

SERFF Tracking Number: PNMU-126077000 State: Arkansas
Filing Company: Penn Insurance and Annuity Company State Tracking Number: 42094
Company Tracking Number: PI CVER-09, ETC.
TOI: L08 Life - Other Sub-TOI: L08.000 Life - Other
Product Name: Indexed Universal Life Riders and Endorsements
Project Name/Number: PI CVER-09, ETC./PI CVER-09, ETC.

Filing at a Glance

Company: Penn Insurance and Annuity Company

Product Name: Indexed Universal Life Riders and Endorsements SERFF Tr Num: PNMU-126077000 State: Arkansas

TOI: L08 Life - Other

SERFF Status: Closed-Approved- Closed State Tr Num: 42094

Sub-TOI: L08.000 Life - Other

Co Tr Num: PI CVER-09, ETC.

State Status: Approved-Closed

Filing Type: Form

Reviewer(s): Linda Bird

Authors: Nancy Yannuzzi, Rita Bellew

Disposition Date: 04/16/2009

Date Submitted: 04/10/2009

Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: PI CVER-09, ETC.

Status of Filing in Domicile: Pending

Project Number: PI CVER-09, ETC.

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 04/16/2009

Explanation for Other Group Market Type:

State Status Changed: 04/16/2009

Deemer Date:

Created By: Jaime Sperbeck

Submitted By: Jaime Sperbeck

Corresponding Filing Tracking Number: PI CVER-09, ETC.

Filing Description:

The Penn Insurance and Annuity Company is submitting the following forms for your review and approval:

Form / Title / Form Replaced

PI CVER-09 / Rider – Cash Value Enhancement / None

PI OPBA-09 / Rider – Overloan Benefit Protection Agreement / None

PI STIA-09(S) / Rider – Supplemental Term Insurance Agreement / None

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PI STIA-09(U) / Rider – Supplemental Term Insurance Agreement / None
PI 1472-09 / Endorsement – Partial Surrender / None
PI 1473-09 / Endorsement – Dollar Cost Averaging Account / None
PI 1474-09 / Endorsement – Business Accounting Benefit / None
IFL-07-P8 / Insert Page – Page 8 / None
IFL-07-P16 / Insert Page – Page 16 / None

Form PI CVER-09 is a rider that provides a cash value enhancement benefit by way of a termination credit, unless the policy terminates under a non-qualifying termination, as described in the Non-Qualifying Termination provision.

The enclosed form PI OPBA-09 is a rider that will prevent the policy from lapsing when the indebtedness on the policy exceeds or equals the amount as described in the Overloan Protection Benefit provision of the form.

Forms PI STIA-09(S) and PI STIA-09(U) are riders that provide supplemental term insurance for a period chosen at the time of application of the rider. PI STIA-09(S) is the sex distinct version of the policy forms and PI STIA-09(U) is the unisex version of the rider and will be used when attached to the unisex policy.

It is our intention to make the enclosed riders available on IFL-07(S)(AR) and IFL-07(U)(AR) policies, approved 5/25/07 under state tracking number 35850, as well as other Flexible Premium Indexed Adjustable life insurance policies which will be approved by your department in the future.

The following endorsements will also be used with these policy forms:

Endorsement PI 1472-09 will be used to remove the restriction and increase the number of partial surrenders on the policy from four to twelve each year. This endorsement will be included at issue for all new policies and will be mailed to inforce policyholders, once approved.

Endorsement PI 1473-09 will be used to add a Dollar Cost Averaging Account to the policy. This endorsement will be included at issue for all new policies and will be mailed to inforce policyholders, once approved.

Endorsement PI 1474-09 will only be available to policies sold in the corporate owned life insurance market. The policies that are issued must be in support of a corporate sponsored non-qualified deferred compensation plan. This rider can only be added at the time of issue.

Form PI CVER-09 and Endorsement PI 1474-09 will also be available on IALJ-08(S)(AR) and IALJ-08(U)(AR) policies, approved 10/31/08 under state tracking number 40659.

Insert Page IFL-07-P8 will be used to modify the loan interest section of forms IFL-07(S)(AR) and IFL-07(U)(AR) to be

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based on fixed loan rates instead of an adjustable loan rate. This insert page will be used at issue for all new policies.

Insert Page IFL-07-P16 will be used to modify the interest rate section of forms IFL-07(S)(AR) and IFL-07(U)(AR) to allow the company to declare credited interest rates on the Fixed Account for twelve month periods instead of monthly. This insert page will be used at issue for all new policies.

We have placed brackets around the variable information which is found on the Policy Specifications and on the PI 1474-09 Endorsement. The enclosed Statements of Variability list the ranges for this variable information. We intend to illustrate these forms.

Should you have any questions, please contact Jaime Sperbeck by phone at (215) 956-8692, email at sperbeck.jaime@pennmutual.com, or fax at (215) 956-8145.

Company and Contact

Filing Contact Information

Jaime Sperbeck, State Filing Coordinator sperbeck.jaime@pennmutual.com
 600 Dresher Road 215-956-8692 [Phone]
 VIM C3G 215-956-8145 [FAX]
 Horsham, PA 19044

Filing Company Information

Penn Insurance and Annuity Company CoCode: 93262 State of Domicile: Delaware
 VIM C3G Group Code: 850 Company Type: Life and Annuity
 Philadelphia, PA 19172 Group Name: Penn Mutual Life Ins. State ID Number:
 Co.
 (215) 956-8893 ext. [Phone] FEIN Number: 23-2142731

Filing Fees

Fee Required? Yes
 Fee Amount: \$450.00
 Retaliatory? Yes
 Fee Explanation: Retaliatory fee is \$50 per form. 9 forms filed
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
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Penn Insurance and Annuity Company \$450.00 04/10/2009 27097338

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	04/16/2009	04/16/2009

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Disposition

Disposition Date: 04/16/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Act Memos		No
Supporting Document	Statement of Variability		Yes
Supporting Document	Specification Pages		Yes
Form	Rider - Cash Value Enhancement		Yes
Form	Rider - Overloan Benefit Protection Agreement		Yes
Form	Rider - Supplemental Term Insurance Agreement		Yes
Form	Rider - Supplemental Term Insurance Agreement		Yes
Form	Endorsement - Partial Surrender		Yes
Form	Endorsement - Dollar Cost Averaging Account		Yes
Form	Endorsement - Business Accounting Benefit		Yes
Form	Insert Page - Page 8		Yes
Form	Insert Page - Page 16		Yes

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Form Schedule

Lead Form Number: PI CVER-09

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	PI CVER-09	Policy/Cont Rider - Cash Value ract/Fratern Enhancement al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		51.200	Rider_PI CVER-09.pdf
	PI OPBA-09	Policy/Cont Rider - Overloan ract/Fratern Benefit Protection al Agreement Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		50.600	Rider_PI OPBA-09.pdf
	PI STIA-09(S)	Policy/Cont Rider - Supplemental ract/Fratern Term Insurance al Agreement Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		50.900	Rider_PI STIA- 09(S).pdf
	PI STIA-09(U)	Policy/Cont Rider - Supplemental ract/Fratern Term Insurance al Agreement Certificate:	Initial		50.900	Rider_PI_STI A-09(U).pdf

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Project Name/Number	Description	Initial	Amount	File Name
PI 1472-09	Policy/Cont Endorsement - ract/Fratern Partial Surrender al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	50.800	Endorsement _PI 1472- 09.pdf
PI 1473-09	Policy/Cont Endorsement - Dollar Initial ract/Fratern Cost Averaging al Account Certificate: Amendmen t, Insert Page, Endorseme nt or Rider		51.700	Endorsement _PI 1473- 09.pdf
PI 1474-09	Policy/Cont Endorsement - ract/Fratern Business Accounting al Benefit Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial	52.400	Endorsement _PI 1474- 09.pdf
IFL-07-P8	Policy/Cont Insert Page - Page 8 ract/Fratern al Certificate: Amendmen t, Insert	Initial	50.100	Insert Page_IFL-07- P8.pdf

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Page, Endorseme nt or Rider IFL-07-P16 Policy/Cont Insert Page - Page Initial ract/Fratern 16 al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	50.100 Insert Page_IFL-07- P16.pdf
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Rider – Cash Value Enhancement Agreement

The Penn Insurance and Annuity Company agrees, subject to the provisions of the Policy and this agreement, to provide this Cash Value Enhancement Benefit. The Company also agrees to provide all of the other benefits which are stated in this agreement.

This agreement is a part of the Policy to which it is attached. It is subject to all of the provisions of the Policy unless stated otherwise in this agreement.

