purchase Payment Enhancement Rate, we will determine if any additional Enhancements will be credited to prior Purchase Payments by taking the difference (if greater than zero) between:

(1) the prior cumulative Purchase Payments paid during the first Contract Year multiplied by the Purchase Payment Enhancement Rate applied to the current Purchase Payment, and

(2) the prior cumulative Purchase Payment Enhancements credited to the Contract during the first Contract Year.

In this case, Cumulative Purchase Payments – now at $180,000 – reaches the threshold for a 5% Enhancement rate during the first Contract Year. Therefore, we determine the difference (as described above) between:

(1) = $100,000 * 5.0% = $5,000

(2) = $4,000

The difference between (1) and (2) is $1,000. An additional $1,000 Enhancement on the Initial Purchase Payment is credited to the Contract. This is in addition to the 5.0% * $80,000 = $4,000 Purchase Payment Enhancement credited at that time for the additional Purchase Payment made on 07/01/2012. Thus, a total of $5,000 of Enhancements will be credited to your Contract on 07/01/2012.

GUARANTEED GROWTH AND INCOME BENEFIT RIDER: GUARANTEED GROWTH INCREASE IN THE DEFERRAL PHASE

EXAMPLE FOR GUARANTEED GROWTH AND INCOME BENEFIT VI

Suppose on 01/01/2021 your Initial Purchase Payment is $100,000. You make an additional Purchase Payment on 03/15/2021 of $25,000, after which the Guaranteed Growth Base increases to $125,000. You also request an Early Access Withdrawal on 08/08/2021 of $10,000, which decreases the Guaranteed Growth Base to $115,000.

Guaranteed Growth Amount will be applied on the next Contract Anniversary (01/01/2022) based on the daily values of the Guaranteed Growth Base during the Contract Year:

Number of days between 01/01/2021 and 03/15/2021:	73	Guaranteed Growth Base =	$100,000
Number of days between 03/15/2021 and 08/08/2021:	146	Guaranteed Growth Base =	$125,000
Number of days between 08/08/2021 through 12/31/2021:	146	Guaranteed Growth Base =	$115,000
Total number of days in 2021:	365		

Guaranteed Growth Amount added to the Withdrawal Benefit Base on 01/01/2022 will be:

[(73 / 365) * $100,000 * 7%] + [(146 / 365) * $125,000 * 7%] + [(146 / 365) * $115,000 * 7%] = $8,120

Guaranteed Growth Base will not increase on the anniversary (it may increase or decrease only as a result of additional Purchase Payments or Early Access Withdrawals).

EXAMPLE FOR GUARANTEED GROWTH AND INCOME BENEFIT III, IV AND V

Suppose on 01/01/2020 your Initial Purchase Payment is $100,000. You make an additional Purchase Payment on 03/15/2020 of $25,000, after which the Guaranteed Growth Base increases to $125,000. You also request an Early Access Withdrawal on 08/08/2020 of $10,000, which decreases the Guaranteed Growth Base to $115,000.

Guaranteed Growth Amount will be applied on the next Contract Anniversary (01/01/2021) based on the daily values of the Guaranteed Growth Base during the Contract Year:

Number of days between 01/01/2020 and 03/15/2020:	74	Guaranteed Growth Base =	$100,000
Number of days between 03/15/2020 and 08/08/2020:	146	Guaranteed Growth Base =	$125,000
Number of days between 08/08/2020 through 12/31/2020:	146	Guaranteed Growth Base =	$115,000
Total number of days in 2020:	366		

Guaranteed Growth Amount added to the Withdrawal Benefit Base on 01/01/2021 will be:

[(74 / 366) * $100,000 * 8%] + [(146 / 366) * $125,000 * 8%] + [(146 / 366) * $115,000 * 8%] = $9,277

Guaranteed Growth Base will not increase on the anniversary (it may increase or decrease only as a result of additional Purchase Payments or Early Access Withdrawals).

Example for Guaranteed Growth and Income Benefit II

Assume on 01/01/2014 your Initial Purchase Payment is $100,000. You make an additional Purchase Payment on 03/15/2014 of $25,000, after which the Guaranteed Growth Base increases to $125,000. You also request an Early Access Withdrawal on 08/08/2014 of $10,000, which decreases the Guaranteed Growth Base to $115,000.

Guaranteed Growth Amount will be applied on the next Contract Anniversary (01/01/2015) based on the daily values of the Guaranteed Growth Base during the Contract Year:

Number of days between 01/01/2014 and 03/15/2014:	73	Guaranteed Growth Base =	$100,000
Number of days between 03/15/2014 and 08/08/2014:	146	Guaranteed Growth Base =	$125,000
Number of days between 08/08/2014 through 12/31/2014:	146	Guaranteed Growth Base =	$115,000
Total number of days in 2014:	365		

Guaranteed Growth Amount added to the Withdrawal Benefit Base on 01/01/2015 will be:

[(73/365) * $100,000 * 7%] + [(146/365) * $125,000 * 7%] + [(146/365) * $115,000 * 7%] =$8,120.

Guaranteed Growth Base will not increase on the anniversary (it may increase or decrease only as a result of additional Purchase Payments or Early Access Withdrawals).

Example for Guaranteed Growth And Income Benefit I

Suppose on 01/01/2013 your Initial Purchase Payment is $100,000. You make an additional Purchase Payment on 03/15/2013 of $25,000, after which the Guaranteed Growth Base increases to $125,000. You also request an Early Access Withdrawal on 08/08/2013 of $10,000, which decreases the Guaranteed Growth Base to $115,000.

Guaranteed Growth Amount will be applied on the next Contract Anniversary (01/01/2014) based on the daily values of the Guaranteed Growth Base during the Contract Year:

Number of days between 01/01/2013 and 03/15/2013:	73	Guaranteed Growth Base =	$100,000
Number of days between 03/15/2013 and 08/08/2013:	146	Guaranteed Growth Base =	$125,000
Number of days between 08/08/2013 through 12/31/2013:	146	Guaranteed Growth Base =	$115,000
Total number of days in 2013:	365		

Guaranteed Growth Amount added to the Withdrawal Benefit Base on 01/01/2014 will be:

[(73 / 365) * $100,000 * 8%] + [(146 / 365) * $125,000 * 8%] + [(146 / 365) * $115,000 * 8%] = $9,280

Guaranteed Growth Base will not increase on the anniversary (it may increase or decrease only as a result of additional Purchase Payments or Early Access Withdrawals).

Growth Rate varies in certain states — please see “Appendix B: State Variations” for details.

Guaranteed Growth and Income Benefit Rider: Withdrawal Benefit Base at the Start of Lifetime Withdrawals

Example for Guaranteed Growth and Income Benefit VI

At the time you decide to start the Lifetime Withdrawals under the Lifetime Withdrawal Guarantee, your Withdrawal Benefit Base will be set to the greater of the following:

1) Contract Value

2) Withdrawal Benefit Base including the Guaranteed Growth Amount prorated for the partial year.

Assumptions:

Rider Effective Date:	1/18/2021
Lifetime Withdrawals start on:	04/01/2022
Contract Value on 04/01/2022 (just prior to the withdrawal):	$108,300
Withdrawal Benefit Base on 01/18/2022:	$107,000
Annual Guaranteed Growth Amount:	$7,000

Last Contract Anniversary	Withdrawals Start	Days since last anniversary	Partial Year Factor	Annual Guaranteed Growth Amount	Guaranteed Growth Amount Prorated	Withdrawal Benefit Base	Withdrawal Benefit Base + Prorated Growth
1/18/2022	4/1/2022	73	0.2	$7,000	$1,400	$107,000	$108,400

Partial Year Factor is calculated by finding the number of days since the most recent Contract Anniversary and then dividing it by 365. If lifetime withdrawals start on 04/01/2022 (73 days after the most recent Contract Anniversary), the Partial Year Factor is equal to 73 / 365 = 0.20

Guaranteed Growth Amount prorated for partial year is then $7,000 * 0.20 = $1,400

Withdrawal Benefit Base including the Guaranteed Growth Amount for the partial year is $107,000 + $1,400 = $108,400.

This is greater than the Contract Value (just prior to the withdrawal), so your Withdrawal Benefit Base will be set to $108,400.

Example for Guaranteed Growth and Income Benefit III, IV and V

At the time you decide to start the Lifetime Withdrawals under the Lifetime Withdrawal Guarantee, your Withdrawal Benefit Base will be set to the greater of the following:

1) Contract Value

2) Withdrawal Benefit Base including the Guaranteed Growth Amount prorated for the partial year.

Assumptions:

Rider Effective Date:	01/18/2020
Lifetime Withdrawals start on:	04/01/2021
Contract Value on 04/01/2021 (just prior to the withdrawal):	$109,500
Withdrawal Benefit Base on 01/18/2021:	$108,000
Annual Guaranteed Growth Amount:	$8,000

Last Contract Anniversary	Withdrawals Start	Days since last anniversary	Partial Year Factor	Annual Guaranteed Growth Amount	Guaranteed Growth Amount Prorated	Withdrawal Benefit Base	Withdrawal Benefit Base + Prorated Growth
1/18/2021	4/1/2021	73	0.2	$8,000	$1,600	$108,000	$109,600

Partial Year Factor is calculated by finding the number of days since the most recent Contract Anniversary and then dividing it by 365. If lifetime withdrawals start on 04/01/2021 (73 days after the most recent Contract Anniversary), the Partial Year Factor is equal to 73 / 365 = 0.20

Guaranteed Growth Amount prorated for partial year is then $8,000 * 0.20 = $1,600

Withdrawal Benefit Base including the Guaranteed Growth Amount for the partial year is $108,000 + $1,600 = $109,600.

This is greater than the Contract Value (just prior to the withdrawal), so your Withdrawal Benefit Base will be set to $109,600.

Example for Guaranteed Growth and Income Benefit II

At the time you decide to start the Lifetime Withdrawals under the Lifetime Withdrawal Guarantee, your Withdrawal Benefit Base will be set to the greater of the following:

1) Contract Value

2) Withdrawal Benefit Base including the Guaranteed Growth Amount prorated for the partial year.

Assumptions:

Rider Effective Date:	01/18/2014
Lifetime Withdrawals start on:	04/01/2015
Contract Value on 04/01/2015 (just prior to the withdrawal):	$108,200
Withdrawal Benefit Base on 01/18/2015:	$107,000
Annual Guaranteed Growth Amount:	$7,000

Last Contract Anniversary	Withdrawals Start	Days since last anniversary	Partial Year Factor	Annual Guaranteed Growth Amount	Guaranteed Growth Amount Prorated	Withdrawal Benefit Base	Withdrawal Benefit Base + Prorated Growth
1/18/2015	4/1/2015	73	0.2	$7,000	$1,400	$107,000	$108,400

Partial Year Factor is calculated by finding the number of days since the most recent Contract Anniversary and then dividing it by 365. If lifetime withdrawals start on 04/01/2015 (73 days after the most recent Contract Anniversary), the Partial Year Factor is equal to 73 / 365 = 0.20

Guaranteed Growth Amount prorated for partial year is then $7,000 * 0.20 = $1,400

Withdrawal Benefit Base including the Guaranteed Growth Amount for the partial year is $107,000 + $1,400 = $108,400.

This is greater than the Contract Value (just prior to the withdrawal), so your Withdrawal Benefit Base will be set to $108,400.

EXAMPLE FOR GUARANTEED GROWTH AND INCOME I

At the time you decide to start the Lifetime Withdrawals under the Lifetime Withdrawal Guarantee, your Withdrawal Benefit Base will be set to the greater of the following:

1) Contract Value

2) Withdrawal Benefit Base including the Guaranteed Growth Amount prorated for the partial year.

Assumptions:

Rider Effective Date:	01/19/2011
Lifetime Withdrawals start on:	04/01/2012
Contract Value on 04/01/2012 (just prior to the withdrawal):	$109,500
Withdrawal Benefit Base on 01/19/2012:	$108,000
Annual Guaranteed Growth Amount:	$8,000

Last Contract Anniversary	Withdrawals Start	Days since last anniversary	Partial Year Factor	Annual Guaranteed Growth Amount	Guaranteed Growth Amount Prorated	Withdrawal Benefit Base	Withdrawal Benefit Base + Prorated Growth
1/19/2012	4/1/2012	73	0.2	$8,000	$1,600	$108,000	$109,600

Partial Year Factor is calculated by finding the number of days since the most recent Contract Anniversary and then dividing it by 365. If lifetime withdrawals start on 04/01/2012 (73 days after the most recent Contract Anniversary), the Partial Year Factor is equal to 73 / 365 = 0.20

Guaranteed Growth Amount prorated for partial year is then $8,000 * 0.20 = $1,600

Withdrawal Benefit Base including the Guaranteed Growth Amount for the partial year is $108,000 + $1,600 = $109,600.

This is greater than the Contract Value (just prior to the withdrawal), so your Withdrawal Benefit Base will be set to $109,600.

Growth Rate varies in certain states — please see “Appendix B: State Variations” for details.

GUARANTEED GROWTH AND INCOME BENEFIT RIDER: AUTOMATIC ANNUAL STEP-UP OF WITHDRAWAL BENEFIT BASE IN THE DEFERRAL PHASE

EXAMPLE FOR GUARANTEED GROWTH AND INCOME BENEFIT VI

Assumptions:

Initial Purchase Payment	$100,000
Additional Purchase Payments	None

Contract Anniversary	Contract Value	Guaranteed Growth Amount	Withdrawal Benefit Base before Step-Up	Withdrawal Benefit Base after Step-Up	
1	$125,000.00	$7,000.00	$107,000.00	$125,000.00	Step-Up
2	$130,000.00	$7,000.00	$132,000.00	$132,000.00	No Step-Up
3	$135,000.00	$7,000.00	$139,000.00	$139,000.00	No Step-Up
4	$151,000.00	$7,000.00	$146,000.00	$151,000.00	Step-Up

On the Rider Effective Date, the Withdrawal Benefit Base is equal to the Initial Purchase Payment ($100,000). On the first Contract Anniversary, the Guaranteed Growth Amount of $7,000 is added to the Withdrawal Benefit Base ($100,000 + $7,000 = $107,000). The Withdrawal Benefit Base is then compared to the Contract Value for Step-Up Evaluation. Since the Contract Value is greater than the Withdrawal Benefit Base at this point ($125,000 > $107,000), an Automatic Annual Step-Up takes place, and the Withdrawal Benefit Base is set equal to the Contract Value ($125,000). On the next Contract Anniversary, the Guaranteed Growth Amount is added to the Withdrawal Benefit Base and then it's evaluated for Step-Up: $125,000 + $7,000 = $132,000, Contract Value $130,000 < $132,000, so there is no Step-Up this year.

EXAMPLE FOR GUARANTEED GROWTH AND INCOME BENEFIT RIDER III, IV AND V

Assumptions:

Initial Purchase Payment	$100,000
Additional Purchase Payments	None

Contract Anniversary	Contract Value	Guaranteed Growth Amount	Withdrawal Benefit Base before Step-Up	Withdrawal Benefit Base after Step-Up	
1	$125,000.00	$8,000.00	$108,000.00	$125,000.00	Step-Up
2	$130,000.00	$8,000.00	$133,000.00	$133,000.00	No Step-Up
3	$135,000.00	$8,000.00	$141,000.00	$141,000.00	No Step-Up
4	$151,000.00	$8,000.00	$149,000.00	$151,000.00	Step-Up

On the Rider Effective Date, the Withdrawal Benefit Base is equal to the Initial Purchase Payment ($100,000). On the first Contract Anniversary, the Guaranteed Growth Amount of $8,000 is added to the Withdrawal Benefit Base ($100,000 + $8,000 = $108,000). The Withdrawal Benefit Base is then compared to the Contract Value for Step-Up Evaluation. Since the Contract Value is greater than the Withdrawal Benefit Base at this point ($125,000 > $108,000), an Automatic Annual Step-Up takes place, and the Withdrawal Benefit Base is set equal to the Contract Value ($125,000). On the next Contract Anniversary, the Guaranteed Growth Amount is added to the Withdrawal Benefit Base and then it's evaluated for Step-Up: $125,000 + $8,000 = $133,000, Contract Value $130,000 < $133,000, so there is no Step-Up this year.

EXAMPLE FOR GUARANTEED GROWTH AND INCOME BENEFIT RIDER II

Assumptions:

Initial Purchase Payment	$100,000
Additional Purchase Payments	None

Contract Anniversary	Contract Value	Guaranteed Growth Amount	Withdrawal Benefit Base before Step-Up	Withdrawal Benefit Base after Step-Up	
1	$125,000.00	$7,000.00	$107,000.00	$125,000.00	Step-Up
2	$130,000.00	$7,000.00	$132,000.00	$132,000.00	No Step-Up
3	$135,000.00	$7,000.00	$139,000.00	$139,000.00	No Step-Up
4	$151,000.00	$7,000.00	$146,000.00	$151,000.00	Step-Up

On the Rider Effective Date, the Withdrawal Benefit Base is equal to the Initial Purchase Payment ($100,000). On the first Contract Anniversary, the Guaranteed Growth Amount of $7,000 is added to the Withdrawal Benefit Base ($100,000 + $7,000 = $107,000). The Withdrawal Benefit Base is then compared to the Contract Value for Step-Up Evaluation. Since the Contract Value is greater than the Withdrawal Benefit Base at this point ($125,000 > $107,000), an Automatic Annual Step-Up takes place, and the Withdrawal Benefit Base is set equal to the Contract Value ($125,000). On the next Contract Anniversary, the Guaranteed Growth Amount is added to the Withdrawal Benefit Base and then it's evaluated for Step-Up: $125,000 + $7,000 = $132,000, Contract Value $130,000 < $132,000, so there is not Step-Up this year.