Cash Value Enhancement Benefit. The amount of the Cash Value Enhancement Benefit provided under the Rider as added by this agreement is a Termination Credit, unless the policy terminates under a Non-Qualifying Termination as described below.

Termination Credit. The Surrender Benefit of the Policy to which this rider is attached is modified to include a Termination Credit. The Termination Credit will be equal to (a) plus (b) as follows:

(a) An amount determined by multiplying (1) times (2), where:

- (1) is the appropriate surrender factor from the Table of Surrender Factors determined from the Policy Date; and
- (2) is 90% of the lesser of:
 - (i) the total premiums paid in the first policy year;
 - (ii) the maximum surrender charge premium as shown on Page 3; and
 - (iii) \$25.00 per thousand of the initial Specified Amount for the Policy, plus any Term Insurance Benefit from a Supplemental Term Insurance Agreement, to which this agreement is attached.

(b) An amount determined by multiplying (1) times the sum of (2), where:

- (1) is the appropriate factor from the Table of Termination Credit Factors shown on Page 3; and
- (2) the total of all Cost of Insurance Charges and Expense Charges, including the monthly expense charge per \$1000 based on the initial Specified Amount for the Policy, plus any Term Insurance Benefit from a Supplemental Term Insurance Agreement, to which this agreement is attached.

Non-Qualifying Termination. A Non-Qualifying Termination is defined as follows:

- (a) The policy is being surrendered in connection with the purchase of a replacement insurance policy including, but not limited to, a replacement intended to qualify as an exchange under Code section 1035 or
- (b) The Owner at the time of Policy surrender is different from the Owner on the application and the Owner at the time of Policy surrender is a life insurance company.

If the Policy terminates due to a Non-Qualifying Termination, the Termination Credit will not apply.

Monthly Deduction. While this agreement is in-force, the Monthly Deduction for the Policy will include the Monthly Deduction for this agreement. The Monthly Deduction for this agreement is the Expense Charge for the Cash Value Enhancement Benefit.

Expense Charge. The Expense Charge for this agreement is a monthly charge per \$1,000 of the initial Specified Amount for the Policy to which this agreement is attached. The Expense Charge will be determined by the Company based on expectations as to future mortality, investment, expense, and persistency experience.

The Company will not adjust such rates or charges as a means of recovering prior losses or as a means of distributing prior profits. However, the actual Expense Charge will not exceed the maximum Expense Charge stated on Page 3.

Rider – Cash Value Enhancement Agreement(continued)

Termination of Agreement. This agreement will terminate upon:

- (a) termination of the policy due to death;
- (b) lapse of this Policy;
- (c) surrender of this Policy;
- (d) the maturity date of this Policy; or
- (d) the Monthly Anniversary which coincides with or next follows (i) receipt by the Company of a written request to terminate this agreement, and (ii) return of this Policy for appropriate endorsement.

Effective Date. The effective date of this agreement is the same as the Date of Issue of this Policy unless another effective date is shown below.

The Penn Insurance and Annuity Company



Chairman of the Board and
President

Rider - Overloan Protection Benefit Agreement

The Penn Insurance and Annuity Company agrees, subject to the provisions of the Policy and this agreement, to provide the Overloan Protection Benefit described below.

This agreement is a part of the Policy to which it is attached. It is subject to all of the provisions of the Policy unless stated otherwise in this agreement.

Overloan Protection Benefit - This rider will prevent the policy from lapsing when, on any Monthly Anniversary, the outstanding indebtedness on the policy equals or exceeds (a) multiplied by (b), where:

- (a) is the Cash Surrender Value minus the Monthly Deduction from the previous Monthly Anniversary; and
- (b) is the Specified Loan Percentage shown on the Policy Specifications Page.

If the above occurs, the policy will automatically become paid-up life insurance. The new Specified Amount of the Policy will be equal to the Policy Value, adjusted for a one-time Charge, multiplied by an attained age factor shown in the Table of Death Benefit Factors.

Conditions - This benefit is subject to the following conditions:

- (a) The Insured's attained age is 75 or older;
- (b) The Policy has been in force for a minimum of 15 years;
- (c) The Life Insurance Qualification test is the Guideline Premium Test; and
- (d) The Amounts that may be withdrawn from the policy without the imposition of federal income tax must be taken as partial surrenders. At the time the Overloan Protection Benefit is exercised, any remaining amount that can be withdrawn from the policy without the imposition of federal income tax will be automatically taken as a partial surrender and be used to repay indebtedness. If there is insufficient Cash Surrender Value available to take the entire partial surrender, no partial surrender will be taken and the benefit will not be exercised.

Charges - The one time Charge for this agreement is applied against the Policy Value when the benefit is exercised. This charge is shown on the Policy Specifications Page.

Impact of Policy Agreement - When the benefit described in this agreement is exercised, the following changes will be made to the Policy:

- (a) All Account values not in the Fixed Account will be transferred to the Fixed Account and will be credited with interest;
- (b) If the Specified Amount does not include the Policy Value, it will be changed to include the Policy Value;
- (c) Any outstanding indebtedness will remain and interest will continue to be applied to the indebtedness and credited to the Policy Loan Account;
- (d) No further Monthly Deductions will be taken;
- (e) No additional premium payments, partial surrenders, or policy loans, or policy loan repayments will be allowed;
- (f) No further changes can be made to the policy;
- (g) All Supplemental Agreements attached to this policy will be terminated;
- (h) The new Death Benefit upon the date of death of the insured will be the greater of (i) or (ii), where:
 - (i) The Specified Amount of the paid-up life insurance; or
 - (ii) The appropriate attained age factor shown on the Policy Specifications Page multiplied by the greater of the Policy Value or the outstanding indebtedness.

Overloan Protection Benefit Agreement (continued)

Termination of Agreement - This agreement will terminate upon:

- (a) Lapse, surrender, or maturity of this policy; or
- (b) Date of death of the Insured; or
- (c) Date of a policy loan that causes outstanding indebtedness which equals or exceeds (i) multiplied by (ii) where:
 - (i) is the Cash Surrender Value minus the Monthly Deduction from the previous Monthly Anniversary; and
 - (ii) is the Specified Loan Percentage shown on the Policy Specifications Page; or
- (d) the Monthly Anniversary which coincides with or next follows receipt by the Company of a written request to terminate this agreement.

Effective Date - The effective date of this agreement is the same as the Date of Issue of this Policy unless another effective date is shown below.

The Penn Insurance and Annuity Company

A handwritten signature in black ink, appearing to read "Robert E. Chappell", is enclosed within a red rectangular box.

Chairman of the Board and
President

Rider - Supplemental Term Insurance Agreement

The Company agrees, subject to the provisions of the Policy and this agreement, to provide this Term Insurance Benefit. The Company also agrees to provide all of the other benefits which are stated in this agreement.

This agreement is a part of the Policy to which it is attached. It is subject to all of the provisions of the Policy unless stated otherwise in this agreement.

Term Insurance Benefit - The amount of the Term Insurance Benefit provided under the Policy as added by this agreement is shown in the Policy Specifications.

Basic Death Benefit - The Basic Death Benefit of the Policy to which this rider is attached is modified to include the Term Insurance Benefit under this rider. The Basic Death Benefit prior to the Maturity Date will be as follows:

- (a) If the Specified Amount includes the Policy Value, as shown on Page 3, the Basic Death Benefit will be equal to the greater of:
 - (1) the Specified Amount of the Policy plus the Term Insurance Benefit; or
 - (2) the Policy Value multiplied by an attained age factor shown in the Table of Death Benefit Factors.
- (b) If the Specified Amount does not include the Policy Value, as shown on Page 3, the Basic Death Benefit will be equal to the greater of:
 - (1) the Specified Amount of the Policy plus the Term Insurance Benefit plus the Policy Value; or
 - (2) the Policy Value multiplied by an attained age factor shown in the Table of Death Benefit Factors.

Suicide Exclusion - If the Insured dies by suicide, while sane or insane, within two years from the effective date of this agreement, the Term Insurance Benefit will be limited to the Monthly Deductions associated with such benefit.

If the Insured dies by suicide, while sane or insane, within two years from the effective date of any increase in the Term Insurance Benefit, the Term Insurance Benefit with respect to that increase will be limited to the Monthly Deductions for that increase.

Change in Amount of Coverage - The Term Insurance Benefit may be changed subject to the following conditions:

- (a) Any change in coverage must be at least \$10,000;
- (b) Any request for an increase must be applied for on a written application provided by the Company. Evidence of insurability satisfactory to the Company must be provided;
- (c) Any decrease in the Term Insurance Benefit will successively decrease, in reverse order, the most recent increases, if any.

Monthly Deductions - While this agreement is in force, the Monthly Deduction under the Policy will include the Monthly Deduction for this agreement. The Monthly Deduction for this agreement is the sum of:

- a) the monthly expense charge per \$1,000 of the original Term Insurance Benefit;
- b) the monthly expense charge per \$1,000 of any increases in the Term Insurance Benefit; and,
- c) the Cost of Insurance for the Term Insurance Benefit under this agreement.

The monthly expense per \$1,000 charges for this agreement will be determined by the company based on expectations as to future mortality, investment, expense, and persistency experience. The Company will not adjust such charges as a means of recovering prior losses or as a means of distributing prior profits. The rates will not exceed the maximum expense charges as shown on Page 3.

Rider - Supplemental Term Insurance Agreement (continued)

Cost of Insurance - The Cost of Insurance for the Policy to which this rider is attached is modified to account for the Term Insurance Benefit under this agreement. The Cost of Insurance is determined separately for the initial coverage and Term Insurance Benefit coverage as well as for each additional coverage created as the result of an increase in either Specified Amount or Term Insurance Benefit amount. The total Cost of Insurance for a policy month is calculated as the sum of (a) plus (b) where:

- (a) is the Cost of Insurance for the initial coverage and additional coverages created as the result of an increase in the Specified Amount under this Policy; and
- (b) is the Cost of Insurance for the Term Insurance Benefit under this agreement.

The Cost of Insurance for a policy month for the initial and additional coverages under this Policy is equal to (c) multiplied by (d) where:

- (c) is the applicable Cost of Insurance Rate for the Policy divided by 1,000; and
- (d) is the Net Amount at Risk attributed to the initial and additional coverage.

The Cost of Insurance for a policy month for the Term Insurance Benefit under this agreement is equal to (e) multiplied by (f) where:

- (e) is the applicable Cost of Insurance Rate for the Term Insurance Benefit divided by 1,000; and
- (f) is the Net Amount at Risk attributed to the Term Insurance Benefit.

If the Specified Amount includes the Policy Value, as shown on Page 3, the Net Amount at Risk attributed to the initial coverage is calculated as (g) minus (h) where:

- (g) is the Specified Amount divided by the Death Benefit Discount Factor; and
- (h) is the Policy Value allocated to the Specified Amount at the beginning of the policy month before the Monthly Deduction is due.

If the Specified Amount does not include the Policy Value, as shown on Page 3, the Net Amount at Risk attributed to the initial coverage is calculated as (i) minus (j) where:

- (i) is the Specified Amount plus the Policy Value divided by the Death Benefit Discount Factor; and
- (j) is the Policy Value allocated to the Specified Amount at the beginning of the policy month before the Monthly Deduction is due.

The Net Amount at Risk attributed to the Term Insurance Benefit is calculated as (k) minus (l) where:

- (k) is the Term Insurance Benefit divided by the Death Benefit Discount Factor; and
- (l) is the Policy Value allocated to the Term Insurance Benefit at the beginning of the policy month before the Monthly Deduction is due.

For purposes of determining the allocation of Net Amount at Risk between the Specified Amount and the Term Insurance Benefit, the Policy Value will be allocated as follows: first to the initial Specified Amount coverage, then to any coverages resulting from increases in the Specified Amount in the order of the increases, then to the initial Term Insurance Benefit coverage, and then to any coverages resulting from increases in the Term Insurance Benefit in the order of the increases.

Any increases in the Basic Death Benefit in order to maintain the required minimum margin between the Basic Death Benefit and the Policy Value will be allocated to the most recent increase in Specified Amount.

Rider - Supplemental Term Insurance Agreement (continued)

Cost of Insurance Rate - The Cost of Insurance Rate for the initial Term Insurance Benefit coverage is based on policy year and on the attained age, sex, and rate class of the Insured. The Cost of Insurance Rate for any coverage resulting from an increase in the Term Insurance Benefit will be based on the policy duration since the effective date of the increase and on the attained age, sex, and rate class of the Insured on the effective date of the increase. Current monthly Cost of Insurance Rates will be determined by the Company based on expectations as to future mortality, investment, expense, and persistency experience. However, these rates will not exceed those shown for this agreement in the Additional Policy Specifications.

Surrender Charge - The Surrender Charge for the Policy to which this rider is attached is modified to account for the Term Insurance Benefit under this agreement. The maximum surrender charge premium as shown on Page 3 will incorporate the Term Insurance Benefit in addition to the initial Specified Amount of the Policy. The \$25.00 per thousand factor will be applied to the sum of the initial Specified Amount of the Policy plus the initial Term Insurance Benefit.

For an increase in the Term Insurance Benefit with a comparable increase to the Specified Amount of the Policy, the Surrender Charge for the increase in the Policy is modified to account for the increase in the Term Insurance Benefit under this agreement. The maximum surrender charge premium as determined from the effective date of the increase will incorporate the Term Insurance Benefit in addition to the initial Specified Amount of the Policy. The \$25.00 per thousand factor will be applied to the amount of the increase in the Specified Amount of the Policy plus the increase in the Term Insurance Benefit.

The surrender charge for each increase in the Term Insurance Benefit with no comparable increase in Specified Amount in the Policy is based on the amount of the increase and on the attained age of the Insured at the time of the increase. The surrender charge for each increase in the Term Insurance Benefit is determined by multiplying (a) times (b), where:

- (a) is the appropriate surrender factor from the Table of Surrender Factors determined from the effective date of the increase; and
- (b) is 90% of the lesser of:
 - (i) the total premium paid with the increase during the 12 months after the date of the increase;
 - (ii) the maximum surrender charge premium as determined at the effective date of the increase; and
 - (iii) \$25.00 per thousand of the increase amount.

Supplemental Term Insurance Policy Value Enhancement – After the policy reaches the Supplemental Term Insurance Policy Value Enhancement Date as shown on Page 3, a monthly Supplemental Term Insurance Policy Value Enhancement will be paid on subsequent monthly anniversaries. The Supplemental Term Insurance Policy Value Enhancement is guaranteed at the rate shown on Page 3 multiplied by (a) divided by (b), where;

(a) is the Term Insurance Benefit, and

(b) is the sum of the Term Insurance Benefit and the Specified Amount of the policy

The Supplemental Term Insurance Policy Value Enhancement is based on Net Policy Value. Any enhancements will be applied pro-rata to the net policy value in the Fixed Account and the Indexed Accounts.

Computation of Values - All values and benefits in this agreement are equal to or greater than those required by the law of the jurisdiction in which this Policy is delivered.

Misstatement of Age or Sex - If the age or the sex of the Insured has been misstated, the Term Insurance Benefit will be the amount that would have been provided by the most recent Cost of Insurance charge at the correct age and sex. No adjustment in the Policy Value will be made.

Incontestability - This agreement will be incontestable after it has been in force during the life of the Insured for two years from the Date of Issue. Any increase in the Term Insurance Benefit will be incontestable with respect to statements made in the evidence of insurability for that increase after the increase has been in force during the life of the Insured for two years from its effective date.

Rider - Supplemental Term Insurance Agreement (continued)

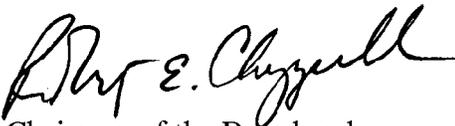
This policy will be incontestable with respect to statements made in an application for reinstatement after it has been in force during the life of the Insured for two years from the effective date of the reinstatement.

Termination of Agreement - This agreement will terminate upon:

- (a) the Termination Date for this agreement shown in the Additional Policy Specifications; or
- (b) lapse of this Policy; or
- (c) surrender of this Policy; or
- (d) the date of death of the Insured; or
- (e) the Monthly Anniversary which coincides with or next follows (i) receipt by the Company of a written request to terminate this agreement, and (ii) return of this Policy for appropriate endorsement.

Effective Date - The effective date of this agreement is the same as the Date of Issue of this Policy unless another effective date is shown below.

The Penn Insurance and Annuity Company


Chairman of the Board and
President

Rider - Supplemental Term Insurance Agreement

The Company agrees, subject to the provisions of the Policy and this agreement, to provide this Term Insurance Benefit. The Company also agrees to provide all of the other benefits which are stated in this agreement.

This agreement is a part of the Policy to which it is attached. It is subject to all of the provisions of the Policy unless stated otherwise in this agreement.

Term Insurance Benefit - The amount of the Term Insurance Benefit provided under the Policy as added by this agreement is shown in the Policy Specifications.