Example for Guaranteed Growth and Income Benefit Rider I

Assumptions:

Initial Purchase Payment	$100,000
Additional Purchase Payments	None

Contract Anniversary	Contract Value	Guaranteed Growth Amount	Withdrawal Benefit Base before Step-Up	Withdrawal Benefit Base after Step-Up	
1	$125,000.00	$8,000.00	$108,000.00	$125,000.00	Step-Up
2	$130,000.00	$8,000.00	$133,000.00	$133,000.00	No Step-Up
3	$135,000.00	$8,000.00	$141,000.00	$141,000.00	No Step-Up
4	$151,000.00	$8,000.00	$149,000.00	$151,000.00	Step-Up

On the Rider Effective Date, the Withdrawal Benefit Base is equal to the Initial Purchase Payment ($100,000). On the first Contract Anniversary, the Guaranteed Growth Amount of $8,000 is added to the Withdrawal Benefit Base ($100,000 + $8,000 = $108,000). The Withdrawal Benefit Base is then compared to the Contract Value for Step-Up Evaluation. Since the Contract Value is greater than the Withdrawal Benefit Base at this point ($125,000 > $108,000), an Automatic Annual Step-Up takes place, and the Withdrawal Benefit Base is set equal to the Contract Value ($125,000). On the next Contract Anniversary, the Guaranteed Growth Amount is added to the Withdrawal Benefit Base and then it's evaluated for Step-Up: $125,000 + $8,000 = $133,000, Contract Value $130,000 < $133,000, so there is not Step-Up this year.

Growth Rate varies in certain states – please see "Appendix B: State Variations" for details.

Guaranteed Growth and Income Benefit Rider: Rider Charge

Example for Guaranteed Growth and Income Benefit Rider VI

Suppose a Single Life Guarantee is issued on 05/1/2021. Throughout the first Contract Year, the Rider Charge will be deducted on 07/31/2021, 10/31/2021, 01/31/2022, and 04/30/2022. Suppose the Withdrawal Benefit Base is $100,000 on 05/1/2021, and there are no withdrawals in the Contract Year. The amount of the charge deducted each quarter will then be $100,000 * (1.25% / 4) * (days in quarter not including Leap Day / 91.25).

Suppose that there is no Step-Up on 05/1/2022, so the Withdrawal Benefit Base will be increased by the Guaranteed Growth Amount: $100,000 + (7% x $100,000) = $107,000. In the second Contract Year, the amount of the charge deducted each quarter will then be $107,000 * (1.25% / 4) * (days in quarter not including Leap Day / 91.25).

For example, there are 92 days between 5/1/2021 and 7/31/2021, so the Rider Charge for the 1st Contract Quarter will be 100,000 * (1.25% / 4) * (92 / 91.25) = $315.07. There are only 89 days in the 4th quarter, so the charge will then be $100,000 * (1.25% / 4) * (89 / 91.25) = $304.79.

Example for Guaranteed Growth and Income Benefit Rider III, IV and V

Suppose a Single Life Guarantee is issued on 05/1/2020. Throughout the first Contract Year, the Rider Charge will be deducted on 07/31/2020, 10/31/2020, 01/31/2021, and 04/30/2021. Suppose the Withdrawal Benefit Base is $100,000 on 05/1/2020, and there are no withdrawals in the Contract Year. The amount of the charge deducted each quarter will then be $100,000 * (1.10% / 4) * (days in quarter not including Leap Day / 91.25).

Suppose that there is no Step-Up on 05/1/2021, so the Withdrawal Benefit Base will be increased by the Guaranteed Growth Amount: $100,000 + (8% x $100,000) = $108,000. In the second Contract Year, the amount of the charge deducted each quarter will then be $108,000 * (1.10% / 4) * (days in quarter not including Leap Day / 91.25).

For example, there are 92 days between 5/1/2020 and 7/31/2020, so the Rider Charge for the 1st Contract Quarter will be 100,000 * (1.10% / 4) * (92 / 91.25) = $277.26. There are only 89 days in the 4th quarter, so the charge will then be $100,000 * (1.10% / 4) * (89 / 91.25) = $268.22.

EXAMPLE FOR GUARANTEED GROWTH AND INCOME BENEFIT RIDER II

Suppose a Single Life Guarantee is issued on 05/18/2014. Throughout the first Contract Year, the Rider Charge will be deducted on 08/17/2014, 11/17/2014, 02/17/2015, and 05/17/2015. Suppose the Withdrawal Benefit Base is $100,000 on 05/18/2014, and there are no withdrawals in the Contract Year. The amount of the charge deducted each quarter will then be $100,000 * (1.10%/4) * (days in quarter not including Leap Day/91.25).

Suppose that there is no Step-Up on 05/18/2015, so the Withdrawal Benefit Base will be increased by the Guaranteed Growth Amount: $100,000 + (7% x $100,000) = $107,000. In the second Contract Year, the amount of the charge deducted each quarter will then be $107,000 * (1.10%/4) * (days in quarter not including Leap Day/91.25).

For example, there are 92 days between 5/18/2014 and 8/17/2014, so the Rider Charge for the 1st Contract Quarter will be $100,000 * (1.10%/4) * (92/91.25) = $277.26. There are only 89 days in the 4th quarter, so the charge will then be $100,000 * (1.10%/4) * (89/91.25) = $268.22.

EXAMPLE FOR GUARANTEED GROWTH AND INCOME BENEFIT RIDER I

Suppose a Single Life Guarantee is issued on 05/1/2011. Throughout the first Contract Year, the Rider Charge will be deducted on 07/31/2011, 10/31/2011, 01/31/2012, and 04/30/2012. Suppose the Withdrawal Benefit Base is $100,000 on 05/18/2011, and there are no withdrawals in the Contract Year. The amount of the charge deducted each quarter will then be $100,000 * (1.05% / 4) * (days in quarter not including Leap Day / 91.25).

Suppose that there is no Step-Up on 05/1/2012, so the Withdrawal Benefit Base will be increased by the Guaranteed Growth Amount: $100,000 + (8% x $100,000) = $108,000. In the second Contract Year, the amount of the charge deducted each quarter will then be $108,000 * (1.05% / 4) * (days in quarter not including Leap Day / 91.25).

For example, there are 92 days between 5/1/2011 and 7/31/2011, so the Rider Charge for the 1st Contract Quarter will be 100,000 * (1.05% / 4) * (92 / 91.25) = $264.66. There are only 89 days in the 4th quarter, so the charge will then be $100,000 * (1.05% / 4) * (89 / 91.25) = $256.03.

Growth Rate varies in certain states — please see “Appendix B: State Variations” for details.

GUARANTEED GROWTH AND INCOME BENEFIT RIDER: ENHANCEMENT TRUE-UP

EXAMPLE FOR GUARANTEED GROWTH AND INCOME BENEFIT III, IV, AND V

This Example illustrates how the Enhancement True-Up process works. Assume all Purchase Payments are made at the beginning of the Contract Year. The Enhancement True-Up Base and Withdrawal Benefit Base below are also values as of the beginning of the Contract Year.

Contract Year	Purchase Payment	Purchase Payment Enhancement	Contract Value Beginning-of-Year	Contract Value End-of-Year	Guaranteed Growth Amount	Enhancements > 36 months old	Enhancement True-Up Base	Withdrawal Benefit Base
1	$250,000	$12,500	$262,500	$262,500	$ 0	$ 0	$250,000	$250,000
2	$ 10,000	$ 500	$273,000	$273,000	$20,000	$ 0	$280,000	$280,000
3	$ 10,000	$ 500	$283,500	$338,500	$20,800	$ 0	$310,800	$310,800
4	$ 30,000	$ 1,500	$370,000	$395,000	$21,600	$12,500	$374,900	$374,900
5	$ 0	$ 0	$395,000	$424,500	$24,000	$ 500	$399,400	$399,400
6	$ 0	$ 0	$424,500	$449,000	$24,000	$ 500	$423,900	$424,500
7	$ 0	$ 0	$449,000	$469,000	$24,000	$ 1,500	$449,400	$449,400

Assumptions:

Purchase Payments: $250,000 on Contract Date, $10,000 beginning of Contract Years 2 and 3, $30,000 beginning of Contract Year 4.

Withdrawals: No Withdrawals

Contract Growth: No growth in Contract Years 1 and 2, $55,000 in Contract Year 3, $25,000 in Contract Year 4, $29,500 in Contract Year 5, $24,500 in Contract Year 6, $20,000 in Contract Year 7.

Enhancement True-Up Base:

This value is used to determine whether the Withdrawal Benefit Base will receive an Enhancement True-Up. The Enhancement True-Up Base includes your Purchase Payments, Purchase Payment Enhancements more than 36 months old, and the Guaranteed Growth Amounts:

CY1 Enhancement True-Up Base is equal to your initial Purchase Payment at Contract Issue = $250,000. Purchase Payment Enhancement of $12,500 is included in the Contract Value, but not in the Enhancement True-up Base, because it is not yet 36 months old.

CY2 On first anniversary, Guaranteed Growth Amount and another Purchase Payment are added to Enhancement True-Up Base: $250,000 + $20,000 + $10,000 = $280,000. Purchase Payment Enhancements from CY 1 or CY 2 are not included, because they are not yet 36 months old.

CY3 On the second Contract Anniversary (beginning of Contract Year 3), Guaranteed Growth Amount and Purchase Payment are again added to the Enhancement True-Up Base: $280,000 + $20,800 + $10,000 = $310,800. Purchase Payment Enhancements are not yet 36 months old.

CY4 On the third Contract Anniversary (beginning of Contract Year 4), Guaranteed Growth Amount and Purchase Payment are added to the Enhancement True-Up Base, as well as the Purchase Payment Enhancement from the initial Purchase Payment, which is now 36 months old: $310,800 + $21,600 + $30,000 + $12,500 = $374,900.

CY5 Guaranteed Growth is added to Withdrawal Benefit Base, there are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 2 is now 36 months old, so it is added to the Enhancement True-Up Base: $374,900 + $24,000 + $500 = $399,400.

CY6 Guaranteed Growth is added to Withdrawal Benefit Base, there are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 3 is now 36 months old, so it is added to the Enhancement True-Up Base: \$399,400 + \$24,000 + \$500 = \$423,900.

CY7 Guaranteed Growth is added to Withdrawal Benefit Base, there are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 4 is now 36 months old, so it is added to the Enhancement True-Up Base: \$423,900+ \$24,000 + \$1,500 = \$449,400.

Enhancement True-Up Comparison:

Contract Year 4 (BOP)

The first Enhancement True-Up evaluation takes place in the beginning of Contract Year 4. Withdrawal Benefit Base as of the end of Contract Year 3 is \$310,800.

Step 1-2: Purchase Payments and the Guaranteed Growth Amount are added to this WBB: \$310,000 + \$30,000 + \$21,600 = \$361,600

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value (BOP): \$361,600 < \$370,000 , so WBB Steps-Up to \$370,000. Guaranteed Growth Period is reset.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: \$370,000 < \$374,900, so WBB receives an Enhancement True-Up and is set equal to \$374,900

Contract Year 5 (BOP)

On the next Contract Anniversary (beginning of Contract Year 5), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 4 is \$374,900.

Step 1-2: Guaranteed Growth Amount is added to this WBB: \$374,900 + \$24,000 = \$398,900

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: \$398,900 > \$395,000, no Step-Up.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: \$398,900 < \$399,400, so WBB receives an Enhancement True-Up and is set equal to \$399,400

Contract Year 6 (BOP)

On the next Contract Anniversary (beginning of Contract Year 6), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 5 is \$399,400.

Step 1-2: Guaranteed Growth Amount is added to this WBB: \$399,400 + \$24,000 = \$423,400

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: \$423,400 < \$424,500, Step-Up takes place and WBB = \$424,500

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: \$424,500 > \$423,900, so there is no Enhancement True-Up.

Contract Year 7 (BOP)

On the next Contract Anniversary (beginning of Contract Year 7), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 6 is $424,500.

Step 1-2: Guaranteed Growth Amount is added to this WBB: $424,500 + $24,000 = $448,500

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $448,500 < $449,000, Step-Up takes place and WBB = $449,000

Step 4: $449,000 < $449,400, so Enhancement True-Up also takes place and WBB = $449,400.

Note that the Guaranteed Growth Amount will not be increased for any Purchase Payment Enhancements. It is solely based on the Net Purchase Payments.

EXAMPLE FOR GUARANTEED GROWTH AND INCOME BENEFIT II AND VI

This Example illustrates how the Enhancement True-Up process works. Assume all Purchase Payments are made at the beginning of the Contract Year. The Enhancement True-Up Base and Withdrawal Benefit Base below are also values as of the beginning of the Contract Year.

Contract Year	Purchase Payment	Purchase Payment Enhancement	Contract Value Beginning-of-Year	Contract Value End-of-Year	Guaranteed Growth Amount	Enhancements > 36 months old	Enhancement True-Up Base	Withdrawal Benefit Base
1	$250,000	$12,500	$262,500	$262,500	$ 0	$ 0	$250,000	$250,000
2	$ 10,000	$ 500	$273,000	$273,000	$17,500	$ 0	$277,500	$277,500
3	$ 10,000	$ 500	$283,500	$335,000	$18,200	$ 0	$305,700	$305,700
4	$ 30,000	$ 1,500	$366,500	$385,000	$18,900	$12,500	$367,100	$367,100
5	$ 0	$ 0	$385,000	$424,500	$21,000	$ 500	$388,600	$388,600
6	$ 0	$ 0	$424,500	$432,000	$21,000	$ 500	$410,100	$424,500
7	$ 0	$ 0	$432,000	$469,000	$21,000	$ 1,500	$432,600	$445,500

Assumptions:

Purchase Payments: $250,000 on Contract Date, $10,000 beginning of Contract Years 2 and 3, $30,000 beginning of Contract Year 4.

Withdrawals: No Withdrawals

Contract Growth: No growth in Contract Years 1 and 2, $51,500 in Contract Year 3, $18,500 in Contract Year 4, $39,500 in Contract Year 5, $7,500 in Contract Year 6, $37,000 in Contract Year 7.

Enhancement True-Up Base:

This value is used to determine whether the Withdrawal Benefit Base will receive an Enhancement True-Up. The Enhancement True-Up Base includes your Purchase Payments, Purchase Payment Enhancements more than 36 months old, and the Guaranteed Growth Amounts:

CY 1 Enhancement True-Up Base is equal to your initial Purchase Payment at Contract Issue = $250,000. Purchase Payment Enhancement of $12,500 is included in the Contract Value, but not in the Enhancement True-up Base, because it is not yet 36 months old.

CY 2 On first anniversary, Guaranteed Growth Amount and another Purchase Payment are added to Enhancement True-Up Base: $250,000 + $17,500 + $10,000 = $277,500. Purchase Payment Enhancements from CY 1 or CY 2 are not included, because they are not yet 36 months old.

CY 3 On the second Contract Anniversary (beginning of Contract Year 3), Guaranteed Growth Amount and Purchase Payment are again added to the Enhancement True-Up Base: $277,500 + $18,200 + $10,000 = $305,700. Purchase Payment Enhancements are not yet 36 months old.

CY4 On the third Contract Anniversary (beginning of Contract Year 4), Guaranteed Growth Amount and Purchase Payment are added to the Enhancement True-Up Base, as well as the Purchase Payment Enhancement from the initial Purchase Payment, which is now 36 months old: $305,700 + $18,900 + $30,000 + $12,500 = $367,100.

CY5 Guaranteed Growth is added to Withdrawal Benefit Base, there are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 2 is now 36 months old, so it is added to the Enhancement True-Up Base: $367,100 + $21,000 + $500 = $388,600.

CY6 Guaranteed Growth is added to Withdrawal Benefit Base, there are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 3 is now 36 months old, so it is added to the Enhancement True-Up Base: $388,600 + $21,000 + $500 = $410,100.

CY7 Guaranteed Growth is added to Withdrawal Benefit Base, there are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 4 is now 36 months old, so it is added to the Enhancement True-Up Base: $410,100+ $21,000 + $1,500 = $432,600.

Enhancement True-Up Comparison:

Contract Year 4 (BOP)

The first Enhancement True-Up evaluation takes place in the beginning of Contract Year 4. Withdrawal Benefit Base as of the end of Contract Year 3 is $305,700.

Step 1-2: Purchase Payments and the Guaranteed Growth Amount are added to this WBB: $305,700 + $30,000 + $18,900 = $354,600

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value (BOP): $354,600 < $366,500, so WBB Steps-Up to $366,500. Guaranteed Growth Period is reset.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $366,500 < $367,100, so WBB receives an Enhancement True-Up and is set equal to $367,100

Contract Year 5 (BOP)

On the next Contract Anniversary (beginning of Contract Year 5), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 4 is $367,100.

Step 1-2: Guaranteed Growth Amount is added to this WBB: $367,100 + $21,000 = $388,100

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $388,100 > $385,000, no Step-Up.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $388,100 < $388,600, so WBB receives an Enhancement True-Up and is set equal to $388,600

Contract Year 6 (BOP)

On the next Contract Anniversary (beginning of Contract Year 6), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 5 is $388,600.

Step 1-2: Guaranteed Growth Amount is added to this WBB: $388,600 + $21,000 = $409,600

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $409,600 < $424,500, Step-Up takes place and WBB = $424,500

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $424,500 > $410,100, so there is no Enhancement True-Up.

Contract Year 7 (BOP)

On the next Contract Anniversary (beginning of Contract Year 7), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 6 is $424,500.

Step 1-2: Guaranteed Growth Amount is added to this WBB: $424,500 + $21,000 = $445,500

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $445,500 > $432,000, no Step-Up.

Step 4: $445,500 > $432,600, so there is no Enhancement True-Up.

Note that the Guaranteed Growth Amount will not be increased for any Purchase Payment Enhancements. It is solely based on the Net Purchase Payments.

Enhancement True-Up is not available in New York.

Example for Guaranteed Growth and Income Benefit Rider I

This Example illustrates how the Enhancement True-Up process works. Assume all Purchase Payments are made at the beginning of the Contract Year. The Enhancement True-Up Base and Withdrawal Benefit Base below are also values as of the beginning of the Contract Year.

Contract Year	Purchase Payment	Purchase Payment Enhancement	Contract Value Beginning-of-Year	Contract Value End-of-Year	Guaranteed Growth Amount	Enhancements > 36 months old	Enhancement True-Up Base	Withdrawal Benefit Base
1	$250,000	$12,500	$262,500	$262,500	$ 0	$ 0	$250,000	$250,000
2	$ 10,000	$ 500	$273,000	$273,000	$20,000	$ 0	$280,000	$280,000
3	$ 10,000	$ 500	$283,500	$338,500	$20,800	$ 0	$310,800	$310,800
4	$ 30,000	$ 1,500	$370,000	$395,000	$21,600	$12,500	$374,900	$374,900
5	$ 0	$ 0	$395,000	$424,500	$24,000	$ 500	$399,400	$399,400
6	$ 0	$ 0	$424,500	$449,000	$24,000	$ 500	$423,900	$424,500
7	$ 0	$ 0	$449,000	$469,000	$24,000	$ 1,500	$449,400	$449,400

Assumptions:

Purchase Payments: $250,000 on Contract Date, $10,000 beginning of Contract Years 2 and 3, $30,000 beginning of Contract Year 4.