Basic Death Benefit - The Basic Death Benefit of the Policy to which this rider is attached is modified to include the Term Insurance Benefit under this rider. The Basic Death Benefit prior to the Maturity Date will be as follows:

- (a) If the Specified Amount includes the Policy Value, as shown on Page 3, the Basic Death Benefit will be equal to the greater of:
 - (1) the Specified Amount of the Policy plus the Term Insurance Benefit; or
 - (2) the Policy Value multiplied by an attained age factor shown in the Table of Death Benefit Factors.
- (b) If the Specified Amount does not include the Policy Value, as shown on Page 3, the Basic Death Benefit will be equal to the greater of:
 - (1) the Specified Amount of the Policy plus the Term Insurance Benefit plus the Policy Value; or
 - (2) the Policy Value multiplied by an attained age factor shown in the Table of Death Benefit Factors.

Suicide Exclusion - If the Insured dies by suicide, while sane or insane, within two years from the effective date of this agreement, the Term Insurance Benefit will be limited to the Monthly Deductions associated with such benefit.

If the Insured dies by suicide, while sane or insane, within two years from the effective date of any increase in the Term Insurance Benefit, the Term Insurance Benefit with respect to that increase will be limited to the Monthly Deductions for that increase.

Change in Amount of Coverage - The Term Insurance Benefit may be changed subject to the following conditions:

- (a) Any change in coverage must be at least \$10,000;
- (b) Any request for an increase must be applied for on a written application provided by the Company. Evidence of insurability satisfactory to the Company must be provided;
- (c) Any decrease in the Term Insurance Benefit will successively decrease, in reverse order, the most recent increases, if any.

Monthly Deductions - While this agreement is in force, the Monthly Deduction under the Policy will include the Monthly Deduction for this agreement. The Monthly Deduction for this agreement is the sum of:

- a) the monthly expense charge per \$1,000 of the original Term Insurance Benefit;
- b) the monthly expense charge per \$1,000 of any increases in the Term Insurance Benefit; and,
- c) the Cost of Insurance for the Term Insurance Benefit under this agreement.

The monthly expense per \$1,000 charges for this agreement will be determined by the company based on expectations as to future mortality, investment, expense, and persistency experience. The Company will not adjust such charges as a means of recovering prior losses or as a means of distributing prior profits. The rates will not exceed the maximum expense charges as shown on Page 3.

Rider - Supplemental Term Insurance Agreement (continued)

Cost of Insurance - The Cost of Insurance for the Policy to which this rider is attached is modified to account for the Term Insurance Benefit under this agreement. The Cost of Insurance is determined separately for the initial coverage and Term Insurance Benefit coverage as well as for each additional coverage created as the result of an increase in either Specified Amount or Term Insurance Benefit amount. The total Cost of Insurance for a policy month is calculated as the sum of (a) plus (b) where:

- (a) is the Cost of Insurance for the initial coverage and additional coverages created as the result of an increase in the Specified Amount under this Policy; and
- (b) is the Cost of Insurance for the Term Insurance Benefit under this agreement.

The Cost of Insurance for a policy month for the initial and additional coverages under this Policy is equal to (c) multiplied by (d) where:

- (c) is the applicable Cost of Insurance Rate for the Policy divided by 1,000; and
- (d) is the Net Amount at Risk attributed to the initial and additional coverage.

The Cost of Insurance for a policy month for the Term Insurance Benefit under this agreement is equal to (e) multiplied by (f) where:

- (e) is the applicable Cost of Insurance Rate for the Term Insurance Benefit divided by 1,000; and
- (f) is the Net Amount at Risk attributed to the Term Insurance Benefit.

If the Specified Amount includes the Policy Value, as shown on Page 3, the Net Amount at Risk attributed to the initial coverage is calculated as (g) minus (h) where:

- (g) is the Specified Amount divided by the Death Benefit Discount Factor; and
- (h) is the Policy Value allocated to the Specified Amount at the beginning of the policy month before the Monthly Deduction is due.

If the Specified Amount does not include the Policy Value, as shown on Page 3, the Net Amount at Risk attributed to the initial coverage is calculated as (i) minus (j) where:

- (i) is the Specified Amount plus the Policy Value divided by the Death Benefit Discount Factor; and
- (j) is the Policy Value allocated to the Specified Amount at the beginning of the policy month before the Monthly Deduction is due.

The Net Amount at Risk attributed to the Term Insurance Benefit is calculated as (k) minus (l) where:

- (k) is the Term Insurance Benefit divided by the Death Benefit Discount Factor; and
- (l) is the Policy Value allocated to the Term Insurance Benefit at the beginning of the policy month before the Monthly Deduction is due.

For purposes of determining the allocation of Net Amount at Risk between the Specified Amount and the Term Insurance Benefit, the Policy Value will be allocated as follows: first to the initial Specified Amount coverage, then to any coverages resulting from increases in the Specified Amount in the order of the increases, then to the initial Term Insurance Benefit coverage, and then to any coverages resulting from increases in the Term Insurance Benefit in the order of the increases.

Any increases in the Basic Death Benefit in order to maintain the required minimum margin between the Basic Death Benefit and the Policy Value will be allocated to the most recent increase in Specified Amount.

Rider - Supplemental Term Insurance Agreement (continued)

Cost of Insurance Rate - The Cost of Insurance Rate for the initial Term Insurance Benefit coverage is based on policy year and on the attained age, sex, and rate class of the Insured. The Cost of Insurance Rate for any coverage resulting from an increase in the Term Insurance Benefit will be based on the policy duration since the effective date of the increase and on the attained age, sex, and rate class of the Insured on the effective date of the increase. Current monthly Cost of Insurance Rates will be determined by the Company based on expectations as to future mortality, investment, expense, and persistency experience. However, these rates will not exceed those shown for this agreement in the Additional Policy Specifications.

Surrender Charge - The Surrender Charge for the Policy to which this rider is attached is modified to account for the Term Insurance Benefit under this agreement. The maximum surrender charge premium as shown on Page 3 will incorporate the Term Insurance Benefit in addition to the initial Specified Amount of the Policy. The \$25.00 per thousand factor will be applied to the sum of the initial Specified Amount of the Policy plus the initial Term Insurance Benefit.

For an increase in the Term Insurance Benefit with a comparable increase to the Specified Amount of the Policy, the Surrender Charge for the increase in the Policy is modified to account for the increase in the Term Insurance Benefit under this agreement. The maximum surrender charge premium as determined from the effective date of the increase will incorporate the Term Insurance Benefit in addition to the initial Specified Amount of the Policy. The \$25.00 per thousand factor will be applied to the amount of the increase in the Specified Amount of the Policy plus the increase in the Term Insurance Benefit.

The surrender charge for each increase in the Term Insurance Benefit with no comparable increase in Specified Amount in the Policy is based on the amount of the increase and on the attained age of the Insured at the time of the increase. The surrender charge for each increase in the Term Insurance Benefit is determined by multiplying (a) times (b), where:

- (a) is the appropriate surrender factor from the Table of Surrender Factors determined from the effective date of the increase; and
- (b) is 90% of the lesser of:
 - (i) the total premium paid with the increase during the 12 months after the date of the increase;
 - (ii) the maximum surrender charge premium as determined at the effective date of the increase; and
 - (iii) \$25.00 per thousand of the increase amount.

Supplemental Term Insurance Policy Value Enhancement – After the policy reaches the Supplemental Term Insurance Policy Value Enhancement Date as shown on Page 3, a monthly Supplemental Term Insurance Policy Value Enhancement will be paid on subsequent monthly anniversaries. The Supplemental Term Insurance Policy Value Enhancement is guaranteed at the rate shown on Page 3 multiplied by (a) divided by (b), where;

- (a) is the Term Insurance Benefit, and
 - (b) is the sum of the Term Insurance Benefit and the Specified Amount of the policy
- The Supplemental Term Insurance Policy Value Enhancement is based on Net Policy Value. Any enhancements will be applied pro-rata to the net policy value in the Fixed Account and the Indexed Accounts.

Computation of Values - All values and benefits in this agreement are equal to or greater than those required by the law of the jurisdiction in which this Policy is delivered.

Misstatement of Age - If the age of the Insured has been misstated, the Term Insurance Benefit will be the amount that would have been provided by the most recent Cost of Insurance charge at the correct age. No adjustment in the Policy Value will be made.

Incontestability - This agreement will be incontestable after it has been in force during the life of the Insured for two years from the Date of Issue. Any increase in the Term Insurance Benefit will be incontestable with respect to statements made in the evidence of insurability for that increase after the increase has been in force during the life of the Insured for two years from its effective date.