Withdrawals: No Withdrawals

Contract Growth: No growth in Contract Years 1 and 2, $55,000 in Contract Year 3, $25,000 in Contract Year 4, $29,500 in Contract Year 5, $24,500 in Contract Year 6, $20,000 in Contract Year 7.

Enhancement True-Up Base:

This value is used to determine whether the Withdrawal Benefit Base will receive an Enhancement True-Up. The Enhancement True-Up Base includes your Purchase Payments, Purchase Payment Enhancements more than 36 months old, and the Guaranteed Growth Amounts:

CY 1 Enhancement True-Up Base is equal to your initial Purchase Payment at Contract Issue = $250,000. Purchase Payment Enhancement of $12,500 is included in the Contract Value, but not in the Enhancement True-up Base, because it is not yet 36 months old.

CY 2 On first anniversary, Guaranteed Growth Amount and another Purchase Payment are added to Enhancement True-Up Base: $250,000 + $20,000 + $10,000 = $280,000. Purchase Payment Enhancements from CY 1 or CY 2 are not included, because they are not yet 36 months old.

CY 3 On the second Contract Anniversary (beginning of Contract Year 3), Guaranteed Growth Amount and Purchase Payment are again added to the Enhancement True-Up Base: $280,000 + $20,800 + $10,000 = $310,800. Purchase Payment Enhancements are not yet 36 months old.

CY 4 On the third Contract Anniversary (beginning of Contract Year 4), Guaranteed Growth Amount and Purchase Payment are added to the Enhancement True-Up Base, as well as the Purchase Payment Enhancement from the initial Purchase Payment, which is now 36 months old: $310,800 + $21,600 + $30,000 + $12,500 = $374,900.

CY 5 Guaranteed Growth is added to Withdrawal Benefit Base, there are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 2 is now 36 months old, so it is added to the Enhancement True-Up Base: $374,900 + $24,000 + $500 = $399,400.

CY 6 Guaranteed Growth is added to Withdrawal Benefit Base, there are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 3 is now 36 months old, so it is added to the Enhancement True-Up Base: $399,400 + $24,000 + $500 = $423,900.

CY 7 Guaranteed Growth is added to Withdrawal Benefit Base, there are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 4 is now 36 months old, so it is added to the Enhancement True-Up Base: $423,900+ $24,000 + $1,500 = $449,400.

Enhancement True-Up Comparison:

Contract Year 4 (BOP)

The first Enhancement True-Up evaluation takes place in the beginning of Contract Year 4. Withdrawal Benefit Base as of the end of Contract Year 3 is $310,800.

Step 1-2: Purchase Payments and the Guaranteed Growth Amount are added to this WBB: $310,000 + $30,000 + $21,600 = $361,600

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value (BOP): $361,600 < $370,000 , so WBB Steps-Up to $370,000. Guaranteed Growth Period is reset.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $370,000 < $374,900, so WBB receives an Enhancement True-Up and is set equal to $374,900

Contract Year 5 (BOP)

On the next Contract Anniversary (beginning of Contract Year 5), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 4 is $374,900.

Step 1-2: Guaranteed Growth Amount is added to this WBB: $374,900 + $24,000 = $398,900

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $398,900 > $395,000, no Step-Up.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $398,900 < $399,400, so WBB receives an Enhancement True-Up and is set equal to $399,400

Contract Year 6 (BOP)

On the next Contract Anniversary (beginning of Contract Year 6), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 5 is $399,400.

Step 1-2: Guaranteed Growth Amount is added to this WBB: $399,400 + $24,000 = $423,400

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $423,400 < $424,500, Step-Up takes place and WBB = $424,500

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $424,500 > $423,900, so there is no Enhancement True-Up.

Contract Year 7 (BOP)

On the next Contract Anniversary (beginning of Contract Year 7), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 6 is $424,500.

Step 1-2: Guaranteed Growth Amount is added to this WBB: $424,500 + $24,000 = $448,500

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $448,500 < $449,000, Step-Up takes place and WBB = $449,000

Step 4: $449,000 < $449,400, so Enhancement True-Up also takes place and WBB = $449,400.

Note that the Guaranteed Growth Amount will not be increased for any Purchase Payment Enhancements. It is solely based on the Net Purchase Payments.

Enhancement True-Up is not available in New York.

GUARANTEED GROWTH AND INCOME BENEFIT RIDER: EXCESS WITHDRAWALS

Assume that you are in the Withdrawal Phase under the Guaranteed Growth and Income Benefit Rider (example applies to all versions of the Rider). A Guaranteed Annual Withdrawal Amount is calculated which you can withdraw without affecting your Withdrawal Benefit Base. This example provides an overview of what happens when you take a withdrawal that is above the Guaranteed Annual Withdrawal Amount.

Assumptions:

Rider Effective Date:	01/01/2020
Withdrawal Benefit Base on 01/01/2020:	$200,000
Contract Value on 04/01/2020 (immediately prior to withdrawal):	$150,000
Guaranteed Annual Withdrawal Amount for 2020:	$10,000

Suppose on 04/01/2020, you take a withdrawal of $15,000. This is in excess of the Guaranteed Annual Withdrawal Amount by $15,000 − $10,000 = $5,000

Effect on Withdrawal Benefit Base

Excess Withdrawals reduce the Withdrawal Benefit Base by the greater of (a) and (b) where:

(a) is the Excess Withdrawal Amount

(b) is the Excess Withdrawal Amount multiplied by the ratio of (1) and (2) where:

(1) is the Withdrawal Benefit Base just prior to the Excess Withdrawal, and

(2) is the greater of zero and the difference between (i) and (ii) where:

(i) is the Contract Value immediately prior to the withdrawal, and

(ii) is the Guaranteed Annual Withdrawal Amount remaining prior to the withdrawal.

(a) = $5,000

(b) = $5,000 * ((1) $200,000 / ((2)max(0)(i)$150,000 − (ii)$10,000)) = $5,000 * ($200,000 / $140,000) = $7,142.86

In this case, (b) = $7,142.86 is greater than (a) = $5,000. Therefore, the Withdrawal Benefit Base will be reduced to $200,000 − $7,142.86 = $192,857.14. The Contract Value reduces to $150,000 − $15,000 = $135,000.

Effect on Enhanced Death Benefit Base

Suppose at the time of the withdrawal described above, the Enhanced Death Benefit Base is $200,000. The Enhanced Death Benefit Base is reduced for the total amount of the withdrawal by the greater of (a) and (b), where:

(a) is the withdrawal amount, and

(b) is the withdrawal amount multiplied by the ratio of (1) and (2) where:

(1) is the Enhanced Death Benefit Base immediately prior to the withdrawal, and

(2) is the Contract Value immediately prior to the withdrawal

(a) = $15,000

(b) = $15,000 * ((1)$200,000 / (2)$150,000) = $20,000

In this case, (b) = $20,000 is greater than (a) = $15,000. Therefore, the Enhanced Death Benefit Base will be reduced to $200,000 − $20,000 = $180,000. The Contract Value reduces to $150,000 − $15,000 = $135,000.

RMD and Guaranteed Growth and Income Benefit Rider

Assume that you are in the Withdrawal Phase under the Guaranteed Growth and Income Benefit Rider (example applies to all versions of the Rider). During the Withdrawal Phase, a Guaranteed Annual Withdrawal Amount is calculated every Contract Year, and allows you to take withdrawals up to that amount without affecting your Withdrawal Benefit Base.

Assumptions:

Rider Effective Date:	01/01/2020
Withdrawal Benefit Base on 01/01/2021:	$200,000
Contract Value on 04/01/2021:	$150,000
Guaranteed Annual Withdrawal Amount for 2021:	$10,000

Suppose your Required Minimum Distribution for 2021 is calculated and is $15,000. On 04/01/2021 you take a $15,000 withdrawal directed as an RMD Withdrawal. RMD withdrawals are subject to more favorable Excess Withdrawal treatment:

- If the RMD amount is greater than the Guaranteed Annual Withdrawal Amount:
  - Withdrawal Benefit Base will not be reduced for withdrawals up to the RMD amount;

- Withdrawals in excess of RMD Amount will be treated as Excess Withdrawals.

In this case, the RMD withdrawal is greater than the Guaranteed Annual Withdrawal Amount. However, because this is an RMD withdrawal, there is no Excess Withdrawal. The Withdrawal Benefit Base is not reduced and remains at $200,000. Contract Value reduces to $150,000 − $15,000 = $135,000.

RMD and Surrender Charges / Free Withdrawal

Assume there is a single Initial Purchase Payment made on 01/01/2020 of $100,000.

The contract is now in its second Contract Year. The Free Withdrawal Amount is currently 10% of Total Purchase Payments:

Free Withdrawal Amount = 10% x $100,000 = $10,000

Suppose your Required Minimum Distribution for 2021 is calculated and is $15,000. On 04/01/2021 you make a $15,000 withdrawal directed as an RMD Withdrawal. The RMD Withdrawal exceeds the Free Withdrawal Amount by $5,000. However, there is no Surrender Charge imposed upon withdrawals taken to satisfy Required Minimum Distributions, even if this amount exceeds the Free Withdrawal Amount. Therefore, there is no Surrender Charge on the withdrawal.

RMD and Enhanced Death Benefit

Assume that your contract has an Enhanced Death Benefit Rider attached to it.

Assumptions:

Rider Effective Date:	01/01/2020
Enhanced Death Benefit Base on 01/01/2021 (immediately prior to withdrawal):	$200,000
Contract Value on 04/01/2021:	$150,000

Suppose your Required Minimum Distribution for 2021 is calculated and is $15,000. On 04/01/2021 you make a $15,000 withdrawal directed as an RMD Withdrawal. There is no special treatment of Required Minimum Distributions under the Enhanced Death Benefit Rider. The Enhanced Death Benefit Base is reduced for the total amount of the withdrawal by the greater of (a) and (b), where:

(a) is the withdrawal amount, and

(b) is withdrawal amount multiplied by the ratio of (1) and (2) where:

   (1) is the Enhanced Death Benefit Base immediately prior to the withdrawal, and

   (2) is the Contract Value immediately prior to the withdrawal

(a) = $15,000

(b) = $15,000 * ((1)$200,000 / (2)$150,000) = $20,000

In this case, (b) = $20,000 is greater than (a) = $15,000. Therefore, the Enhanced Death Benefit Base will be reduced to $200,000 − $20,000 = $180,000. The Contract Value reduces to $150,000 − $15,000 = $135,000.

INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER: INFLATION INCREASE OF WITHDRAWAL BENEFIT BASE IN DEFERRAL PHASE

Assume on 01/01/2020 your Initial Purchase Payment is $100,000. You make an additional Purchase Payment on 04/15/2020 of $50,000, after which the Withdrawal Benefit Base increases to $150,000. You take an Early Access Withdrawal on 10/15/2020 of $20,000. On 10/15/2020, assume the Contract Value is $140,000 before the Early Access Withdrawal is taken. Assume that the Inflation Factor for the year is 3.00%.

Effect of Early Access Withdrawal on Withdrawal Benefit Base

Early Access Withdrawals reduce the Withdrawal Benefit Base by the greater of (1) and (2) where:

(1) is the Early Access Withdrawal amount, and

(2) is the Early Access Withdrawal amount multiplied by the ratio of (a) to (b), where:

(a) is the Withdrawal Benefit Base immediately prior to the Early Access Withdrawal, and

(b) is the Contract Value immediately prior to the Early Access Withdrawal.

(1) $20,000

(2) $20,000 * ($150,000 / $140,000) = $21,428.57

In this case, (2) = $21,428.57 is greater than (1) = $20,000. Therefore, the Withdrawal Benefit Base will be reduced to $150,000 − $21,428.57 = $128,571.43. The Contract Value reduces to $140,000 − $20,000 = $120,000.

An Inflation Increase will be applied on the next Contract Anniversary (01/01/2021) based on the average monthly Withdrawal Benefit Base during the Contract Year. The average monthly Withdrawal Benefit Base is the average monthly value (on each Monthly Anniversary) of the Withdrawal Benefit Base over the previous 12 months of the Contract Year.

Monthly Anniversary dates:	Number of months:	Withdrawal Benefit Base:
1/1/2020, 2/1/2020, 3/1/2020, 4/1/2020	4	$100,000
5/1/2020, 6/1/2020, 7/1/2020, 8/1/2020, 9/1/2020, 10/1/2020	6	$150,000
11/1/2020, 12/1/2020	2	$128,571

The Inflation Increase added to the Withdrawal Benefit Base on 01/01/2021 will be:

3% * (4 * 100,000 + 6 * 150,000 + 2 * 128,571) / 12 = $3,893

INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER: WITHDRAWAL BENEFIT BASE AT THE START OF LIVING BENEFIT WITHDRAWALS

At the time you decide to start the Living Benefit Withdrawals under the Living Benefit Guarantee, your Withdrawal Benefit Base will be set to the greater of the following:

1) Contract Value

2) Withdrawal Benefit Base

Assumptions:

Rider Effective Date:	01/19/2020
Living Benefit Withdrawals start on:	04/01/2021
Contract Value on 04/01/2021 (just prior to the withdrawal):	$108,200
Withdrawal Benefit Base on 01/19/2021:	$107,000

The Contract Value (just prior to withdrawal) of $108,200 is greater than the Withdrawal Benefit Base (just prior to withdrawal) of $107,000. Therefore, your Withdrawal Benefit Base will step-up to $108,200.

INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER: AUTOMATIC ANNUAL STEP-UP OF WITHDRAWAL BENEFIT BASE IN DEFERRAL PHASE

Assumptions:

Initial Purchase Payment	$100,000.00
Additional Purchase Payments	None
Inflation Factor	3.00%

Contract Anniversary	Contract Value	Inflation Increase	Withdrawal Benefit Base Before Step-Up	Withdrawal Benefit Base after Step-Up	
1	$125,000.00	$3,000.00	$103,000.00	$125,000.00	Step-Up
2	$127,000.00	$3,750.00	$128,750.00	$128,750.00	No Step-Up
3	$132,000.00	$3,862.50	$132,612.50	$132,612.50	No Step-Up
4	$140,000.00	$3,978.38	$136,590.88	$140,000.00	Step-Up

On the Rider Effective Date, the Withdrawal Benefit Base is equal to the Initial Purchase Payment ($100,000). On the first Contract Anniversary, the Inflation Increase of $3,000 is added to the Withdrawal Benefit Base ($100,000 + $3,000 = $103,000). The Withdrawal Benefit Base is then compared to the Contract Value for Step-Up Evaluation. Since the Contract Value is greater than the Withdrawal Benefit Base at this point ($125,000 > $103,000), an Automatic Annual Step-Up takes place, and the Withdrawal Benefit Base is set equal to the Contract Value ($125,000). On the next Contract Anniversary, the Inflation Increase is added to the Withdrawal Benefit Base and then it is evaluated for Step-Up: $125,000 + $3,750 = $128,750, Contract Value $127,000 < $128,750, so there is no Step-Up this year.

INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER: RIDER CHARGE

EXAMPLE FOR INFLATION PROTECTOR WITHDRAWAL BENEFIT IV RIDER

Suppose a Single Life Guarantee is issued on 05/1/2021. Throughout the first Contract Year, the Rider Charge will be deducted on 07/31/2021, 10/31/2021, 01/31/2022, and 04/30/2022. Suppose the Withdrawal Benefit Base is $100,000 on 05/18/2021, and there are no withdrawals in the Contract Year. The amount of the charge deducted each quarter will then be $100,000 * (1.40% / 4) * (days in quarter not including Leap Day / 91.25).

Suppose that there is no Step-Up on 05/1/2022, so the Withdrawal Benefit Base will be increased by the Inflation Increase (this example uses an Inflation Factor of 3.00%): $100,000 + (3% x $100,000) = $103,000. In the second Contract Year, the amount of the charge deducted each quarter will then be $103,000 * (1.40% / 4) * (days in quarter not including Leap Day/ 91.25).

For example, there are 92 days between 5/1/2021 and 7/31/2021, so the Rider Charge for the 1st Contract Quarter will be 100,000 * (1.40%/4) * (92 / 91.25) = $352.88. There are only 89 days in the 4th quarter, so the charge will then be $100,000 * (1.40%/4) * (89/91.25) = $341.37.

Rider Charge varies in certain states — please see “Appendix B: State Variations” for details.

EXAMPLE FOR INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER, THE INFLATION PROTECTOR WITHDRAWAL BENEFIT II RIDER AND INFLATION PROTECTOR WITHDRAWAL BENEFIT III RIDER

Suppose a Single Life Guarantee is issued on 05/1/2020. Throughout the first Contract Year, the Rider Charge will be deducted on 07/31/2020, 10/31/2020, 01/31/2021, and 04/30/2021. Suppose the Withdrawal Benefit Base is $100,000 on 05/18/2020, and there are no withdrawals in the Contract Year. The amount of the charge deducted each quarter will then be $100,000 * (1.25% / 4) * (days in quarter not including Leap Day / 91.25).

Suppose that there is no Step-Up on 05/1/2021, so the Withdrawal Benefit Base will be increased by the Inflation Increase (this example uses an Inflation Factor of 3.00%): $100,000 + (3% x $100,000) = $103,000. In the second Contract Year, the amount of the charge deducted each quarter will then be $103,000 * (1.25% / 4) * (days in quarter not including Leap Day/ 91.25).

For example, there are 92 days between 5/1/2020 and 7/31/2020, so the Rider Charge for the 1st Contract Quarter will be 100,000 * (1.25%/4) * (92 / 91.25) = $315.07. There are only 89 days in the 4th quarter, so the charge will then be $100,000 * (1.25%/4) * (89/91.25) = $304.79.

Rider Charge varies in certain states — please see “Appendix B: State Variations” for details.

INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER: ENHANCEMENT TRUE-UP

This Example illustrates how the Enhancement True-Up process works. Assume all Purchase Payments are made at the beginning of the Contract Year. The Enhancement True-Up Base and Withdrawal Benefit Base below are also values as of the beginning of the Contract Year.