Rider - Supplemental Term Insurance Agreement (continued)

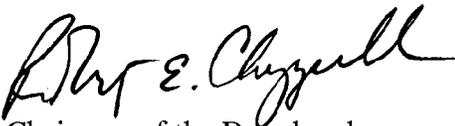
This policy will be incontestable with respect to statements made in an application for reinstatement after it has been in force during the life of the Insured for two years from the effective date of the reinstatement.

Termination of Agreement - This agreement will terminate upon:

- (a) the Termination Date for this agreement shown in the Additional Policy Specifications; or
- (b) lapse of this Policy; or
- (c) surrender of this Policy; or
- (d) the date of death of the Insured; or
- (e) the Monthly Anniversary which coincides with or next follows (i) receipt by the Company of a written request to terminate this agreement, and (ii) return of this Policy for appropriate endorsement.

Effective Date - The effective date of this agreement is the same as the Date of Issue of this Policy unless another effective date is shown below.

The Penn Insurance and Annuity Company


Chairman of the Board and
President

2. Endorsements

Endorsement - Partial Surrender

The **Partial Surrender** provision of the **Surrender of Policy** Section of this Contract is augmented with the following:

The limit of four partial surrenders being made within any policy year, located in the second sentence of the first paragraph of the Partial Surrender subsection of the Surrender of Policy Section of this Policy, is increased to a limit of twelve partial surrenders within any policy year.

The terms of this Endorsement shall override any inconsistent or conflicting provisions in the Policy and is made a part of the Policy upon attachment. The Effective Date of this Endorsement is the Policy Date.

Philadelphia, Pennsylvania
(Included at Issue)

The Penn Insurance and Annuity Company



Raymond S. Cassi
Vice President and
Life Product Actuary

2. Endorsements

The contract is amended as follows:

The **Basis of Computation of Values** Section is amended to add the following language:

Dollar Cost Averaging Account - Premium payments may be allocated to a Dollar Cost Averaging Account that systematically transfers a portion of the amount to new segments of Indexed Accounts. During the dollar cost averaging period, shown on Page 3, an additional Dollar Cost Averaging Account cannot be selected. If the Dollar Cost Averaging Account is terminated at the request of the Owner, the remaining balance will be transferred to the Indexed Accounts using the allocation percentages currently in force at that time, unless otherwise directed by the Owner. The minimum premium payment allocated to the Dollar Cost Averaging Account is shown on Page 3.

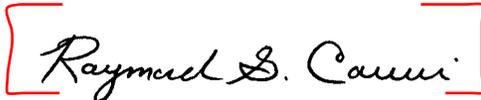
Amounts held in a Dollar Cost Averaging Account will be credited with interest at effective annual rates declared by the Company. The declared interest rate will apply from the date of the allocation to the account through the end of the dollar cost averaging period. At the expiration of a dollar cost averaging period, the Company will declare a rate not less than the guaranteed interest rate for a new dollar cost averaging period.

The Dollar Cost Averaging Account Value will be included in the calculation of the Policy Value.

The terms of this Endorsement shall override any inconsistent or conflicting provisions in the Policy and is made a part of the Policy upon attachment. The Effective Date of this Endorsement is the Policy Date.

Philadelphia, Pennsylvania
(Included at Issue)

The Penn Insurance and Annuity Company



Vice President and
Life Product Actuary

PI 1473-09

2. Endorsement

Endorsement - Business Accounting Benefit

The contract is amended as follows:

1. The Schedule of Policy Loads and Expense Charges provision of the **Policy Specifications** section is amended to **add the following charges:**

Maximum monthly additional expense charge	Charge per \$1,000 of Specified Amount	Policy Year
	\$0.03 0.00	1 -11 12 and later
Maximum monthly additional expense charge	Charge per \$1,000 of increase in Specified Amount	Policy Year after increase
	\$0.03 0.00	1 -11 12 and later

2. The Surrender Charge provision of the **Surrender of Policy** section is replaced with the following:

Surrender Charge - The surrender charge for the initial Specified Amount is equal to zero. The surrender charge for each increase in the Specified Amount is equal to zero.

3. This endorsement will terminate upon the Monthly Anniversary that coincides with or next follows the (i) receipt at the Home Office of a written request by the Owner to terminate this agreement and (ii) return of this policy for appropriate endorsement.
4. The terms of this endorsement shall override any inconsistent or conflicting provisions in the contract. The Effective Date of this endorsement is the Contract Date.

Philadelphia, Pennsylvania

The Penn Insurance and Annuity Company

Raymond S. Casari
Vice President and
Life Product Actuary

6. Policy Loans (continued)

Loan Interest - Traditional and Indexed Loans will bear interest at the loan interest rates listed on Page 3. Loan interest is due and payable at the end of each policy year. If the interest is not paid when due, it will be added to the loan. It will then bear interest at the rate of interest on loans.

Loan Options – At the time of the first loan, the Owner must choose one of two loan options. For the first loan option, called the Traditional Loan Option, loans will be taken first from the Fixed Account until exhausted, and then the Holding Account until exhausted. Excess loans will be taken from the Indexed Account segments on a last in, first out basis. When a loan is made, an amount equal to the amount of the loan will be withdrawn from the appropriate accounts and the amount will be placed in the Policy Loan Account. The Owner can switch from the Traditional Loan Option only by transferring the entire loan balance to the Indexed Account by way of the Holding Account, or by repaying the entire loan balance.

For the second loan option, called the Indexed Loan Option, loans are only permitted from the Indexed Account segments or the Holding Account. Any of the Fixed Account Value cannot be loaned under the Indexed Loan Option, until sufficient Fixed Account Value is transferred into an Indexed Account segment by way of the Holding Account. The loan is not transferred to the Policy Loan Account but will remain in the Holding Account until the next Segment Date or in the Indexed Account segments, and will continue to be credited interest in the same manner as the un-loaned portion of the Holding Account or Indexed Account segments. The Owner can switch from the Indexed Loan Option only by transferring the entire loan balance to the Policy Loan Account, or by repaying the entire loan balance.

Policy Loan Account – For the Traditional Loan Option, any repayment of indebtedness will be withdrawn from the Policy Loan Account and reallocated to the Fixed Account or Indexed Account based on the Allocation Percentage last set by the Owner. Except for such repayment of indebtedness or for the switching of loan options, no transfers or partial surrenders may be made from the Policy Loan Account.

The Policy Loan Account will be credited with interest. The rate of interest will be determined each year by the Company but will not be less than the Policy Loan Account Rate listed on Page 3.

10. Basis of Computation of Values (continued)

rate class of the Insured. The Cost of Insurance Rate for any increase in Specified Amount will be based on the policy duration since the effective date of the increase and on the attained age, sex, and rate class of the Insured on the effective date of the increase.

The Cost of Insurance Rate will be determined by the Company as described in the Determination of Nonguaranteed Factors provision. These rates will not exceed those shown in the Additional Policy Specifications. Such maximum rates are based on the 2001 Commissioners Standard Ordinary Smoker and Nonsmoker Mortality Table, Age Nearest Birthday.

Interest Rate - The actual interest rates declared by the Company will not be less than the minimum interest rate shown on Page 3 and will be determined as described in the Determination of Nonguaranteed Factors provision below.

The declared effective annual rate for amounts in the Fixed Account will apply from the date of allocation or transfer through the end of the twelve month period which begins on the first day of the calendar month in which the allocation or transfer is made. Thereafter, interest will be credited for successive twelve month periods at the declared rate then applicable to new allocations to the account made as of the beginning of each such period. An amount held in the Fixed Account may be transferred to the Indexed Account only during the period which is not more than 30 days immediately following the end of each policy year. The declared effective annual rate for amounts in the Holding Account will apply from the date of allocation or transfer through the end of the one month period which begins on the first day of the calendar month in which the allocation or transfer is made.

Expense Charges - The actual monthly per policy expense charge, monthly expense charge per \$1,000 of Specified Amount, and percent of premium charge will be determined by the Company as described in the Determination of Nonguaranteed Factors provision. However, these actual expense charges will not exceed the maximum expense charges stated on Page 3.

The per \$1,000 of Specified Amount expense charge on the initial Specified Amount will be eliminated for policies that have been in force over ten policy years. The elimination of the per \$1,000 of Specified Amount expense charge is due to the fact that the amortization of acquisition expenses is completed by the end of the tenth policy year.

The per \$1,000 of Specified Amount expense charge for any increases in Specified Amount will be eliminated after the charge has been assessed for 10 years from the date of the increase. This charge is also due to the amortization acquisition expense for that increase being completed by the end of the tenth year.