Contract Year	Purchase Payment	Purchase Payment Enhancement	Contract Value Beginning-of-Year	Contract Value End-of-Year	Inflation Increase	Enhancements > 36 months old	Enhancement True-Up Base	Withdrawal Benefit Base
1 . . .	$250,000.00	$12,500.00	$262,500.00	$262,500.00	$ 0.00	$ 0.00	$250,000.00	$250,000.00
2 . . .	$ 10,000.00	$ 500.00	$273,000.00	$273,000.00	$ 7,500.00	$ 0.00	$260,000.00	$273,000.00
3 . . .	$ 10,000.00	$ 500.00	$283,500.00	$335,000.00	$ 8,190.00	$ 0.00	$270,000.00	$291,190.00
4 . . .	$ 30,000.00	$ 1,500.00	$366,500.00	$385,000.00	$ 8,735.70	$12,500.00	$312,500.00	$366,500.00
5 . . .	$ 0.00	$ 0.00	$385,000.00	$424,500.00	$10,995.00	$ 500.00	$313,000.00	$385,000.00
6 . . .	$ 0.00	$ 0.00	$424,500.00	$432,000.00	$11,550.00	$ 500.00	$313,500.00	$424,500.00
7 . . .	$ 0.00	$ 0.00	$432,000.00	$469,000.00	$12,735.00	$ 1,500.00	$315,000.00	$437,235.00

Assumptions:

Purchase Payments:	$250,000 on Contract Date, $10,000 beginning of Contract Years 2 and 3, $30,000 beginning of Contract Year 4.
Withdrawals:	No Withdrawals
Inflation Factor:	3% for Contract Years 1-6.
Contract Growth:	No growth in Contract Years 1 and 2, $51,500 in Contract Year 3, $18,500 in Contract Year 4, $39,500 in Contract Year 5, $7,500 in Contract Year 6, $37,000 in Contract Year 7.

Enhancement True-Up Base:

This value is used to determine whether the Withdrawal Benefit Base will receive an Enhancement True-Up. The Enhancement True-Up Base includes your Purchase Payments and Purchase Payment Enhancements more than 36 months old:

CY1 Enhancement True-Up Base is equal to your initial Purchase Payment at Contract Issue = $250,000. Purchase Payment Enhancement of $12,500 is included in the Contract Value, but not in the Enhancement True-up Base, because it is not yet 36 months old.

CY2 On first anniversary, another Purchase Payment is added to Enhancement True-Up Base: $250,000 + $10,000 = $260,000. Purchase Payment Enhancements from CY 1 or CY 2 are not included, because they are not yet 36 months old.

CY3 On the second Contract Anniversary (beginning of Contract Year 3), the additional Purchase Payment is added to the Enhancement True-Up Base: $260,000 + $10,000 = $270,000. Purchase Payment Enhancements are not yet 36 months old.

CY4 On the third Contract Anniversary (beginning of Contract Year 4), the additional Purchase Payment is added to the Enhancement True-Up Base, as well as the Purchase Payment Enhancement from the initial Purchase Payment, which is now 36 months old: $270,000 + $30,000 + $12,500 = $312,500.

CY5 There are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 2 is now 36 months old, so it is added to the Enhancement True-Up Base: $312,500 + $500 = $313,000.

CY6 There are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 3 is now 36 months old, so it is added to the Enhancement True-Up Base: $313,000 + $500 = $313,500.

CY7 There are no Purchase Payments this year, but the Purchase Payment Enhancement from the Purchase Payment made in Contract Year 4 is now 36 months old, so it is added to the Enhancement True-Up Base: $313,500 + $1,500 = $315,000.

Enhancement True-Up Comparison:

Contract Year 4 (BOP)

The first Enhancement True-Up evaluation takes place in the beginning of Contract Year 4. Withdrawal Benefit Base as of the end of Contract Year 3 is $291,190.

Step 1-2: Purchase Payments and the Inflation Increase are added to this WBB: $291,190 + $30,000 + $8,735.70 = $329,925.70

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value (BOP): $329,925.70 < $366,500, so WBB Steps-Up to $366,500. Deferral Phase Inflation Increase Period is reset.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $366,500 > $312,500, so there is no Enhancement True-Up.

Contract Year 5 (BOP)

On the next Contract Anniversary (beginning of Contract Year 5), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 4 is $366,500.

Step 1-2: The Inflation Increase is added to this WBB: $366,500 + $10,995 = $377,495

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $377,495 < $385,000, so WBB Steps-Up to $385,000. Deferral Phase Inflation Increase Period is reset.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $385,000 < $313,000, so there is no Enhancement True-Up.

Contract Year 6 (BOP)

On the next Contract Anniversary (beginning of Contract Year 6), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 5 is $385,000.

Step 1-2: An Inflation Increase is added to this WBB: $385,000 + $11,550 = $396,550.

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $396,550 < $424,500, so WBB Steps-Up to $424,500. Deferral Phase Inflation Increase Period is reset.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $424,500 > $313,500, so there is no Enhancement True-Up.

Contract Year 7 (BOP)

On the next Contract Anniversary (beginning of Contract Year 7), the same process takes place. Withdrawal Benefit Base at the end of Contract Year 6 is $424,500.

Step 1-2: An Inflation Increase is added to this WBB: $424,500 + $12,735 = $437,235.

Step 3: WBB is evaluated for Step-Up by comparing to the Contract Value: $437,235 > $432,000, no Step-Up.

Step 4: WBB is evaluated for Enhancement True-Up by comparing to the Enhancement True-Up Base: $437,235 > $315,000, so there is no Enhancement True-Up.

Enhancement True-Up is not available in New York.

Inflation Protector Withdrawal Benefit Rider — Lifetime Withdrawal Guarantee: Lifetime Withdrawal Rate Calculation

$100,000 is deposited at issue; $50,000 is deposited in the beginning of the 4th Contract Year (3 years since issue). Withdrawals start in the beginning of Contract Year 7. Annuitant is Actual Age 72 at the time of first withdrawal.

Contract Year	Purchase Payment	Age of Purchase Payment	Total Purchase Payments	Waiting Bonus
1	$100,000	6	$150,000	0.40%
4	$ 50,000	3	$150,000	0.10%
Effective Waiting Bonus:				**0.50%**

Withdrawal Rate Adjustment Waiting Period = 0

Maximum Withdrawal Rate Adjustment Period = 10
Annual Adjustment Rate = 0.10%

Age-Based Lifetime Withdrawal Rate = 3.75% (based on a single life under Inflation Protector Withdrawal Benefit IV)

Initial Calculation of Effective Waiting Bonus.

Waiting Bonus = (Age of PP) * (Annual Adjustment Rate) * (PP Amount) / (Total PP)

For $100K Purchase Payment deposited at issue:
Waiting Bonus = (6) * (0.10%) * ($100,000) / ($150,000) = 0.40%

For $50K Purchase Payment deposited in the beginning of the 4^{th} Contract Year:
Waiting Bonus = (3) * (0.10%) * ($50,000) / ($150,000) = 0.10%

The Effective Waiting Bonus is the sum of the Waiting Bonus for each Purchase Payment.

Effective Waiting Bonus = 0.40% + 0.10% = 0.50%

Lifetime Withdrawal Rate = Age-Based Lifetime Withdrawal Rate + Effective Waiting Bonus = 3.75% + 0.50% = 4.25%

Suppose there is a Step-Up in Contract Year 11. Since the Annuitant has reached age 76 at this time, he is eligible to receive the higher Age-Based Lifetime Withdrawal Rate. The Effective Waiting Bonus will not be recalculated at this point. The new Lifetime Withdrawal Rate = 4.00% + 0.50% = 4.50%

The Waiting Bonus is not available in New York.

Inflation Protector Withdrawal Benefit Rider — Lifetime Withdrawal Guarantee: Excess Withdrawals

Assume that you are in the Withdrawal Phase under the Lifetime Withdrawal Guarantee of the Inflation Protector Benefit Rider. A Guaranteed Annual Withdrawal Amount is calculated which you can withdraw without affecting your Withdrawal Benefit Base. This example summarizes what happens when you take a withdrawal that is above the Guaranteed Annual Withdrawal Amount.

Assumptions:

Rider Effective Date:	1/1/2020
Withdrawal Benefit Base on 01/01/2020:	$200,000.00
Contract Value on 4/1/2020 (immediately prior to withdrawal):	$150,000.00
Guaranteed Annual Withdrawal Amount for 2020:	$10,000.00

Suppose on 04/01/2020, you take a withdrawal of $15,000. This is in excess of the Guaranteed Annual Withdrawal Amount by $15,000 − $10,000 = $5,000

Effect on Withdrawal Benefit Base

Excess Withdrawals reduce the Withdrawal Benefit Base by the greater of (a) and (b) where:

(a) is the Excess Withdrawal Amount

(b) is the Excess Withdrawal Amount multiplied by the ratio of (1) and (2) where:

(1) is the Withdrawal Benefit Base just prior to the Excess Withdrawal, and

(2) is the difference between (i) and (ii) where:

(i) is the Contract Value immediately prior to the withdrawal, and

(ii) is the Guaranteed Annual Withdrawal Amount remaining prior to the withdrawal.

(a) = $5,000

(b) = $5,000 * ((1) $200,000 / ((2)max(0,(i)$150,000 – (ii)$10,000)) = $5,000 * ($200,000 / $140,000) = $7142.86

In this case, (b) = $7,142.86 is greater than (a) = $5,000. Therefore, the Withdrawal Benefit Base will be reduced to $200,000 − $7,142.86 = $192,857.14. The Contract Value reduces to $150,000 − $15,000 = $135,000.

Effect on Enhanced Death Benefit Base

Suppose at the time of the withdrawal described above, the Enhanced Death Benefit Base is $200,000. The Enhanced Death Benefit Base is reduced for the total amount of the withdrawal by the greater of (a) and (b), where:

(a) is the withdrawal amount, and

(b) is withdrawal amount multiplied by the ratio of (1) and (2) where:

(1) is the Enhanced Death Benefit Base immediately prior to the withdrawal, and

(2) is the Contract Value immediately prior to the withdrawal

(a) = $15,000

(b) = $15,000 * ((1)$200,000 / (2)$150,000) = $20,000

In this case, (b) = $20,000 is greater than (a) = $15,000. Therefore, the Enhanced Death Benefit Base will be reduced to $200,000 − $20,000 = $180,000. The Contract Value reduces to $150,000 − $15,000 = $135,000.

INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER — STANDARD WITHDRAWAL GUARANTEE: AVAILABLE STANDARD WITHDRAWAL RATES

This example illustrates how the available Standard Withdrawal Rates are determined at the time of Living Benefit Withdrawal. (To see how the Lifetime Withdrawal Rate is determined for the following scenario, see "Inflation Protector Withdrawal Benefit Rider — Lifetime Withdrawal Guarantee: Lifetime Withdrawal Rate Calculation" example in Appendix A.)

Suppose $100,000 is deposited at issue; $50,000 is deposited in the beginning of the 4th Contract Year (3 years since issue). Standard Withdrawals start in the beginning of Contract Year 7. Annuitant is Actual Age 72 at the time of first withdrawal.

The Standard Withdrawal Rates available at the time of first withdrawal will be those that are greater than or equal to the then applicable Lifetime Withdrawal Rate plus the Standard Withdrawal Rate Threshold (0.50%).

The Lifetime Withdrawal Rate under the Lifetime Withdrawal Guarantee is equal to the sum of the Age-Based Lifetime Withdrawal Rate and the Effective Waiting Bonus. At time of the Standard Withdrawal, these components and the Lifetime Withdrawal Rate have the following values:

Age-Based Lifetime Withdrawal Rate: 3.75% (based on a single life under Inflation Protector Withdrawal Benefit IV)
Effective Waiting Bonus: 0.50%
Lifetime Withdrawal Rate: 3.75 % + 0.50% = 4.25%

Available Standard Withdrawal Rates ≥ (4.25% + 0.50% = 4.75%)

The available Standard Withdrawal Rates are 5.00% and 6.00%.

The Waiting Bonus is not available in New York.

INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER — STANDARD WITHDRAWAL GUARANTEE

This example illustrates the effect of withdrawals under the Standard Withdrawal Guarantee on the Standard Withdrawal Benefit Balance and the Withdrawal Benefit Base, described in Section 11.11 — "Withdrawal Options under the Rider — Standard Withdrawal Guarantee under the Living Benefit Guarantee" of this prospectus.

Assume that at the start (BOP) of the Contract Year, your contract has the following values:

Guaranteed Annual Withdrawal Amount (GAWA)	$ 10,000
Standard Annual Reduction	$ 5,000
Contract Value (CV)	$ 40,000
Withdrawal Benefit Base	$200,000
Standard Withdrawal Benefit Balance	$ 45,000

Scenario 1.

Monthly withdrawals of $1,000 are taken at the end of each Contract Month. For simplicity, we will assume that the Contract Value will only reduce for withdrawals, and will not change for any gains, losses, or charges (therefore, there is no opportunity for Step-Up). Table below shows the Standard Withdrawal Benefit Balance and Withdrawal Benefit Base at the end of each Contract Month (EOP), reduced for withdrawals.

Abbreviations:

BOP = Beginning of Period, EOP = End of Period, CV = Contract Value, GAWA = Guaranteed Annual Withdrawal Amount, SAR = Standard Annual Reduction, WD = Withdrawal, WBB = Withdrawal Benefit Base, SWBB = Standard Withdrawal Benefit Balance

Month	CV BOP	GAWA Rem. BOP	SAR Rem. BOP	WD	Cum WD	Gain	Excess WD	WBB BOP	SWBB BOP	WBB Red.	WBB EOP	SWBB EOP
1	$40,000	$10,000	$5,000	$1,000	$1,000	$0	$0	$200,000	$45,000	$0	$200,000	$44,000
2	$39,000	$9,000	$4,000	$1,000	$2,000	$0	$0	$200,000	$44,000	$0	$200,000	$43,000
3	$38,000	$8,000	$3,000	$1,000	$3,000	$0	$0	$200,000	$43,000	$0	$200,000	$42,000
4	$37,000	$7,000	$2,000	$1,000	$4,000	$0	$0	$200,000	$42,000	$0	$200,000	$41,000
5	$36,000	$6,000	$1,000	$1,000	$5,000	$0	$0	$200,000	$41,000	$0	$200,000	$40,000
6	$35,000	$5,000	$0	$1,000	$6,000	$0	$0	$200,000	$40,000	$0	$200,000	$40,000
7	$34,000	$4,000	$0	$1,000	$7,000	$0	$0	$200,000	$40,000	$0	$200,000	$40,000
8	$33,000	$3,000	$0	$1,000	$8,000	$0	$0	$200,000	$40,000	$0	$200,000	$40,000
9	$32,000	$2,000	$0	$1,000	$9,000	$0	$0	$200,000	$40,000	$0	$200,000	$40,000
10	$31,000	$1,000	$0	$1,000	$10,000	$0	$0	$200,000	$40,000	$0	$200,000	$40,000
11	$30,000	$0	$0	$1,000	$11,000	$0	$1,000	$200,000	$40,000	$6,667	$193,333	$38,667
12	$29,000	$0	$0	$1,000	$12,000	$0	$1,000	$193,333	$38,667	$6,667	$186,667	$37,333
1	$28,000	$9,333	$5,000									

Standard Withdrawal Benefit Balance is reduced as follows:

– For the first 5 months (as long as the cumulative withdrawals in the Contract Year are less than Standard Annual Reduction), the Standard Withdrawal Benefit Balance is reduced by the dollar amount of every $1,000 withdrawal.

– For the next 5 months (when cumulative withdrawals in the Contract Year exceed Standard Annual Reduction but are less than the GAWA), the Standard Withdrawal Benefit Balance is not reduced.

– Withdrawals in Contract Months 11 and 12 are considered Excess Withdrawals, as the GAWA has been depleted by this time.

Excess Withdrawals reduce the Standard Withdrawal Benefit Balance by the greater of (a) and (b) where:

(a) is the Excess Withdrawal Amount

(b) is the Excess Withdrawal Amount multiplied by the ratio of (1) and (2) where:

(1) is the difference between (i) and (ii), where:

(i) is the Standard Withdrawal Benefit Balance immediately prior to the withdrawal, and

(ii) is the Standard Annual Reduction remaining prior to the withdrawal, and

(2) is the difference between (i) and (ii) where:

(i) is the Contract Value immediately prior to the withdrawal, and

(ii) is the Guaranteed Annual Withdrawal Amount remaining prior to the withdrawal.

- At the end of Contract Month 11:

(a) $1,000

(b) $1,000*[(1)((i)$40,000 - (ii)$0)/(2)((i)$30,000-(ii)$0)] = $1,333

In this case, (b) = $1,333 is greater than (a) = $1,000. Therefore, the Standard Withdrawal Benefit Balance will be reduced by $1,333 for the Excess Withdrawal.

- At the end of Contract Month 12:

(a) $1,000

(b) $1,000*[(1)((i)$38,667-(ii)$0)/(2)((i)$29,000-(ii)$0)] = $1,333

In this case, (b) = $1,333 is greater than (a) = $1,000. Therefore, the Standard Withdrawal Benefit Balance will be reduced by $1,333 for the Excess Withdrawal.

Withdrawal Benefit Base is reduced as follows:

– For the first 10 months (as long as the cumulative withdrawals in the Contract Year are less than GAWA), the Withdrawal Benefit Base is not reduced.

– Withdrawals in Contract Months 11 and 12 are considered Excess Withdrawals, as GAWA has been depleted by this time.

Excess Withdrawals reduce the Withdrawal Benefit Base by the greater of (a) and (b) where:

(a) is the Excess Withdrawal Amount

(b) is the Excess Withdrawal Amount multiplied by the ratio of (1) and (2) where:

(1) is the Withdrawal Benefit Base just prior to the Excess Withdrawal, and

(2) is the difference between (i) and (ii) where:

(i) is the Contract Value immediately prior to the withdrawal, and

(ii) is the Guaranteed Annual Withdrawal Amount remaining prior to the withdrawal.

- At the end of Contract Month 11:

  (a) $1,000

  (b) $1,000*[(1)($200,000)/(2)((i)$30,000-(ii)$0)] = $6,667

In this case, (b) = $6,667 is greater than (a) = $1,000. Therefore, the Withdrawal Benefit Base will be reduced by $6,667 for the Excess Withdrawal.