Determination of Nonguaranteed Factors - Cost of Insurance Rates, Expense Charges, and Interest Rates will be determined by the Company based on expectations as to future mortality, investment, expense, and persistency experience. The Company will not adjust such rates or charges as a means of recovering prior losses or as a means of distributing prior profits.

Computation of Values - All policy values and benefits are equal to or greater than those required by the law of the jurisdiction in which this policy is delivered. A detailed statement of the method of computing reserves and Policy Values has been filed with the insurance supervisory official of that jurisdiction, if required.

11. Policy Changes

Right to Make Change - At any time while this policy is in force after the first policy year, the Owner may request changes as set forth in this section. The Owner may not make a change that would result in the Death Benefit under this policy not being excludable from gross income due to not satisfying the requirements of Section 7702 of the Internal Revenue Code of 1986, as amended, or as set forth in any applicable successor provision thereto. In addition, each change is subject to the conditions stated. This policy will be amended as the result of any such change.

IFL-07-P16

SERFF Tracking Number: PNMU-126077000 State: Arkansas
 Filing Company: Penn Insurance and Annuity Company State Tracking Number: 42094
 Company Tracking Number: PI CVER-09, ETC.
 TOI: L08 Life - Other Sub-TOI: L08.000 Life - Other
 Product Name: Indexed Universal Life Riders and Endorsements
 Project Name/Number: PI CVER-09, ETC./PI CVER-09, ETC.

Supporting Document Schedules

Item Status: **Status Date:**

Satisfied - Item: Flesch Certification

Comments:

Attachments:

Flesch Certification - AR.pdf

Certification of Compliance - AR.pdf

Item Status: **Status Date:**

Bypassed - Item: Application

Bypass Reason: N/A

Comments:

Item Status: **Status Date:**

Satisfied - Item: Statement of Variability

Comments:

Attachments:

Statement of Variability_Endorsements and Riders.pdf

Statement of Variability_Spec Pages.pdf

Item Status: **Status Date:**

Satisfied - Item: Specification Pages

Comments:

Attachments:

Specification pages (S) - Supporting Documentation.pdf

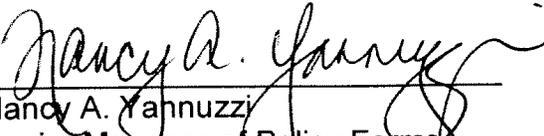
Specification pages (U) - Supporting Documentation.pdf

The Penn Insurance and Annuity Company

CERTIFICATION

"This is to certify that the form listed below is in compliance with the requirements of Ark. Stat. Ann. 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act."

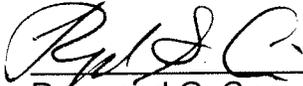
<u>Form No.</u>	<u>Title</u>	<u>Flesch Score</u>
PI CVER-09	Rider – Cash Value Enhancement	51.2
PI OPBA-09	Rider – Overloan Benefit Protection Agreement	50.6
PI STIA-09(S)	Rider – Supplemental Term Insurance Agreement	50.9
PI STIA-09(U)	Rider – Supplemental Term Insurance Agreement	50.9
PI 1472-09	Endorsement – Partial Surrender	50.8
PI 1473-09	Endorsement – Dollar Cost Averaging Account	51.7
PI 1474-09	Endorsement – Business Accounting Benefit	52.4
IFL-07-P8	Insert Page – Page 8	50.1
IFL-07-P16	Insert Page – Page 16	50.1



Nancy A. Yannuzzi
Senior Manager of Policy Forms

**Arkansas Certification of Compliance
Penn Insurance and Annuity Company**

- We confirm we are in compliance with Ark. Code Ann 23-79-138 in that each policy issued shall be accompanied by complete address, telephone number, 800 number of our policyholder's service office; the name, address and telephone number of the soliciting agent; and the address, telephone number and 800 number of the state insurance department.
- We confirm that we are in compliance with Regulation 49 in that a guaranty fund notice will be given to each policy owner.
- We confirm that we are in compliance with Regulation 19 in that there will be no unfair discrimination in the sale of insurance by the Company.



Raymond G. Caucci, FSA, MAAA
Vice President and Life Product Actuary

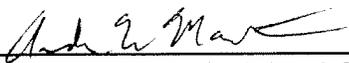
April 10, 2009

STATEMENT OF VARIABILITY

Form Number(s) PI CVER-09, PI OPBA-09, PI STIA-09(S), PI STIA-09(U), PI 1474-09,
PI 1473-09, PI 1472-09

Any use of variability shall be administered in a uniform and non-discriminatory manner.

<u>Section</u>	<u>Page Number</u>	<u>Description</u>
PI 1474-09	Page 4	-Maximum Monthly Additional Expense Charge – Charges per \$1,000 of Specified Amount and Maximum Monthly Additional Expense Charge – Charges per \$1,000 of Increase in Specified Amount will vary based on these charges for the Underlying policy
PI 1474-09	Page 4	-Policy Year and Policy Year after Increase will vary based on the Surrender Charge Schedule of the underlying policy to which this endorsement is attached.
Last page of riders and endorsements	Last page of riders and endorsements	(A) - We have placed brackets around the signatures . The signatures may change based on the individual holding the position of authority to sign the policy form. If the signatures should change, an informational filing will be submitted to the Department prior to use.



Andrew W. Martin, FSA, MAAA
Assistant Vice President & Actuary
The Penn Mutual Life Insurance Company

March 17, 2009

THE PENN INSURANCE AND ANNUITY COMPANY

STATEMENT OF VARIABILITY

March 16, 2009

STATEMENT OF VARIABILITY

Form Number(s): **Policy Specification Pages & Additional Policy Specification Pages**
for IFL-07(S) and IFL-07(U)

Any use of variability shall be administered in a uniform and non-discriminatory manner. Any changes will be filed with the state.

<u>Section</u>	<u>Page Number</u>	<u>Description</u>
Policy Specifications	Pg 3	- Specified Amount will vary based on the owner's financial objective.
Policy Specifications & Add'l Policy Specs	Pg 3, Pg 24 (cont'd)	- Age will vary as the issue ages are 20-85. Male will vary based on the insured's gender (if applicable). If this were a unisex policy, nothing would print (neither male nor female).
Policy Specifications & Add'l Policy Specs	Pg 3, Pg 24 (cont'd)	- Rate Class will vary based on the insured's rate classification from one of the following: Standard Nontobacco, Standard Tobacco, Special Nontobacco, Special Tobacco, Preferred Plus Nontobacco, Preferred Plus Tobacco.
Policy Specifications	Pg 3	- We have placed brackets around the Guideline Premium Test. Either the Guideline Premium Test or Cash Value Accumulation Test will appear depending on the applicant's choice.
Policy Specifications	Pg 3	- The Maturity Date will vary based on the insured's issue age.
Policy Specifications	Pg 3	- Policy Value Enhancement Date will vary based on the Date of Issue of the policy.
Policy Specifications	Pg 3	- The Dollar Cost Averaging Period is 12 months but could range from 6 to 18 months based on company preference.
Policy Specifications	Pg 3	- Each Segment Duration is One Year but in the future this information could vary based on the crediting objectives of the company in the future. This duration could vary from month, to 1 year, 2 years or 5 years. Any change would only be applicable to new issues
Policy Specifications	Pg 3	- The Schedule of Benefits will change based on the benefit selection of the policy owner.
Policy Specifications	Pg 3	- The Allocation Percentage will vary based on the selection of the policy owner, and could range from 0% to 100%.
Policy Specifications	Pg 3	- Initial Premium and Planned Premium will vary based on the owner's financial objective.
Policy Specifications	Pg 3	- The Beginning premium payment date will vary based on when the policy owner chooses to make a payment.