- At the end of Contract Month 12, the Withdrawal Benefit Base is reduced by the greater of (a) and (b):

  (a) $1,000

  (b) $1,000*[(1)($193,333)/(2)((i)$29,000-(ii)$0)] = $6,667

In this case, (b) = $6,667 is greater than (a) = $1,000. Therefore, the Withdrawal Benefit Base will be reduced by $6,667 for the Excess Withdrawal.

Scenario 2.

Now assume that you take $11,000 withdrawal at the end of month 11, and a $1,000 withdrawal at the end of month 12.

Month	CV BOP	GAWA Rem. BOP	SAR Rem. BOP	WD	Cum WD	Gain	Excess WD	WBB BOP	SWBB BOP	WBB Red.	WBB EOP	SWBB EOP
11	$40,000	$10,000	$5,000	$11,000	$11,000	$0	$1,000	$200,000	$45,000	$6,667	$193,333	$38,667
12	$29,000	$0	$0	$1,000	$12,000	$0	$1,000	$193,333	$38,667	$6,667	$186,667	$37,333
1	$28,000	$9,333	$5,000									

Standard Withdrawal Benefit Balance is reduced as follows:

– At the end of Contract Month 11, Excess Withdrawal = Total Withdrawal − GAWA Remaining = $11,000 − $10,000 = $1,000. At the end of Contract Month 12, Excess Withdrawal is $1,000 − $0 = $1,000:

- At the end of Contract Month 11:

  (a) $1,000

  (b) $1,000*[(1)((i)$45,000-(ii)$5,000)/(2)((i)$40,000-(ii)$10,000)] = $1,333

In this case, (b) = $1,333 is greater than (a) = $1,000. Therefore, the Standard Withdrawal Benefit Balance will be reduced by $1,333 for the Excess Withdrawal.

- At the end of Contract Month 12:

  (a) $1,000

  (b) $1,000*[(1)((i)$38,667-(ii)$0)/(2)((i)$29,000-(ii)$0)] = $1,333

In this case, (b) = $1,333 is greater than (a) = $1,000. Therefore, the Standard Withdrawal Benefit Balance will be reduced by $1,333 for the Excess Withdrawal.

Withdrawal Benefit Base is reduced as follows:

– At the end of Contract Month 11, Excess Withdrawal = Total Withdrawal — GAWA Remaining = $11,000 — $10,000 = $1,000. At the end of Contract Month 12, Excess Withdrawal is $1,000 — $0 = $1,000:

- At the end of Contract Month 11:

  (a) $1,000

  (b) $1,000*[(1)($200,000)/(2)((i)$40,000-(ii)$10,000)] = $6,667

In this case, (b) = $6,667 is greater than (a) = $1,000. Therefore, the Withdrawal Benefit Base will be reduced by $6,667 for the Excess Withdrawal.

- At the end of Contract Month 12:

  (a) $1,000

  (b) $1,000*[(1)($193,333)/(2)((i)$29,000-(ii)$0)] = $6,667

In this case, (b) = $6,667 is greater than (a) = $1,000. Therefore, the Withdrawal Benefit Base will be reduced by $6,667 for the Excess Withdrawal.

In both cases, the Standard Withdrawal Benefit Balance is equal to $37,333 and Withdrawal Benefit Base is equal to $186,667 after reductions for withdrawals (at the end of month 12).

In the beginning of the next Contract Year, the new GAWA and Standard Annual Reduction are calculated (assuming there is no Inflation Increase): GAWA = Withdrawal Benefit Base * Standard Withdrawal Rate = $186,667 * 0.05 = $9,333

Standard Annual Reduction = lesser of 1) previous Standard Annual Reduction and 2) new GAWA = $5,000

INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER — STANDARD WITHDRAWAL GUARANTEE: GUARANTEED ANNUAL WITHDRAWAL AMOUNT IN THE FINAL YEAR

At the start of the Contract Year, your contract has the following values:

Contract Value (CV)	$ 3,400
Withdrawal Benefit Base	$93,139
Standard Withdrawal Benefit Balance	$ 4,000
Guaranteed Annual Withdrawal Amount (GAWA)	$ 4,657
Standard Annual Reduction	$ 4,499

– At the start of the Contract Year, Standard Withdrawal Benefit Balance is compared to Standard Annual Reduction: $4,000 < $4,499.

– Since Standard Withdrawal Benefit Balance is less than Standard Annual Reduction, your GAWA will be reduced.

– GAWA Reduction Factor = Standard Withdrawal Benefit Balance / Standard Annual Reduction = $4,000 / $4,499 = 88.9%.

– The reduced GAWA will be calculated as follows: Reduced GAWA = $4,657 * 88.9% = $4,140.

– Even though your CV is only $3,400, and your Standard Withdrawal Benefit Balance is only $4,000, you can take withdrawals up to GAWA = $4,140.

– Your contract will then be terminated according to the terms of this Rider (see Section 11.20 — “Termination of the Inflation Protector Withdrawal Benefit Rider”).

RMD AND INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER — STANDARD WITHDRAWAL GUARANTEE

Assume that you are in the Withdrawal Phase under the Standard Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider. During the Withdrawal Phase, a Guaranteed Annual Withdrawal Amount is calculated every Contract Year, and allows you to take withdrawals up to that amount without affecting your Withdrawal Benefit Base.

Assumptions:

Rider Effective Date:	1/1/2020
Withdrawal Benefit Base on 01/01/2021:	$ 200,000
Standard Withdrawal Benefit Balance on 01/01/2021:	$ 175,000
Contract Value on 04/01/2021:	$ 150,000
Guaranteed Annual Withdrawal Amount for 2021:	$ 10,000
Standard Annual Reduction for 2021:	$ 7,500

Suppose your Required Minimum Distribution for 2021 is calculated and is $15,000. On 04/01/2021 you take a $15,000 withdrawal directed as an RMD Withdrawal. RMD withdrawals are subject to more favorable Excess Withdrawal treatment:

- If the RMD amount is greater than the Guaranteed Annual Withdrawal Amount:
- The Standard Withdrawal Benefit Balance will be reduced by the dollar amount of withdrawals greater than the Guaranteed Annual Withdrawal Amount but less than or equal to the RMD
- Withdrawal Benefit Base will not be reduced for withdrawals up to the RMD amount;
- Withdrawals in excess of RMD Amount will be treated as Excess Withdrawals.

In this case, the RMD withdrawal is greater than the Guaranteed Annual Withdrawal Amount. However, because this is an RMD withdrawal, there is no Excess Withdrawal. The Withdrawal Benefit Base is not reduced and remains at $200,000. The Standard Withdrawal Benefit Balance is reduced by the dollar amount of the RMD withdrawal above the Guaranteed Annual Withdrawal Amount. The Standard Withdrawal Benefit Balance reduces to $175,000 − $7,500 − $5,000 = $162,500. Contract Value reduces to $150,000 − $15,000 = $135,000.

RMD AND INFLATION PROTECTOR WITHDRAWAL BENEFIT RIDER — LIFETIME WITHDRAWAL GUARANTEE

Assume that you are in the Withdrawal Phase under the Lifetime Withdrawal Guarantee of the Inflation Protector Withdrawal Benefit Rider. During the Withdrawal Phase, a Guaranteed Annual Withdrawal Amount is calculated every Contract Year, and allows you to take withdrawals up to that amount without affecting your Withdrawal Benefit Base.

Assumptions:

Rider Effective Date:	1/1/2020
Withdrawal Benefit Base on 01/01/2021:	$ 200,000
Contract Value on 04/01/2021:	$ 150,000
Guaranteed Annual Withdrawal Amount for 2021:	$ 10,000

Suppose your Required Minimum Distribution for 2021 is calculated and is $15,000. On 04/01/2021 you take a $15,000 withdrawal directed as an RMD Withdrawal. RMD withdrawals are subject to more favorable Excess Withdrawal treatment:

- If the RMD amount is greater than the Guaranteed Annual Withdrawal Amount:
- Withdrawal Benefit Base will not be reduced for withdrawals up to the RMD amount;
- Withdrawals in excess of RMD Amount will be treated as Excess Withdrawals.

In this case, the RMD withdrawal is greater than the Guaranteed Annual Withdrawal Amount. However, because this is an RMD withdrawal, there is no Excess Withdrawal. The Withdrawal Benefit Base is not reduced and remains at $200,000. Contract Value reduces to $150,000 – $15,000 = $135,000.

GUARANTEED MINIMUM ACCUMULATION BENEFIT EXAMPLES (GUARANTEED MINIMUM ACCUMULATION BENEFIT CANNOT BE ADDED TO SMART FOUNDATION FLEX VARIABLE ANNUITY FOR CONTRACTS PURCHASED ON OR AFTER MAY 27, 2016)

GUARANTEED MINIMUM ACCUMULATION BENEFIT

Effect of Subsequent Purchase Payments on Guaranteed Minimum Accumulation Benefit

Suppose your benefit is issued on 2/15/2020 and your benefit period is ten years. Any Purchase Payment received between 2/15/2020 and 2/14/2021 will be added to Guaranteed Minimum Accumulation Benefit Base dollar-for-dollar. Any Purchase Payment received on or after 2/15/2021 will not be added to Guaranteed Minimum Accumulation Benefit Base.

If step-up option is not exercised, and you decide to renew your benefit for another ten years on 2/15/2030, any Purchase Payment received between 2/15/2030 and 2/14/2031 will be added to Guaranteed Minimum Accumulation Benefit Base dollar-for-dollar. Any Purchase Payment received on or after 2/15/2031 will not be added to Guaranteed Minimum Accumulation Benefit Base.

Effect of Withdrawals on Guaranteed Minimum Accumulation Benefit

The Guaranteed Minimum Accumulation Benefit Base will be reduced by the withdrawal in a proportional manner. The reductions in the Guaranteed Minimum Accumulation Benefit Base occur as of the date of each applicable withdrawal. The proportional reduction, which is subtracted from the Guaranteed Minimum Accumulation Benefit base immediately prior to the withdrawal, is determined by multiplying (i) and (ii) where:

(i) is the Guaranteed Minimum Accumulation Benefit immediately prior to the withdrawal, and

(ii) is a ratio of the current withdrawal amount to the Contract Value immediately prior to the withdrawal.

Example: Assume there is a single $7,500 withdrawal during a Contract Year. Suppose that the Contract Value and Guaranteed Minimum Accumulation Benefit Base just prior to the withdrawal are $110,000 and $100,000 respectively.

The Guaranteed Minimum Accumulation Benefit Base will be reduced by the following amount:

Guaranteed Minimum Accumulation Benefit Base x (Withdrawal/Contract Value) = $100,000 x ($7,500/$110,000) = $6,818.18

If the Contract Value just before the $7,500 withdrawal was $90,000, the reduction to the Guaranteed Minimum Accumulation Benefit Base would be as follows:

Guaranteed Minimum Accumulation Benefit Base x (Withdrawal/Contract Value) = $100,000 x ($7,500/$90,000) = $8,333.33

APPENDIX B: STATE VARIATIONS

Following is the summary of state variations for Smart Foundation Variable Annuity. This list includes only the variations that have the most impact on the features and benefits of your Contract, and is not meant to be comprehensive. Information contained below is subject to change without notice based on state approvals of the contract. Please refer to your contract for specific information

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CALIFORNIA

Section **1.3. Right to Review the Contract** has been modified to read as follows:

The Contract Owner may cancel this contract within ten days (30 days for Contract Owners age 60 and older) after its receipt. If this contract is a Replacement Contract it may be cancelled by returning it within 30 days after it is received by the Contract Owner. In either situation, simply return or mail it to the Company or the representative through whom it was purchased. The Company will refund the Contract Value **and policy fees, if any,** as of the time notification is received.

Section **3.1. Transaction Charges:**

The Premature Withdrawal Charge will not be assessed in California.

Section **4.3. Waiver of Surrender Charges** / Medically Related Withdrawal provision has been revised to read as follows:

You may request the waiver of Surrender Charges for your Medically Related Withdrawal of all or part of your Contract Value if certain medically related contingencies occur. The waiver of Surrender Charges is available if, while the contract is in force, the Contract Owner (or Annuitant for entity-owned Contracts) is first diagnosed as having a fatal injury or illness (an injury or illness expected to result in death within 2 years for 80% of diagnosed cases).

Waiver of Surrender Charges under confinement to a medical care facility is not permitted in California.

Section **4.3. Waiver of Surrender Charges** / Disability Related Withdrawal provision has been revised to read as follows:

You may request the waiver of Surrender Charges for your Disability Related Withdrawal of all or part of your Contract Value if:

(1) The Contract Owner (or Annuitant for entity-owned Contracts) **has a disability that renders one unable to perform with reasonable continuity the substantial and material acts necessary to pursue his usual occupation in the usual or customary way or to engage with reasonable continuity in another occupation in which he could reasonably be expected to perform satisfactorily in light of his age, education, training, experience, station in life, physical and mental capacity,**

(2) The disability began after the Contract Date, and

(3) The disability has continued without interruption for four months.

Section **8.2. Purchasing the Enhanced Death Benefit Rider with your Contract (Owner/Annuitant Requirements):**

Covered Life ownership and beneficiary restrictions only apply at time of issue.

Section **8.13. Termination of the Enhanced Death Benefit Rider:**

Rider will not terminate upon assignment or a change of ownership. Upon assignment or a change in ownership of the Contract, features and benefits of the Rider will continue to be based upon the age/lifetime of the Covered Life(ves) designated in the Contract.

Section **9.2. Purchasing the Guaranteed Growth and Income Benefit Rider with your Contract (Owner / Annuitant Requirements):**

Covered Life ownership and beneficiary restrictions only apply at time of issue.

Section **9.17. Termination of the Guaranteed Growth and Income Benefit Rider:**

Rider will not terminate upon assignment or a change of ownership. Upon assignment or a change in ownership of the Contract, features and benefits of the Rider will continue to be based upon the age/lifetime of the Covered Life(ves) designated in the Contract.

Section **10.1. Purchasing both the Guaranteed Growth and Income Benefit and Enhanced Death Benefit Riders with your Contract (Owner / Annuitant Requirements):**

Covered Life ownership and beneficiary restrictions only apply at time of issue.

Section **11.2. Purchasing the Inflation Protector Withdrawal Benefit Rider with your Contract (Owner / Annuitant Requirements):**

Covered Life ownership and beneficiary restrictions only apply at time of issue.

Section **11.20. Termination of the Inflation Protector Withdrawal Benefit Rider:**

Rider will not terminate upon assignment or a change of ownership. Upon assignment or a change in ownership of the Contract, features and benefits of the Rider will continue to be based upon the age/lifetime of the Covered Life(ves) designated in the Contract.

Section **12.1. Purchasing both the Inflation Protector Withdrawal Benefit and Enhanced Death Benefit Riders with your Contract (Owner / Annuitant Requirements):**

Covered Life ownership and beneficiary restrictions only apply at time of issue.

CONNECTICUT

FEE TABLES (Contract Owner Transaction Expenses):

Surrender Charge schedule for Smart Foundation Plus Base Contract Option varies in Connecticut (see section 3.1 below).

Section **1.5. Base Contract Options** (Can I Keep My Purchase Payment Enhancements?):

Purchase Payment Enhancements will only be forfeited in Connecticut if you cancel your Contract during the “Right to Review” period described in your Contract.

Section **3.1. Transaction Charges:**

Surrender Charge schedule for Smart Foundation Plus Base Contract Option in Connecticut is as follows:

Number of full years since Purchase Payment	Applicable Surrender Charge Smart Foundation Plus Base Contract Option
0	9.0%
1	9.0%
2	8.0%
3	7.0%
4	6.0%
5	5.0%
6	4.0%
7	3.0%
8	2.0%
9	0.0%

The Premature Withdrawal Charge will not be assessed in Connecticut.

Section **4.3. Waiver of Surrender Charges:**

Waiver of Surrender Charges for Disability Related Withdrawals is not available in Connecticut.

Term "Medically Related Withdrawal" is replaced with "Waiver of Surrender Charges." Provisions of the Section are changed as follows:

You may request the waiver of Surrender Charge of all or part of your Contract Value if either of the following events occurs:

(1) The Contract Owner (or Annuitant for entity-owned Contracts) is first confined to a hospital or nursing facility while this Contract is in force and remains confined for at least 90 days in a row.

(2) The Contract Owner (or Annuitant for entity-owned Contracts) is diagnosed by a licensed physician with a fatal illness (an illness expected to result in death within 2 years) while this Contract is in force.

Section **5.1. Death before Annuity Date:**

Purchase Payment Enhancement will not be forfeited from the Contract Value component of the Standard Death Benefit, or from the Contract Value payable upon death of a Contract Owner, in Connecticut.

Section **6.6. Annuity Payments:**

If the age of the Annuitant or Joint Payee is misstated and the contract is annuitized, an actuarial equivalent adjustment will be made on future payments under the contracts.

Section **8.13. Termination of the Enhanced Death Benefit Rider:**

Rider will terminate upon a change of ownership only when the Contract Owner is also the Covered Life under the Rider. Upon assignment or a change in ownership of the Contract, features and benefits of the Rider will continue to be based upon the age/lifetime of the Covered Life(ves) designated in the Contract.

Section **9.17. Termination of the Guaranteed Growth and Income Benefit Rider:**

Rider will terminate upon a change of ownership only when the Contract Owner is also the Covered Life under the Rider. Upon assignment or a change in ownership of the Contract, features and benefits of the Rider will continue to be based upon the age/lifetime of the Covered Life(ves) designated in the Contract.

Section **11.20. Termination of the Inflation Protector Withdrawal Benefit Rider:**

Rider will terminate upon a change of ownership only when the Contract Owner is also the Covered Life under the Rider. Upon assignment or a change in ownership of the Contract, features and benefits of the Rider will continue to be based upon the age/lifetime of the Covered Life(ves) designated in the Contract.

FLORIDA

Section 1.2. **Maximum Purchase Payment Amount** has been modified to read as follows:

Total purchase payment must not be greater than $2 million into one contract by the same owner/annuitant.

Section **1.3. Right to Review the Contract** has been modified to read as follows:

You may cancel the Contract within 21 days after its receipt. If this contract is a Replacement Contract it may be cancelled by returning it within 10 days after it is received by the Contract Owner. In either situation, simply return or mail it to the Company or the representative through whom it was purchased. The company will refund an amount equal to the cash surrender value plus any fees or charges deducted from the purchase payments.