Policy Specifications	Pg 3	- The Beginning premium payment date will vary based on when the policy owner chooses to make a payment.
Policy Specifications	Pg 3	- The No-Lapse Premium will vary based on the specified amount, the addition, deletion or change of any supplemental agreements to the policy, or a change in the rate class of the insured before the No-Lapse Date.
Policy Specifications	Pg 3	- The No-Lapse Date and The Extended No Lapse Date will vary based on the policy issue date and the age of the insured at issue.
Policy Specifications	Pg 3 (cont'd)	- The Maximum Surrender Charge Premium and The Initial Maximum Surrender Charge will vary based on the specified amount of the policy and the issue date.
Policy Specifications	Pg 3 (cont'd)	- The Maximum Percent of Premium load and the Maximum per policy monthly expense Charge in year 1 and in years 2 and later will vary in the event the Company would need to offset expenses outside the control of the Company. This would include changes to the State Premium Tax, DAC Tax and changes in expenses due to efficiencies or times of high inflation. Any changes would be filed with the state and would only apply to new issues.
Policy Specifications & Add'l Policy Specs	Pg 3 (cont'd), Pg 24 (cont'd)	- The Maximum Monthly Expense Charge per \$1,000 of Specified Amount (for the first 120 months following the policy date) will vary based each insured's rate class, issue age and gender (if applicable). The minimum charge is " 0 "and the maximum charge is 0.508. This charge will vary in the event the Company would need to offset expenses outside the control of the Company. This would include unforeseen long term changes to mortality and changes in expenses due to efficiencies or times of high inflation.
Policy Specifications	Pg 3(cont'd)	- The One Time Charge for the Overloan Protection Benefit Agreement is presently set at 3.5% and we would like this percentage to remain variable within the 0% - 20% range. Some of the conditions that may trigger a change in these percentages are competitive pressure and pricing issues in the future. Any changes would be filed with the state and would only apply to new issues.
Policy Specifications	Pg 3 (cont'd)	- The Overloan Protection Benefit Agreement Specified Loan Percentage is presently set at 96%. However, we would like this percentage to remain variable within the 80%-100% range. Some of the conditions that may trigger a change in this percentage are competitive pressure and pricing issues in the future. Any changes would be filed with the state and would only apply to new issues.
Policy Specifications	Pg 3 (cont'd)	- The Cash Value Enhancement Agreement Maximum Expense Charge per \$1,000 of Specified Amount will vary by Age, Sex, Risk Class and will range from .05% to .50%.
Policy Specifications	Pg 3 (cont'd)	- The Cash Value Enhancement Agreement Termination Policy Year and the Termination Credit Factors will vary by sex, age and risk class. The minimum Termination Credit Factor is 2% and the maximum is 100% and also varies by Policy Year.
Policy Specifications	Pg 3 (cont'd)	- The Supplemental Term Insurance Policy Value Enhancement Date will vary based on the policy issue date.

- Policy Specifications Pg 3 (cont'd) - The Supplemental Term Insurance Policy Value Enhancement, currently at 0.25%, can range from 0 - 0.60%. Some of the conditions that may trigger a change in these percentages are competitive pressure and pricing issues in the future. Any changes would be filed with the state and would only apply to new issues.
- Policy Specifications Pg 3 (cont'd) - The Guaranteed Cap Percentage is 4%. Conditions that may trigger a change in this percentage in the future are competitive pressure and pricing issues. The range is from 4% to 10%. Any change in this percentage will be filed with the state for approval and would only apply to new issues.
- Policy Specifications Pg 3 - The Guaranteed Participation Percentage is 100%. Conditions that may trigger a change in this percentage in the future are competitive pressure and pricing issues. The range is from 40% to 200%. Any change in this percentage will be filed with the state for approval and would only apply to new issues.
- Add'l Policy Specs Pg 24 (cont'd) - The Table of Guaranteed Maximum Monthly Cost of Insurance Rates per \$1,000 will vary based on each insured's rate class, issue age, gender (if applicable), reclassification and policy duration.



Andrew W. Martin, FSA, MAAA
Assistant Vice President and Actuary

March 16, 2009

1. POLICY SPECIFICATIONS

Insured [WILLIAM PENN] [\$100,000] Specified Amount (INCLUDES POLICY VALUE)

Policy Number [0 000 000] [MARCH 1, 2009] Policy Date

Age [35 MALE] [STANDARD NONTOBACCO] Rate Class

Life Insurance Qualification Test is [GUIDELINE LEVEL PREMIUM]

Maturity Date is [March 1, 2095]
 Date of Issue is the Policy Date

Policy Value Enhancement Date is [MARCH 1, 2019]

The Dollar Cost Averaging Period is [12 months.]

Each Segment Duration is [One Year]

Owner and Beneficiary as provided in the Application.

SCHEDULE OF BENEFITS

Description

Amount

Flexible Premium Adjustable Indexed Life Insurance Policy	\$100,000 Specified Amount
Cash Value Enhancement Agreement	---
Supplemental Term Insurance Agreement	\$50,000 Specified Amount
Overloan Protection Benefit Agreement	

Schedule of Planned Premiums

The Initial Premium of [\$1742.53] was paid on the Policy Date for 12 months. Subsequent Planned Premiums are payable annually as follows:

Allocation Percentage	[50%]
Beginning as of	Planned Premium
[March 1, 2009]	[\$1742.53]

The Monthly No Lapse Premium is [\$48.00]
 The No Lapse Date is [March 1, 2029]

NOTE: Insurance will terminate if the premiums paid and the interest credited are insufficient to cover the monthly deductions, except as provided in Section 4.

Section 7702A of the Internal Revenue Code of 1986 establishes a class of life insurance contracts designated as "Modified Endowment Contracts." The rules relating to whether a policy will be treated as a Modified Endowment Contract are extremely complex. Please consult with a qualified tax advisor regarding your own personal situation.

1. Policy Specifications

Schedule of Surrender Charges

Maximum Surrender Charge Premium [\$1423.00]

Initial Maximum Surrender Charge [\$1280.70]

Table of Surrender Charge Factors

Policy Year	Surrender Factor
1	100%
2	89
3	78
4	67
5	56
6	45
7	34
8	23
9	12
10 and later	0

Schedule of Percent of Premium Charge and Expense Charges

Maximum percent of premium Charge [5%]
Maximum per policy monthly expense charge [\$9.00]

Maximum monthly expense charge per \$1,000 of Specified Amount [0.419]
(for the first 120 months following the policy date)

Maximum monthly expense charge per \$1,000 of Specified Amount As shown on Page 24
(for the first 120 months following an increase in Specified Amount)

Maximum monthly expense charge per \$1,000 of Specified Amount [0.469]
(for Supplemental Term Ins Agreement for the first 120 mos. following the policy date)

Maximum monthly expense charge per \$1,000 of Specified Amount As shown on Page 24
(for Supplemental Term Ins Agreement for the first 120 mos. following an increase in Specified Amount)

Maximum one time charge for Overloan Protection Benefit Agreement is [3.5%] of Policy Value

The Overloan Benefit Protection Agreement Specified Loan Percentage is [96%]

Cash Value Enhancement Agreement Maximum Expense Charge [0.20%]
Per \$1,000 of Specified Amount

Cash Value Enhancement Agreement Termination Policy Year	Termination Credit Factors
1	82%
2	71%
3	60%
4	49%
5	38%
6	0%

Supplemental Term Insurance Policy Value Enhancement Date [April 1, 2019]
Supplemental Term Insurance Policy Value Enhancement [0.25%]

1. Policy Specifications (continued)

Schedule of Interest Rates

Guaranteed Minimum Interest Rate	2% Annual Rate 0.16516% Monthly Rate
Death Benefit Discount Factor	1.0016516
Guaranteed Policy Value Enhancement	0%
Traditional Loan Interest Rate	4% Effective Annual Rate
Indexed Loan Interest Rate	6% Effective Annual Rate
Policy Loan Account Rates	3% Policy Years 1-10 3.75% Policy Years 11 & After
Minimum Allocation to the Dollar Cost Averaging Account	\$600
Indexed Interest	
Guaranteed Cap Percentage	[4%]
Guaranteed Participation Percentage	[100%]

Additional Policy Specifications

Table of Guaranteed Maximum Expense Charges per \$1,000 of Specified Amount

ISSUE AGE	BASE COVERAGE CHARGE	PI STIA-09 CHARGE
35	0.419	0.469
36	0.419	0.469
37	0.420	0.470
38	0.420	0.470
39	0.421	0.471
40	0.421	0.471
41	0.422	0.472
42	0.422	0.472
43	0.423	0.473
44	0.423	0.473
45	0.424	0.474
46	0.424	0.474
47	0.425	0.475
48	0.425	0.475
49	0.426	0.476
50	0.427	0.477
51	0.428	0.478
52	0.428	0.478
53	0.429	0.479
54	0.430	0.480
55	0.431	0.481
56	0.432	0.482
57	0.433	0.483
58	0.434	0.484
59	0.435	0.485
60	0.437	0.487
61	0.438	0.488
62	0.440	0.490
63	0.441	0.491
64	0.443	0.493
65	0.445	0.495
66	0.447	0.497
67	0.450	0.500
68	0.453	0.503
69	0.456	0.506
70	0.460	0.510
71	0.465	0.515
72	0.470	0.520
73	0.477	0.527
74	0.486	0.536
75	0.497	0.547