Section **3.1. Transaction Charges:**

The Premature Withdrawal Charge will not be assessed after the 10th Contract Year.

Section **6.4. What happens on the Annuity Date?:**

A notification that an Annuity Option must be selected will be sent to you 60 days prior to your Annuity Date. You must select an Annuity Option and notify us of your election at least 30 days prior to the Annuity Date. In the event no response is received from you, and you did not specify an Annuity Option, the Contract Value will be annuitized on the Annuity Date based on an applicable default option.

If the Annuity Date is less than the maximum maturity date, the Annuity Date **will not be changed to the maximum maturity date** allowed by the state.

Section **8.13. Termination of the Enhanced Death Benefit Rider:**

Rider will not terminate upon assignment or a change of ownership. Upon assignment or a change in ownership of the Contract, features and benefits of the Rider will continue to be based upon the age/lifetime of the Covered Life(ves) designated in the Contract.

Section **9.17. Termination of the Guaranteed Growth and Income Benefit Rider:**

Rider will not terminate upon assignment or a change of ownership. Upon assignment or a change in ownership of the Contract, features and benefits of the Rider will continue to be based upon the age/lifetime of the Covered Life(ves) designated in the Contract.

Section **11.20. Termination of the Inflation Protector Withdrawal Benefit Rider:**

Rider will not terminate upon assignment or a change of ownership. Upon assignment or a change in ownership of the Contract, features and benefits of the Rider will continue to be based upon the age/lifetime of the Covered Life(ves) designated in the Contract.

NEW YORK

Effective September 1, 2019, the Smart Foundation Variable Annuities are no longer offered to new business clients in New York. The information below relates to contracts that were offered before that date.

GLOSSARY, Optional Benefits Definitions, Guaranteed Growth and Income Benefit Rider:

Guaranteed Growth and Income Benefit II Rider applies to contracts purchased after March 15, 2013 and before September 1, 2019.

Section **1.3. Right to Review the Contract** has been modified to read as follows:

You may cancel the Contract within 10 days after its receipt. Simply return or mail it to the Company or the representative through whom it was purchased, along with a written request to cancel the Contract based on this provision. The Company will refund any purchase payments made.

Section **2.2. The Fixed Account:**

Fixed Interest Options are not available in New York.

Section **3.1. Transaction Charges:**

Premature Withdrawal Charge does not apply in New York.

Section **3.2. Periodic Charges:**

The Rider Charge for Guaranteed Growth and Income Benefit I (available for contracts purchased on or prior to March 15, 2013), in New York is 1.05% for a Single or Joint Life Guarantee.

The Rider Charge for Inflation Protector Withdrawal Benefit in New York (available for contracts purchased before September 1, 2019) for a Single Life Guarantee is 1.05%, and 1.30% for a Joint Life Guarantee.

Section **4.1. Ways to Access Your Money:**

Withdrawals Treated as Surrenders:

In some circumstances, we reserve the right to treat your withdrawal as a full surrender, or to initiate a payment of the **Contract Value** to you. This will cause your Contract and any optional benefits to terminate.

We also reserve the right to terminate the Contract and any applicable Death Benefit by initiating a payment of the **Contract Value** to you, if there is no Purchase Payment activity during the **three** most recent Contract Years, and the Contract Value is less than $2,000.

Minimum Remaining Balance (described under "Withdrawals Treated as Surrenders" and "Partial Withdrawal" subsections of section 4.1) in New York is as follows:

Base Contract Option	Minimum Remaining Balance (after withdrawal)
Smart Foundation Prime	$2,000
Smart Foundation Flex	$2,000
Smart Foundation Plus	$2,000

Section **5.1. Death before Annuity Date:**

Purchase Payment Enhancement will not be forfeited from the Contract Value component of the Standard Death Benefit, or from the Contract Value payable upon death of a Contract Owner, in New York.

Section **6.6. Annuity Payments:**

The Contract Value on the day immediately preceding the Annuity Date will be used to determine the Annuity Payment. If your Contract Value to be applied to the selected Annuity Option on the Annuity Date is less than **$2,000, or would provide an income the initial amount of which is less than $20 per month,** we may pay you such amount in a lump sum.

The annuity benefits at the time of their commencement will not be less than those that would be provided by the application of the **greater of the Surrender Value and 95% of the Contract Value** to purchase a single premium immediate annuity contract at purchase rates offered by the company at the time to the same class of annuitants.

Section **8.5. Smart Foundation Plus Base Contract Option and the Enhanced Death Benefit Base**

The Enhanced Death Benefit Base Enhancement True-Up feature is not available in New York.

Section **9.4. Withdrawal Benefit Base** (Guaranteed Growth and Income Benefit):

Growth Rate is 7% in New York for Guaranteed Growth and Income Benefit I (available for contracts purchased on or prior to March 15, 2013).

Section **9.5. Smart Foundation Plus Base Contract Option and the Guaranteed Growth and Income Benefit Rider**

The Withdrawal Benefit Base Enhancement True-Up feature is not available in New York.

Section **9.6. Rider Charge:**

The Rider Charge for Guaranteed Growth and Income Benefit I (available for contracts purchased on or prior to March 15, 2013) is **1.05% for a Single or Joint Life Guarantee**.

Section **9.8. Withdrawal Options under the Rider** (Guaranteed Growth and Income Benefit):

Age-Banded Lifetime Withdrawal Rates in New York for Guaranteed Growth and income Benefit I (available for contracts purchased on or prior to March 15, 2013) are:

Actual Age at the start of Withdrawal Phase		Lifetime Withdrawal Rate (Single)	Lifetime Withdrawal Rate (Joint)
At Least	**But Less Than**		
55	65	4.00%	3.50%
65	75	5.00%	4.50%
75 and over		6.00%	5.50%

For a Single Life Guarantee, the Lifetime Withdrawal Rate is based on the Actual Age of the Covered Life at the time you exercise the Lifetime Withdrawal Guarantee. For a Joint Life Guarantee, the Lifetime Withdrawal Rate is based on the Actual Age of the younger Covered Life at the time you exercise the Lifetime Withdrawal Guarantee.

Section **9.14. What Happens on the Annuity Date under the Rider?:**

You must select an Annuity Option at least 30 days prior to the Annuity Date. If the Guaranteed Growth and Income Benefit Rider is in effect when the maximum maturity date has been reached, and you did not specify an option you wish to exercise, your Contract will be annuitized at the **default option offered by the Contract or under the conditions of the Rider, whichever is greater**.

When the Contract is annuitized, the annuity payment schedule and the amount are fixed and cannot be altered. The Annuity Option cannot be changed after the Contract is annuitized. If the Contract is annuitized based on the Rider's Living Benefit Guarantee, the Death Benefit is no longer payable. Also, any favorable treatment of RMD withdrawals under the Rider no longer applies, as such distributions are no longer required. If the remaining annuity payments due

each Contract Year are less than $100, the remaining annuity payments will be commuted and a lump sum **not less than the Contract Value** will be paid.

Section **11.4. Withdrawal Benefit Base:**

The Maximum Inflation Factor is 4%.

Section **11.5. Smart Foundation Plus Base Contract Option and the Inflation Protector Withdrawal Benefit Rider:**

The Withdrawal Benefit Base Enhancement True-Up feature is not available in New York.

Section **11.6. Rider Charge:**

The Rider Charge for contracts purchased before September 1, 2019 for a Single Life Guarantee is 1.05%, and 1.30% for a Joint Life Guarantee.

Section **11.10. Withdrawal Options under the Rider — Lifetime Withdrawal Guarantee under the Living Benefit Guarantee:**

The Waiting Bonus feature is not available in New York.

Section **11.17. What Happens on the Annuity Date under the Rider?:**

You must select an Annuity Option at least 30 days prior to the Annuity Date. If the Inflation Protector Withdrawal Benefit Rider is in effect when the maximum maturity date has been reached, and you did not specify an option you wish to exercise, your Contract will be annuitized at the **default option offered by the Contract or under the conditions of the Rider, whichever is greater**.

When the Contract is annuitized, the annuity payment schedule and the amount are fixed and cannot be altered. The Annuity Option cannot be changed after the Contract is annuitized. If the Contract is annuitized based on the Rider's Living Benefit Guarantee, the Death Benefit is no longer payable. Also, any favorable treatment of RMD withdrawals under the Rider no longer applies, as such distributions are no longer required. If the remaining annuity payments due each Contract Year are less than $100, the remaining annuity payments will be commuted and a lump sum **not less than the Contract Value** will be paid.

Appendix C: Accumulation Unit Values

This Appendix contains tables that show Accumulation Unit values and the number of Accumulation Units outstanding for each of the Subaccounts of the Separate Account. The financial data included in the tables should be read in conjunction with the financial statements and the related notes that are included in the SAI.

SMART FOUNDATION FLEX

Penn Series Money Market Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$8.961	$8.966	$9.066	$9.216	$9.367
Accumulation Unit Value, end of period	$8.836	$8.961	$8.966	$9.066	$9.216
Number of Accumulation Units outstanding, end of period	1,477,757	684,317	1,311,832	700,772	1,728,104

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$9.522	$9.680	$9.840	$10.000
Accumulation Unit Value, end of period	$9.367	$9.522	$9.680	$9.840
Number of Accumulation Units outstanding, end of period	1,227,030	535,411	167,304	43,568

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Limited Maturity Bond Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$9.871	$9.567	$9.592	$9.590	$9.503
Accumulation Unit Value, end of period	$10.064	$9.871	$9.567	$9.592	$9.590
Number of Accumulation Units outstanding, end of period	521,418	505,321	447,444	496,521	596,858

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$9.586	$9.729	$9.899	$10.000
Accumulation Unit Value, end of period	$9.503	$9.586	$9.729	$9.899
Number of Accumulation Units outstanding, end of period	751,995	863,643	615,668	339,691

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Quality Bond Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$11.050	$10.287	$10.466	$10.176	$9.917
Accumulation Unit Value, end of period	$11.786	$11.050	$10.287	$10.466	$10.176
Number of Accumulation Units outstanding, end of period	2,336,610	2,277,170	2,522,592	2,991,282	2,979,233

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$10.044	$9.716	$10.180	$10.000
Accumulation Unit Value, end of period	$9.917	$10.044	$9.716	$10.180
Number of Accumulation Units outstanding, end of period	2,632,667	1,793,948	1,301,563	506,724

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series High Yield Bond Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$14.842	$13.044	$13.571	$12.843	$11.290
Accumulation Unit Value, end of period	$15.697	$14.842	$13.044	$13.571	$12.843
Number of Accumulation Units outstanding, end of period	733,116	813,965	886,011	950,560	1,022,117

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$11.878	$11.856	$11.170	$10.000
Accumulation Unit Value, end of period	$11.290	$11.878	$11.856	$11.170
Number of Accumulation Units outstanding, end of period	983,861	768,877	448,330	159,243

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES FLEXIBLY MANAGED FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$22.272	$18.183	$18.400	$16.266	$15.286
Accumulation Unit Value, end of period	$25.814	$22.272	$18.183	$18.400	$16.266
Number of Accumulation Units outstanding, end of period	20,529,320	23,249,503	26,565,500	28,925,112	29,590,113

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.801	$13.420	$11.157	$10.000
Accumulation Unit Value, end of period	$15.286	$14.801	$13.420	$11.157
Number of Accumulation Units outstanding, end of period	26,035,957	17,706,754	11,284,415	3,739,118

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES BALANCED FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$18.096	$15.121	$15.831	$14.085	$13.212
Accumulation Unit Value, end of period	$20.429	$18.096	$15.121	$15.831	$14.085
Number of Accumulation Units outstanding, end of period	328,981	357,963	385,293	421,013	434,633

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$13.341	$12.369	$10.771	$10.000
Accumulation Unit Value, end of period	$13.212	$13.341	$12.369	$10.771
Number of Accumulation Units outstanding, end of period	356,655	285,758	238,850	83,006

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Growth Stock Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$29.509	$22.999	$23.695	$18.089	$18.190
Accumulation Unit Value, end of period	$39.760	$29.509	$22.999	$23.695	$18.089
Number of Accumulation Units outstanding, end of period	740,550	905,969	1,056,233	1,232,875	1,278,994

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.734	$15.699	$11.473	$10.000
Accumulation Unit Value, end of period	$18.190	$16.734	$15.699	$11.473
Number of Accumulation Units outstanding, end of period	1,190,096	962,698	677,167	205,906

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Cap Growth Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$24.727	$17.984	$18.163	$14.403	$13.819
Accumulation Unit Value, end of period	$29.707	$24.727	$17.984	$18.163	$14.403
Number of Accumulation Units outstanding, end of period	141,831	171,619	257,153	260,957	261,126

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.070	$12.853	$10.616	$10.000
Accumulation Unit Value, end of period	$13.819	$14.070	$12.853	$10.616
Number of Accumulation Units outstanding, end of period	247,609	172,685	106,498	38,190

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Core Growth Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$26.344	$21.045	$20.690	$15.840	$16.084
Accumulation Unit Value, end of period	$45.476	$26.344	$21.045	$20.690	$15.840
Number of Accumulation Units outstanding, end of period	114,914	153,189	225,890	251,421	215,976

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.080	$15.175	$11.187	$10.000
Accumulation Unit Value, end of period	$16.084	$16.080	$15.175	$11.187
Number of Accumulation Units outstanding, end of period	211,591	157,878	96,578	23,054

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Cap Value Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$20.151	$16.584	$18.270	$16.206	$14.760
Accumulation Unit Value, end of period	$20.280	$20.151	$16.584	$18.270	$16.206
Number of Accumulation Units outstanding, end of period	287,485	315,180	358,184	420,575	414,671

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.688	$14.328	$10.935	$10.000
Accumulation Unit Value, end of period	$14.760	$15.688	$14.328	$10.935
Number of Accumulation Units outstanding, end of period	414,992	349,823	249,136	88,514

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES LARGE CORE VALUE FUND SUBACCOUNT

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$21.799	$17.087	$18.601	$16.414	$15.232
Accumulation Unit Value, end of period	$22.012	$21.799	$17.087	$18.601	$16.414
Number of Accumulation Units outstanding, end of period	302,528	349,946	418,659	476,150	496,634

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.611	$14.261	$11,172	$10,000
Accumulation Unit Value, end of period	$15.232	$15.611	$14,261	$11,172
Number of Accumulation Units outstanding, end of period	500,862	389,813	279,884	94,911

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES INDEX 500 FUND SUBACCOUNT

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$25.432	$19.727	$21.059	$17.620	$16.061
Accumulation Unit Value, end of period	$29.607	$25.432	$19.727	$21.059	$17.620
Number of Accumulation Units outstanding, end of period	1,157,257	1,234,977	1,498,793	1,595,664	1,666,347

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.167	$14.512	$11.188	$10.000
Accumulation Unit Value, end of period	$16.061	$16.167	$14.512	$11.188
Number of Accumulation Units outstanding, end of period	1,557,433	1,183,145	846,281	368,487

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES MID CAP GROWTH FUND SUBACCOUNT

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$24.001	$17.684	$17.932	$14.345	$13.704
Accumulation Unit Value, end of period	$35.291	$24.001	$17.684	$17.932	$14.345
Number of Accumulation Units outstanding, end of period	228,829	281,574	315,222	341,202	320,852

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.786	$13.729	$10.209	$10.000
Accumulation Unit Value, end of period	$13.704	$14.786	$13.729	$10.209
Number of Accumulation Units outstanding, end of period	304,290	228,001	181,399	86,750

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES MID CAP VALUE FUND SUBACCOUNT

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$19.402	$16.854	$20.207	$17.490	$15.170
Accumulation Unit Value, end of period	$16.739	$19.402	$16.854	$20.207	$17.490
Number of Accumulation Units outstanding, end of period	461,093	498,601	603,734	638,778	674,534

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.761	$14.991	$11.189	$10.000
Accumulation Unit Value, end of period	$15.170	$16.761	$14.991	$11.189
Number of Accumulation Units outstanding, end of period	672,118	528,912	334,441	124,434

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Mid Core Value Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$22.300	$17.605	$20.586	$18.762	$15.536
Accumulation Unit Value, end of period	$22.285	$22.300	$17.605	$20.586	$18.762
Number of Accumulation Units outstanding, end of period	137,248	173,672	213,628	267,046	251,213

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.037	$14.010	$11.028	$10.000
Accumulation Unit Value, end of period	$15.536	$16.037	$14.010	$11.028
Number of Accumulation Units outstanding, end of period	206,589	176,873	131,226	48,963

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series SMID Cap Growth Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$25.059	$18.468	$19.869	$15.834	$15.147
Accumulation Unit Value, end of period	$37.544	$25.059	$18.468	$19.869	$15.834
Number of Accumulation Units outstanding, end of period	331,308	429,713	521,742	541,057	559,302

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.637	$15.801	$11.246	$10.000
Accumulation Unit Value, end of period	$15.147	$15.637	$15.801	$11.246
Number of Accumulation Units outstanding, end of period	516,128	399,945	244,402	68,077

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES SMID CAP VALUE FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$21.022	$17.831	$21.369	$19.224	$15.609
Accumulation Unit Value, end of period	$20.976	$21.022	$17.831	$21.369	$19.224
Number of Accumulation Units outstanding, end of period	217,859	270,065	370,510	395,200	426,996

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.827	$15.659	$11.536	$10.000
Accumulation Unit Value, end of period	$15.609	$16.827	$15.659	$11.536
Number of Accumulation Units outstanding, end of period	402,811	284,219	158,236	44,135

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES SMALL CAP GROWTH FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$22.386	$17.747	$18.922	$15.408	$14.409
Accumulation Unit Value, end of period	$29.084	$22.386	$17.747	$18.922	$15.408
Number of Accumulation Units outstanding, end of period	179,139	221,957	294,413	309,834	264,521

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.597	$13.762	$10.167	$10.000
Accumulation Unit Value, end of period	$14.409	$14.597	$13.762	$10.167
Number of Accumulation Units outstanding, end of period	250,497	187,697	125,749	38,404

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Small Cap Value Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$21.017	$17.367	$20.503	$18.568	$15.131
Accumulation Unit Value, end of period	$21.156	$21.017	$17.367	$20.503	$18.568
Number of Accumulation Units outstanding, end of period	470,982	530,078	699,623	782,468	743,592

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.271	$15.438	$11.297	$10.000
Accumulation Unit Value, end of period	$15.131	$16.271	$15.438	$11.297
Number of Accumulation Units outstanding, end of period	741,545	637,670	319,316	119,270

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Small Cap Index Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$20.661	$16.874	$19.358	$17.295	$14.606
Accumulation Unit Value, end of period	$24.256	$20.661	$16.874	$19.358	$17.295
Number of Accumulation Units outstanding, end of period	396,674	440,338	590,062	585,692	612,461

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.650	$15.268	$11.237	$10.000
Accumulation Unit Value, end of period	$14.606	$15.650	$15.268	$11.237
Number of Accumulation Units outstanding, end of period	516,091	420,752	318,328	124,771

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Developed International Index Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$15.093	$12.677	$14.999	$12.246	$12.405
Accumulation Unit Value, end of period	$16.000	$15.093	$12.677	$14.999	$12.246
Number of Accumulation Units outstanding, end of period	453,188	505,310	586,360	659,963	607,577

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$12.789	$13.847	$11.626	$10.000
Accumulation Unit Value, end of period	$12.405	$12.789	$13.847	$11.626
Number of Accumulation Units outstanding, end of period	552,541	436,645	303,160	160,772

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series International Equity Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$16.833	$13.362	$15.508	$11.972	$12.833
Accumulation Unit Value, end of period	$19.030	$16.833	$13.362	$15.508	$11.972
Number of Accumulation Units outstanding, end of period	763,481	885,221	1,092,546	1,220,733	1,271,660

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$12.594	$12.437	$11.932	$10.000
Accumulation Unit Value, end of period	$12.833	$12.594	$12.437	$11.932
Number of Accumulation Units outstanding, end of period	1,244,820	956,576	583,110	147,139

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES EMERGING MARKETS EQUITY FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$12.243	$10.486	$12.917	$9.725	$9.344
Accumulation Unit Value, end of period	$13.298	$12.243	$10.486	$12.917	$9.725
Number of Accumulation Units outstanding, end of period	614,371	691,691	864,717	1,003,822	952,978

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$10.660	$11.398	$11.719	$10.000
Accumulation Unit Value, end of period	$9.344	$10.660	$11.398	$11.719
Number of Accumulation Units outstanding, end of period	913,920	718,398	512,468	188,537

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES REAL ESTATE SECURITIES FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$20.754	$15.927	$16.902	$15.998	$15.417
Accumulation Unit Value, end of period	$19.755	$20.754	$15.927	$16.902	$15.998
Number of Accumulation Units outstanding, end of period	439,366	498,221	597,027	673,911	689,016

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.896	$11.629	$11.463	$10.000
Accumulation Unit Value, end of period	$15.417	$14.896	$11.629	$11.463
Number of Accumulation Units outstanding, end of period	674,576	516,594	358,474	124,297

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES AGGRESSIVE ALLOCATION FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$18.564	$15.311	$17.208	$14.568	$13.782
Accumulation Unit Value, end of period	$19.948	$18.564	$15.311	$17.208	$14.568
Number of Accumulation Units outstanding, end of period	422,834	456,817	512,272	516,225	539,660

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.237	$13.555	$11.250	$10.000
Accumulation Unit Value, end of period	$13.782	$14.237	$13.555	$11.250
Number of Accumulation Units outstanding, end of period	574,238	442,263	261,579	65,901

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES MODERATELY AGGRESSIVE ALLOCATION FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$17.548	$14.653	$16.165	$13.975	$13.213
Accumulation Unit Value, end of period	$18.888	$17.548	$14.653	$16.165	$13.975
Number of Accumulation Units outstanding, end of period	1,772,323	1,990,357	2,257,229	2,454,111	2,330,983

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$13.589	$12.998	$11.089	$10.000
Accumulation Unit Value, end of period	$13.213	$13.589	$12.998	$11.089
Number of Accumulation Units outstanding, end of period	2,519,360	2,137,452	1,505,684	408,554

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Moderate Allocation Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$15.766	$13.511	$14.596	$13.016	$12.370
Accumulation Unit Value, end of period	$17.023	$15.766	$13.511	$14.596	$13.016
Number of Accumulation Units outstanding, end of period	2,098,437	2,320,963	2,694,359	2,415,475	2,141,000

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$12.646	$12.171	$10.844	$10.000
Accumulation Unit Value, end of period	$12.370	$12.646	$12.171	$10.844
Number of Accumulation Units outstanding, end of period	1,958,058	1,658,233	2,517,741	1,110,421

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Moderately Conservative Allocation Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$13.997	$12.392	$13.052	$12.064	$11.567
Accumulation Unit Value, end of period	$14.872	$13.997	$12.392	$13.052	$12.064
Number of Accumulation Units outstanding, end of period	491,515	532,188	553,562	636,511	651,751

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$11.785	$11.410	$10.608	$10.000
Accumulation Unit Value, end of period	$11.567	$11.785	$11.410	$10.608
Number of Accumulation Units outstanding, end of period	612,322	561,926	414,985	153,234

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES CONSERVATIVE ALLOCATION FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$12.183	$11.172	$11.513	$11.002	$10.681
Accumulation Unit Value, end of period	$12.826	$12.183	$11.172	$11.513	$11.002
Number of Accumulation Units outstanding, end of period	207,118	231,428	257,696	267,438	284,641

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$10.850	$10.632	$10.350	$10.000
Accumulation Unit Value, end of period	$10.681	$10.850	$10.632	$10.350
Number of Accumulation Units outstanding, end of period	255,681	207,590	166,552	97,430

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

SMART FOUNDATION PLUS

PENN SERIES MONEY MARKET FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$8.997	$8.997	$9.093	$9.238	$9.386
Accumulation Unit Value, end of period	$8.876	$8.997	$8.997	$9.093	$9.238
Number of Accumulation Units outstanding, end of period	2,893,007	1,445,695	771,460	523,550	817,620

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$9.537	$9.689	$9.845	$10.000
Accumulation Unit Value, end of period	$9.386	$9.537	$9.689	$9.845
Number of Accumulation Units outstanding, end of period	468,498	826,311	144,677	44,834

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Limited Maturity Bond Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$9.911	$9.601	$9.621	$9.614	$9.522
Accumulation Unit Value, end of period	$10.110	$9.911	$9.601	$9.621	$9.614
Number of Accumulation Units outstanding, end of period	973,718	784,933	735,463	552,442	485,342

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$9.601	$9.738	$9.904	$10.000
Accumulation Unit Value, end of period	$9.522	$9.601	$9.738	$9.904
Number of Accumulation Units outstanding, end of period	389,779	357,047	220,025	41,116

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Quality Bond Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$11.095	$10.323	$10.498	$10.201	$9.937
Accumulation Unit Value, end of period	$11.839	$11.095	$10.323	$10.498	$10.201
Number of Accumulation Units outstanding, end of period	2,599,691	2,202,535	2,024,482	2,151,731	2,114,607

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$10.059	$9.726	$10.185	$10.000
Accumulation Unit Value, end of period	$9.937	$10.059	$9.726	$10.185
Number of Accumulation Units outstanding, end of period	1,826,111	1,632,363	1,337,485	771,507

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series High Yield Bond Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$14.902	$13.089	$13.611	$12.875	$11.312
Accumulation Unit Value, end of period	$15.768	$14.902	$13.089	$13.611	$12.875
Number of Accumulation Units outstanding, end of period	1,193,844	1,269,183	1,202,579	1,161,009	939,226

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$11.896	$11.867	$11.175	$10.000
Accumulation Unit Value, end of period	$11.312	$11.896	$11.867	$10.175
Number of Accumulation Units outstanding, end of period	793,779	752,800	453,309	153,221

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Flexibly Managed Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$22.361	$18.247	$18.455	$16.307	$15.316
Accumulation Unit Value, end of period	$25.930	$22.361	$18.247	$18.455	$16.307
Number of Accumulation Units outstanding, end of period	28,809,794	28,877,201	26,546,072	24,032,154	21,395,231

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.823	$13.433	$11.162	$10.000
Accumulation Unit Value, end of period	$15.316	$14.823	$13.433	$11.162
Number of Accumulation Units outstanding, end of period	17,890,508	12,079,126	7,759,146	1,903,622

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Balanced Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$18.168	$15.174	$15.878	$14.120	$13.238
Accumulation Unit Value, end of period	$20.521	$18.168	$15.174	$15.878	$14.120
Number of Accumulation Units outstanding, end of period	373,618	375,516	376,690	342,936	273,827

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$13.361	$12.381	$10.776	$10.000
Accumulation Unit Value, end of period	$13.238	$13.361	$12.381	$10.776
Number of Accumulation Units outstanding, end of period	235,090	188,750	135,050	55,970

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Growth Stock Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$29.627	$23.080	$23.765	$18.134	$18.226
Accumulation Unit Value, end of period	$39.939	$29.627	$23.080	$23.765	$18.134
Number of Accumulation Units outstanding, end of period	1,476,159	1,557,916	1,431,593	1,200,878	1,051,378

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.758	$15.715	$11.478	$10.000
Accumulation Unit Value, end of period	$18.226	$16.758	$15.715	$11.478
Number of Accumulation Units outstanding, end of period	856,663	634,604	373,924	138,359

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES LARGE CAP GROWTH FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$24.825	$18.047	$18.217	$14.439	$13.846
Accumulation Unit Value, end of period	$29.841	$24.825	$18.047	$18.217	$14.439
Number of Accumulation Units outstanding, end of period	267,532	243,028	176,512	159,376	150,195

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.091	$12.866	$10.621	$10.000
Accumulation Unit Value, end of period	$13.846	$14.091	$12.866	$10.621
Number of Accumulation Units outstanding, end of period	151,606	107,709	44,246	10,773

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES LARGE CORE GROWTH FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$26.449	$21.118	$20.752	$15.880	$16.116
Accumulation Unit Value, end of period	$45.680	$26.449	$21.118	$20.752	$15.880
Number of Accumulation Units outstanding, end of period	326,044	301,629	250,397	184,131	182,982

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.104	$15.190	$11.192	$10.000
Accumulation Unit Value, end of period	$16.116	$16.104	$15.190	$11.192
Number of Accumulation Units outstanding, end of period	172,057	147,875	75,204	13,179

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Cap Value Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$20.231	$16.642	$18.324	$16.246	$14.790
Accumulation Unit Value, end of period	$20.371	$20.231	$16.642	$18.324	$16.246
Number of Accumulation Units outstanding, end of period	596,388	626,272	608,164	602,879	559,247

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.712	$14.343	$10.941	$10.000
Accumulation Unit Value, end of period	$14.790	$15.712	$14.343	$10.941
Number of Accumulation Units outstanding, end of period	517,606	352,926	187,226	53,669

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Core Value Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$21.886	$17.147	$18.656	$16.455	$15.262
Accumulation Unit Value, end of period	$22.111	$21.886	$17.147	$18.656	$16.455
Number of Accumulation Units outstanding, end of period	265,659	260,122	252,182	263,656	237,243

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.634	$14.276	$11.177	$10.000
Accumulation Unit Value, end of period	$15.262	$15.634	$14.276	$11.177
Number of Accumulation Units outstanding, end of period	237,932	130,321	76,936	17,030

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Index 500 Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$25.533	$19.796	$21.122	$17.664	$16.093
Accumulation Unit Value, end of period	$29.740	$25.533	$19.796	$21.122	$17.664
Number of Accumulation Units outstanding, end of period	1,770,228	1,597,707	1,438,351	1,241,222	1,066,277

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.191	$14.526	$11.193	$10.000
Accumulation Unit Value, end of period	$16.093	$16.191	$14.526	$11.193
Number of Accumulation Units outstanding, end of period	894,401	640,638	331,730	40,108

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Mid Cap Growth Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$24.096	$17.745	$17.986	$14.381	$13.731
Accumulation Unit Value, end of period	$35.450	$24.096	$17.745	$17.986	$14.381
Number of Accumulation Units outstanding, end of period	828,578	770,809	418,330	318,249	295,985

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.808	$13.743	$10.214	$10.000
Accumulation Unit Value, end of period	$13.731	$14.808	$13.743	$10.214
Number of Accumulation Units outstanding, end of period	282,470	216,212	121,578	36,195

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Mid Cap Value Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
Accumulation Unit Value, beginning of period	$19.480	$16.913	$20.267	$17.533	$15.201
Accumulation Unit Value, end of period	$16.815	$19.480	$16.913	$20.267	$17.533
Number of Accumulation Units outstanding, end of period	694,055	746,416	1,059,565	939,850	892,171

	Year Ended December 31,			
	2015	**2014**	**2013**	**2012(a)**
Accumulation Unit Value, beginning of period	$16.786	$15.006	$11.195	$10.000
Accumulation Unit Value, end of period	$15.201	$16.786	$15.006	$11.195
Number of Accumulation Units outstanding, end of period	777,806	479,523	311,657	51,017

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Mid Core Value Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
Accumulation Unit Value, beginning of period	$22.389	$17.666	$20.648	$18.808	$15.567
Accumulation Unit Value, end of period	$22.385	$22.389	$17.666	$20.648	$18.808
Number of Accumulation Units outstanding, end of period	278,502	295,544	288,064	292,382	251,458

	Year Ended December 31,			
	2015	**2014**	**2013**	**2012(a)**
Accumulation Unit Value, beginning of period	$16.061	$14.024	$11.034	$10.000
Accumulation Unit Value, end of period	$15.567	$16.061	$14.024	$11.034
Number of Accumulation Units outstanding, end of period	209,071	163,444	86,461	16,393

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES SMID CAP GROWTH FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$25.159	$18.532	$19.929	$15.874	$15.177
Accumulation Unit Value, end of period	$37.713	$25.159	$18.532	$19.929	$15.874
Number of Accumulation Units outstanding, end of period	308,621	315,052	292,164	256,612	201,761

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.660	$15.816	$11.251	$10.000
Accumulation Unit Value, end of period	$15.177	$15.660	$15.816	$11.251
Number of Accumulation Units outstanding, end of period	211,851	154,855	89,796	18,471

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES SMID CAP VALUE FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$21.106	$17.893	$21.433	$19.272	$15.640
Accumulation Unit Value, end of period	$21.071	$21.106	$17.893	$21.433	$19.272
Number of Accumulation Units outstanding, end of period	280,901	287,395	297,766	268,051	254,484

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.852	$15.674	$11.541	$10.000
Accumulation Unit Value, end of period	$15.640	$16.852	$15.674	$11.541
Number of Accumulation Units outstanding, end of period	215,095	174,230	113,135	18,347

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES SMALL CAP GROWTH FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$22.476	$17.809	$18.978	$15.446	$14.437
Accumulation Unit Value, end of period	$29.214	$22.476	$17.809	$18.978	$15.446
Number of Accumulation Units outstanding, end of period	811,584	697,144	355,846	292,993	281,802

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.619	$13.776	$10.172	$10.000
Accumulation Unit Value, end of period	$14.437	$14.619	$13.776	$10.172
Number of Accumulation Units outstanding, end of period	260,472	181,879	85,383	36,760

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES SMALL CAP VALUE FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$21.101	$17.428	$20.564	$18.615	$15.161
Accumulation Unit Value, end of period	$21.252	$21.101	$17.428	$20.564	$18.615
Number of Accumulation Units outstanding, end of period	711,780	803,439	1,073,297	923,455	827,167

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.295	$15.453	$11.303	$10.000
Accumulation Unit Value, end of period	$15.161	$16.295	$15.453	$11.303
Number of Accumulation Units outstanding, end of period	758,144	511,363	279,218	74,147

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Small Cap Index Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$20.744	$16.933	$19.416	$17.338	$14.635
Accumulation Unit Value, end of period	$24.365	$20.744	$16.933	$19.416	$17.338
Number of Accumulation Units outstanding, end of period	372,084	362,216	326,144	268,774	200,161

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.673	$15.283	$11.242	$10.000
Accumulation Unit Value, end of period	$14.635	$15.673	$15.283	$11.242
Number of Accumulation Units outstanding, end of period	176,981	138,980	96,069	23,809

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Developed International Index Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$15.153	$12.722	$15.044	$12.276	$12.430
Accumulation Unit Value, end of period	$16.072	$15.153	$12.722	$15.044	$12.276
Number of Accumulation Units outstanding, end of period	253,605	269,285	255,869	196,130	177,272

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$12.808	$13.861	$11.632	$10.000
Accumulation Unit Value, end of period	$12.430	$12.808	$13.861	$11.632
Number of Accumulation Units outstanding, end of period	154,061	117,488	66,531	12,579

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series International Equity Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$16.900	$13.409	$15.554	$12.002	$12.859
Accumulation Unit Value, end of period	$19.115	$16.900	$13.409	$15.554	$12.002
Number of Accumulation Units outstanding, end of period	1,186,862	1,155,546	1,133,443	1,057,730	994,914

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$12.613	$12.449	$11.937	$10.000
Accumulation Unit Value, end of period	$12.859	$12.613	$12.449	$11.937
Number of Accumulation Units outstanding, end of period	889,488	598,876	391,215	100,633

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Emerging Markets Equity Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$12.292	$10.522	$12.956	$9.749	$9.363
Accumulation Unit Value, end of period	$13.358	$12.292	$10.522	$12.956	$9.749
Number of Accumulation Units outstanding, end of period	707,485	724,040	700,191	550,597	413,360

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$10.676	$11.409	$11.725	$10.000
Accumulation Unit Value, end of period	$9.363	$10.676	$11.409	$11.725
Number of Accumulation Units outstanding, end of period	399,937	298,633	165,787	44,261

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES REAL ESTATE SECURITIES FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$20.837	$15.983	$16.953	$16.038	$15.448
Accumulation Unit Value, end of period	$19.844	$20.837	$15.983	$16.953	$16.038
Number of Accumulation Units outstanding, end of period	627,683	598,917	572,198	606,278	574,748

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.918	$11.640	$11.469	$10.000
Accumulation Unit Value, end of period	$15.448	$14.918	$11.640	$11.469
Number of Accumulation Units outstanding, end of period	521,504	376,619	288,014	56,890

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES AGGRESSIVE ALLOCATION FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$18.638	$15.365	$17.259	$14.605	$13.809
Accumulation Unit Value, end of period	$20.038	$18.638	$15.365	$17.259	$14.605
Number of Accumulation Units outstanding, end of period	465,395	484,114	471,774	444,370	283,356

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.258	$13.569	$11.256	$10.000
Accumulation Unit Value, end of period	$13.809	$14.258	$13.569	$11.256
Number of Accumulation Units outstanding, end of period	210,443	174,038	62,674	62,933

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Moderately Aggressive Allocation Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$17.618	$14.705	$16.213	$14.010	$13.239
Accumulation Unit Value, end of period	$18.973	$17.618	$14.705	$16.213	$14.010
Number of Accumulation Units outstanding, end of period	1,229,714	1,161,218	1,095,396	974,868	957,322

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$13.609	$13.011	$11.094	$10.000
Accumulation Unit Value, end of period	$13.239	$13.609	$13.011	$11.094
Number of Accumulation Units outstanding, end of period	916,477	722,910	519,093	234,685

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Moderate Allocation Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$15.829	$13.558	$14.639	$13.048	$12.395
Accumulation Unit Value, end of period	$17.099	$15.829	$13.558	$14.639	$13.048
Number of Accumulation Units outstanding, end of period	1,954,600	2,183,240	2,314,336	2,115,750	1,999,593

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$12.665	$12.183	$10.849	$10.000
Accumulation Unit Value, end of period	$12.395	$12.665	$12.183	$10.849
Number of Accumulation Units outstanding, end of period	1,997,356	1,677,738	1,062,626	415,961

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES MODERATELY CONSERVATIVE ALLOCATION FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$14.053	$12.435	$13.091	$12.094	$11.590
Accumulation Unit Value, end of period	$14.939	$14.053	$12.435	$13.091	$12.094
Number of Accumulation Units outstanding, end of period	1,272,777	1,163,586	1,118,099	846,482	794,653

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$11.803	$11.421	$10.613	$10.000
Accumulation Unit Value, end of period	$11.590	$11.803	$11.421	$10.613
Number of Accumulation Units outstanding, end of period	672,430	518,985	483,381	37,559

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES CONSERVATIVE ALLOCATION FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$12.231	$11.211	$11.547	$11.029	$10.702
Accumulation Unit Value, end of period	$12.883	$12.231	$11.211	$11.547	$11.029
Number of Accumulation Units outstanding, end of period	1,115,584	976,236	816,333	554,895	420,736

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$10.867	$10.642	$10.355	$10.000
Accumulation Unit Value, end of period	$10.702	$10.867	$10.642	$10.355
Number of Accumulation Units outstanding, end of period	320,832	208,409	179,169	42,905

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES MONEY MARKET FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$9.142	$9.124	$9.203	$9.331	$9.461
Accumulation Unit Value, end of period	$9.036	$9.142	$9.124	$9.203	$9.331
Number of Accumulation Units outstanding, end of period	2,828,923	1,514,890	1,168,838	563,230	757,745

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$9.594	$9.728	$9.864	$10.000
Accumulation Unit Value, end of period	$9.461	$9.594	$9.728	$9.864
Number of Accumulation Units outstanding, end of period	456,962	394,038	319,571	237,555

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES LIMITED MATURITY BOND FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$10.070	$9.736	$9.737	$9.710	$9.598
Accumulation Unit Value, end of period	$10.293	$10.070	$9.736	$9.737	$9.710
Number of Accumulation Units outstanding, end of period	908,006	824,766	591,149	564,871	547,472

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$9.658	$9.777	$9.924	$10.000
Accumulation Unit Value, end of period	$9.598	$9.658	$9.777	$9.924
Number of Accumulation Units outstanding, end of period	321,980	302,214	216,271	41,289

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Quality Bond Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$11.273	$10.468	$10.624	$10.303	$10.016
Accumulation Unit Value, end of period	$12.054	$11.273	$10.468	$10.624	$10.303
Number of Accumulation Units outstanding, end of period	3,366,431	2,612,285	2,269,459	2,022,990	1,924,876

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$10.120	$9.764	$10.205	$10.000
Accumulation Unit Value, end of period	$10.016	$10.120	$9.764	$10.205
Number of Accumulation Units outstanding, end of period	1,276,193	869,543	601,783	305,396

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series High Yield Bond Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$15.142	$13.273	$13.775	$13.004	$11.403
Accumulation Unit Value, end of period	$16.053	$15.142	$13.273	$13.775	$13.004
Number of Accumulation Units outstanding, end of period	1,332,644	1,246,173	1,104,718	989,324	840,062

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$11.967	$11.915	$11.197	$10.000
Accumulation Unit Value, end of period	$11.403	$11.967	$11.915	$11.197
Number of Accumulation Units outstanding, end of period	741,199	661,565	431,218	181,982

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Flexibly Managed Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$22.721	$18.504	$18.677	$16.470	$15.439
Accumulation Unit Value, end of period	$26.401	$22.721	$18.504	$18.677	$16.470
Number of Accumulation Units outstanding, end of period	41,329,309	38,030,890	30,886,036	26,187,107	19,894,511

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.912	$13.487	$11.184	$10.000
Accumulation Unit Value, end of period	$15.439	$14.912	$13.487	$11.184
Number of Accumulation Units outstanding, end of period	13,334,267	8,363,810	4,825,034	1,051,549

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Balanced Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$18.460	$15.388	$16.069	$14.261	$13.344
Accumulation Unit Value, end of period	$20.893	$18.460	$15.388	$16.069	$14.261
Number of Accumulation Units outstanding, end of period	409,350	437,628	405,154	369,865	328,949

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$13.441	$12.430	$10.797	$10.000
Accumulation Unit Value, end of period	$13.344	$13.441	$12.430	$10.797
Number of Accumulation Units outstanding, end of period	288,583	260,979	189,675	65,953

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Growth Stock Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$30.104	$23.404	$24.051	$18.316	$18.372
Accumulation Unit Value, end of period	$40.663	$30.104	$23.404	$24.051	$18.316
Number of Accumulation Units outstanding, end of period	1,579,181	1,498,230	1,303,099	1,134,996	951,276

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.859	$15.777	$11.501	$10.000
Accumulation Unit Value, end of period	$18.372	$16.859	$15.777	$11.501
Number of Accumulation Units outstanding, end of period	766,600	600,718	325,315	105,667

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Cap Growth Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$25.225	$18.301	$18.436	$14.584	$13.957
Accumulation Unit Value, end of period	$30.382	$25.225	$18.301	$18.436	$14.584
Number of Accumulation Units outstanding, end of period	226,626	193,344	146,102	121,666	92,668

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.176	$12.917	$10.642	$10.000
Accumulation Unit Value, end of period	$13.957	$14.176	$12.917	$10.642
Number of Accumulation Units outstanding, end of period	58,335	47,877	23,448	12,081

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Core Growth Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$26.875	$21.415	$21.002	$16.039	$16.244
Accumulation Unit Value, end of period	$46.508	$26.875	$21.415	$21.002	$16.039
Number of Accumulation Units outstanding, end of period	444,246	387,424	278,214	186,067	126,442

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.201	$15.250	$11.214	$10.000
Accumulation Unit Value, end of period	$16.244	$16.201	$15.250	$11.214
Number of Accumulation Units outstanding, end of period	93,092	78,794	52,270	8,266

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Cap Value Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$20.557	$16.876	$18.545	$16.409	$14.908
Accumulation Unit Value, end of period	$20.741	$20.557	$16.876	$18.545	$16.409
Number of Accumulation Units outstanding, end of period	345,320	349,012	333,566	340,345	297,113

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.806	$14.400	$10.962	$10.000
Accumulation Unit Value, end of period	$14.908	$15.806	$14.400	$10.962
Number of Accumulation Units outstanding, end of period	290,031	227,974	147,844	62,069

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Large Core Value Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$22.238	$17.388	$18.881	$16.619	$15.384
Accumulation Unit Value, end of period	$22.512	$22.238	$17.388	$18.881	$16.619
Number of Accumulation Units outstanding, end of period	438,362	399,046	394,735	374,456	323,623

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.728	$14.332	$11.199	$10.000
Accumulation Unit Value, end of period	$15.384	$15.728	$14.332	$11.199
Number of Accumulation Units outstanding, end of period	287,758	244,497	169,068	25,568

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Index 500 Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$25.944	$20.075	$21.376	$17.841	$16.222
Accumulation Unit Value, end of period	$30.279	$25.944	$20.075	$21.376	$17.841
Number of Accumulation Units outstanding, end of period	2,229,872	1,991,456	1,547,183	1,357,633	1,124,492

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.287	$14.584	$11.215	$10.000
Accumulation Unit Value, end of period	$16.222	$16.287	$14.584	$11.215
Number of Accumulation Units outstanding, end of period	897,804	606,319	354,640	74,726

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Mid Cap Growth Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$24.484	$17.995	$18.202	$14.525	$13.841
Accumulation Unit Value, end of period	$36.092	$24.484	$17.995	$18.202	$14.525
Number of Accumulation Units outstanding, end of period	566,838	528,324	410,034	309,507	234,472

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.897	$13.797	$10.234	$10.000
Accumulation Unit Value, end of period	$13.841	$14.897	$13.797	$10.234
Number of Accumulation Units outstanding, end of period	185,005	122,312	80,069	21,910

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Mid Cap Value Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$19.793	$17.151	$20.511	$17.709	$15.322
Accumulation Unit Value, end of period	$17.120	$19.793	$17.151	$20.511	$17.709
Number of Accumulation Units outstanding, end of period	437,127	419,481	424,331	411,533	393,154

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.887	$15.066	$11.217	$10.000
Accumulation Unit Value, end of period	$15.322	$16.887	$15.066	$11.217
Number of Accumulation Units outstanding, end of period	361,723	259,231	138,244	30,701

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Mid Core Value Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
Accumulation Unit Value, beginning of period	$22.749	$17.915	$20.896	$18.997	$15.691
Accumulation Unit Value, end of period	$22.791	$22.749	$17.915	$20.896	$18.997
Number of Accumulation Units outstanding, end of period	295,929	319,377	319,573	293,668	210,012

	Year Ended December 31,			
	2015	**2014**	**2013**	**2012(a)**
Accumulation Unit Value, beginning of period	$16.157	$14.080	$11.055	$10.000
Accumulation Unit Value, end of period	$15.691	$16.157	$14.080	$11.055
Number of Accumulation Units outstanding, end of period	138,075	110,770	70,164	19,996

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series SMID Cap Growth Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
Accumulation Unit Value, beginning of period	$25.564	$18.793	$20.168	$16.033	$15.299
Accumulation Unit Value, end of period	$38.396	$25.564	$18.793	$20.168	$16.033
Number of Accumulation Units outstanding, end of period	495,499	463,775	409,798	329,539	235,292

	Year Ended December 31,			
	2015	**2014**	**2013**	**2012(a)**
Accumulation Unit Value, beginning of period	$15.754	$15.879	$11.274	$10.000
Accumulation Unit Value, end of period	$15.299	$15.754	$15.879	$11.274
Number of Accumulation Units outstanding, end of period	187,340	118,018	68,505	27,099

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series SMID Cap Value Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$21.445	$18.145	$21.691	$19.465	$15.765
Accumulation Unit Value, end of period	$21.453	$21.445	$18.145	$21.691	$19.465
Number of Accumulation Units outstanding, end of period	390,237	371,255	359,486	319,591	251,681

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$16.393	$15.515	$11.325	$10.000
Accumulation Unit Value, end of period	$15.765	$16.393	$15.515	$11.325
Number of Accumulation Units outstanding, end of period	193,898	315,382	214,670	56,722

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Small Cap Growth Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$22.838	$18.059	$19.206	$15.601	$14.553
Accumulation Unit Value, end of period	$29.744	$22.838	$18.059	$19.206	$15.601
Number of Accumulation Units outstanding, end of period	370,756	398,906	340,072	241,362	197,717

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.707	$13.830	$10.192	$10.000
Accumulation Unit Value, end of period	$14.553	$14.707	$13.830	$10.192
Number of Accumulation Units outstanding, end of period	169,766	92,701	53,767	27,985

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Small Cap Value Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
Accumulation Unit Value, beginning of period	$21.440	$17.673	$20.812	$18.801	$15.282
Accumulation Unit Value, end of period	$21.637	$21.440	$17.673	$20.812	$18.801
Number of Accumulation Units outstanding, end of period	556,740	667,866	672,180	662,199	482,076

	Year Ended December 31,			
	2015	**2014**	**2013**	**2012(a)**
Accumulation Unit Value, beginning of period	$16.393	$15.515	$11.325	$10.000
Accumulation Unit Value, end of period	$15.282	$16.393	$15.515	$11.325
Number of Accumulation Units outstanding, end of period	446,038	315,382	214,670	56,722

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Small Cap Index Fund Subaccount

Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
Accumulation Unit Value, beginning of period	$21.078	$17.171	$19.650	$17.511	$14.752
Accumulation Unit Value, end of period	$24.807	$21.078	$17.171	$19.650	$17.511
Number of Accumulation Units outstanding, end of period	602,225	625,060	569,580	486,208	365,668

	Year Ended December 31,			
	2015	**2014**	**2013**	**2012(a)**
Accumulation Unit Value, beginning of period	$15.767	$15.344	$11.264	$10.000
Accumulation Unit Value, end of period	$14.752	$15.767	$15.344	$11.264
Number of Accumulation Units outstanding, end of period	286,585	198,059	124,660	15,322

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES DEVELOPED INTERNATIONAL INDEX FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$15.397	$12.901	$15.225	$12.399	$12.529
Accumulation Unit Value, end of period	$16.363	$15.397	$12.901	$15.225	$12.399
Number of Accumulation Units outstanding, end of period	714,953	707,218	667,075	585,865	432,823

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$12.885	$13.916	$11.655	$10.000
Accumulation Unit Value, end of period	$12.529	$12.885	$13.916	$11.655
Number of Accumulation Units outstanding, end of period	356,809	268,331	176,383	34,030

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES INTERNATIONAL EQUITY FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$17.172	$13.598	$15.742	$12.122	$12.961
Accumulation Unit Value, end of period	$19.462	$17.172	$13.598	$15.742	$12.122
Number of Accumulation Units outstanding, end of period	1,086,893	1,114,034	985,994	804,615	588,556

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$12.689	$12.499	$11.961	$10.000
Accumulation Unit Value, end of period	$12.961	$12.689	$12.499	$11.961
Number of Accumulation Units outstanding, end of period	495,649	397,623	243,421	81,769

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Emerging Markets Equity Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$12.490	$10.670	$13.112	$9.846	$9.438
Accumulation Unit Value, end of period	$13.600	$12.490	$10.670	$13.112	$9.846
Number of Accumulation Units outstanding, end of period	806,440	802,977	739,138	608,715	457,955

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$10.740	$11.454	$11.748	$10.000
Accumulation Unit Value, end of period	$9.438	$10.740	$11.454	$11.748
Number of Accumulation Units outstanding, end of period	396,730	310,178	225,383	61,163

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Real Estate Securities Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$21.172	$16.207	$17.156	$16.198	$15.571
Accumulation Unit Value, end of period	$20.203	$21.172	$16.207	$17.156	$16.198
Number of Accumulation Units outstanding, end of period	711,708	711,962	654,302	694,510	553,024

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$15.007	$11.687	$11.492	$10.000
Accumulation Unit Value, end of period	$15.571	$15.007	$11.687	$11.492
Number of Accumulation Units outstanding, end of period	419,455	346,664	283,214	111,848

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Aggressive Allocation Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$18.938	$15.581	$17.467	$14.751	$13.920
Accumulation Unit Value, end of period	$20.401	$18.938	$15.581	$17.467	$14.751
Number of Accumulation Units outstanding, end of period	670,748	699,131	694,615	662,143	582,505

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$14.344	$13.623	$11.278	$10.000
Accumulation Unit Value, end of period	$13.920	$14.344	$13.623	$11.278
Number of Accumulation Units outstanding, end of period	566,840	447,242	284,780	136,313

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Moderately Aggressive Allocation Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$17.901	$14.911	$16.408	$14.151	$13.345
Accumulation Unit Value, end of period	$19.317	$17.901	$14.911	$16.408	$14.151
Number of Accumulation Units outstanding, end of period	1,401,954	1,492,944	1,483,601	1,490,647	1,338,472

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$13.690	$13.062	$11.116	$10.000
Accumulation Unit Value, end of period	$13.345	$13.690	$13.062	$11.116
Number of Accumulation Units outstanding, end of period	1,150,788	875,798	591,390	201,871

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Moderate Allocation Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$16.083	$13.749	$14.815	$13.179	$12.494
Accumulation Unit Value, end of period	$17.409	$16.083	$13.749	$14.815	$13.179
Number of Accumulation Units outstanding, end of period	2,254,513	2,415,439	2,493,550	2,415,475	2,141,000

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$12.741	$12.232	$10.870	$10.000
Accumulation Unit Value, end of period	$12.494	$12.741	$12.232	$10.870
Number of Accumulation Units outstanding, end of period	1,958,053	1,658,233	1,186,407	391,401

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

Penn Series Moderately Conservative Allocation Fund Subaccount
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$14.279	$12.610	$13.249	$12.215	$11.682
Accumulation Unit Value, end of period	$15.210	$14.279	$12.610	$13.249	$12.215
Number of Accumulation Units outstanding, end of period	670,859	721,029	764,492	727,794	662,782

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$11.873	$11.466	$10.634	$10.000
Accumulation Unit Value, end of period	$11.682	$11.873	$11.466	$10.634
Number of Accumulation Units outstanding, end of period	648,231	496,313	369,993	139,077

(a) For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

PENN SERIES CONSERVATIVE ALLOCATION FUND SUBACCOUNT
Values of an Accumulation Unit Outstanding Throughout Each Period

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Accumulation Unit Value, beginning of period	$12.428	$11.368	$11.686	$11.140	$10.788
Accumulation Unit Value, end of period	$13.117	$12.428	$11.368	$11.686	$11.140
Number of Accumulation Units outstanding, end of period	469,683	469,589	437,287	403,203	302,504

	Year Ended December 31,			
	2015	2014	2013	2012(a)
Accumulation Unit Value, beginning of period	$10.932	$10.685	$10.376	$10.000
Accumulation Unit Value, end of period	$10.788	$10.932	$10.685	$10.376
Number of Accumulation Units outstanding, end of period	328,906	333,212	285,008	85,628

For the period May 1, 2012 (date Subaccount was established) through December 31, 2012.

THE PENN MUTUAL
LIFE INSURANCE COMPANY

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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.

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