POLICY NUMBER 0 000 000
 FLEXIBLE PREMIUM LIFE INSURANCE POLICY
 WILLIAM PENN
 AGE 35 MALE NONTOBACCO

Additional Policy Specifications

Table of Guaranteed Maximum Expense Charges per \$1,000 of Specified Amount

ISSUE AGE	BASE COVERAGE CHARGE	PI STIA-09 CHARGE
76	0.514	0.564
77	0.540	0.590
78	0.590	0.640
79	0.731	0.781
80	0.871	0.921
81	1.012	1.062
82	1.152	1.202
83	1.293	1.343
84	1.433	1.483
85	1.574	1.624

POLICY NUMBER 0 000 000
FLEXIBLE PREMIUM LIFE INSURANCE POLICY
WILLIAM PENN
AGE 35 MALE NONTOBACCO

Additional Policy Specifications

TABLE OF GUARANTEED MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1,000

ATTAINED AGE	BASE POLICY AND PI STIA-09
35	0.0908
36	0.0958
37	0.1000
38	0.1075
39	0.1142
40	0.1217
41	0.1317
42	0.1442
43	0.1584
44	0.1750
45	0.1942
46	0.2125
47	0.2326
48	0.2442
49	0.2576
50	0.2767
51	0.2993
52	0.3301
53	0.3635
54	0.4060
55	0.4585
56	0.5119
57	0.5695
58	0.6187
59	0.6755
60	0.7439
61	0.8274
62	0.9292
63	1.0436
64	1.1639
65	1.2908
66	1.4195
67	1.5499
68	1.6904
69	1.8359
70	2.0124
71	2.2099
72	2.4694
73	2.7433
74	3.0317
75	3.3470
76	3.6911

POLICY NUMBER 0 000 000
 FLEXIBLE PREMIUM LIFE INSURANCE POLICY
 WILLIAM PENN
 AGE 35 MALE NONTOBACCO

Additional Policy Specifications

TABLE OF GUARANTEED MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1,000

ATTAINED AGE	BASE POLICY AND PI STIA-09
77	4.0908
78	4.5582
79	5.0984
80	5.6880
81	6.3602
82	7.0612
83	7.8181
84	8.6576
85	9.5971
86	10.6404
87	11.7822
88	13.0087
89	14.3059
90	15.6632
91	16.9431
92	18.2807
93	19.6954
94	21.1940
95	22.7729
96	24.2220
97	25.7717
98	27.4307
99	29.2072
100	31.1139
101	32.6320
102	34.2545
103	35.9867
104	37.8360
105	39.7830
106	41.8611
107	44.0793
108	46.4474
109	48.9749
110	51.6712
111	54.5501
112	57.6228
113	60.9057
114	64.4101

POLICY NUMBER 0 000 000
 FLEXIBLE PREMIUM LIFE INSURANCE POLICY
 WILLIAM PENN
 AGE 35 MALE NONTOBACCO

Additional Policy Specifications (continued)

ATTAINED AGE	BASE POLICY AND PI STIA-09
115	68.1545
116	72.1551
117	76.4311
118	81.0051
119	83.3333
120	83.3333

POLICY NUMBER 0 000 000
FLEXIBLE PREMIUM LIFE INSURANCE POLICY
WILLIAM PENN
AGE 35 MALE NONTOBACCO

Additional Policy Specifications (continued)

SUPPLEMENTAL TERM INSURANCE AGREEMENT (PI STIA-09)

INSURED

WILLIAM PENN
MALE AGE 35

SPECIFIED AMOUNT

\$50,000

EFFECTIVE DATE

03/01/2009

RATE CLASS

TERMINATION DATE

03/01/2095

STANDARD NONTOBACCO

POLICY NUMBER 0 000 000

FLEXIBLE PREMIUM LIFE INSURANCE POLICY

WILLIAM PENN

AGE 35 MALE

NONTOBACCO

Additional Policy Specifications

Table of Death Benefit Factors

Attained Age	Factor
0-40	2.50
41	2.43
42	2.36
43	2.29
44	2.22
45	2.15
46	2.09
47	2.03
48	1.97
49	1.91
50	1.85
51	1.78
52	1.71
53	1.64
54	1.57
55	1.50
56	1.46
57	1.42
58	1.38
59	1.34
60	1.30
61	1.28
62	1.26
63	1.24
64	1.22
65	1.20
66	1.19
67	1.18
68	1.17
69	1.16
70	1.15
71	1.13
72	1.11
73	1.09
74	1.07
75-90	1.05
91	1.04
92	1.03
93	1.02
94-120	1.01

POLICY NUMBER 0 000 000
FLEXIBLE PREMIUM LIFE INSURANCE POLICY
WILLIAM PENN
AGE 35 MALE NONTOBACCO

1. POLICY SPECIFICATIONS

Insured	[WILLIAM PENN]	[\$100,000]	Specified Amount (INCLUDES POLICY VALUE)
Policy Number	[0 000 000]	[MARCH 1, 2009]	Policy Date
Age [35]		[STANDARD NONTOBACCO]	Rate Class

Life Insurance Qualification Test is [GUIDELINE LEVEL PREMIUM]

Maturity Date is [March 1, 2095]

Date of Issue is the Policy Date

Policy Value Enhancement Date is [MARCH 1, 2019]

The Dollar Cost Averaging Period is [12 months].

Each Segment Duration is [One Year]

Owner and Beneficiary as provided in the Application.

SCHEDULE OF BENEFITS

Description

Amount

Flexible Premium Adjustable Indexed Life Insurance Policy	\$100,000 Specified Amount
Cash Value Enhancement Agreement	---
Supplemental Term Insurance Agreement	\$50,000 Specified Amount
Overloan Protection Benefit Agreement	

Schedule of Planned Premiums

The Initial Premium of [\$1705.83] was paid on the Policy Date for 12 months. Subsequent Planned Premiums are payable annually as follows:

Allocation Percentage	[50%]
Beginning as of	Planned Premium
[March 1, 2009]	[\$1705.83]

The Monthly No Lapse Premium is [\$48.00]

The No Lapse Date is [March 1, 2029]

NOTE: Insurance will terminate if the premiums paid and the interest credited are insufficient to cover the monthly deductions, except as provided in Section 4.

Section 7702A of the Internal Revenue Code of 1986 establishes a class of life insurance contracts designated as "Modified Endowment Contracts." The rules relating to whether a policy will be treated as a Modified Endowment Contract are extremely complex. Please consult with a qualified tax advisor regarding your own personal situation.

1. Policy Specifications

Schedule of Surrender Charges

Maximum Surrender Charge Premium [\$1351.00]

Initial Maximum Surrender Charge [\$1215.90]

Table of Surrender Charge Factors

Policy Year	Surrender Factor
1	100%
2	89
3	78
4	67
5	56
6	45
7	34
8	23
9	12
10 and later	0

Schedule of Percent of Premium Charge and Expense Charges

Maximum percent of premium Charge [5%]
Maximum per policy monthly expense charge [\$9.00]

Maximum monthly expense charge per \$1,000 of Specified Amount [\$.415]
(for the first 120 months following the policy date)

Maximum monthly expense charge per \$1,000 of Specified Amount As shown on Page 24
(for the first 120 months following an increase in Specified Amount)

Maximum monthly expense charge per \$1,000 of Specified Amount [\$.465]
(for Supplemental Term Ins Agreement for the first 120 mos. following the policy date)

Maximum monthly expense charge per \$1,000 of Specified Amount As shown on Page 24
(for Supplemental Term Ins Agreement for the first 120 mos. following an increase in Specified Amount)

Maximum one time charge for Overloan Protection Benefit Agreement is [3.5%] of Policy Value

The Overloan Benefit Protection Agreement Specified Loan Percentage is [96%]

Cash Value Enhancement Agreement Maximum Expense Charge [0.20%]
Per \$1,000 of Specified Amount

Cash Value Enhancement Agreement Termination Policy Year	Termination Credit Factors
1	82%
2	71%
3	60%
4	49%
5	38%
6	0%

Supplemental Term Insurance Policy Value Enhancement Date [April 1, 2019]
Supplemental Term Insurance Policy Value Enhancement [0.25%]

1. Policy Specifications (continued)

Schedule of Interest Rates

Guaranteed Minimum Interest Rate	2% Annual Rate 0.16516% Monthly Rate
Death Benefit Discount Factor	1.0016516
Guaranteed Policy Value Enhancement	0%
Traditional Loan Interest Rate	4% Effective Annual Rate
Indexed Loan Interest Rate	6% Effective Annual Rate
Policy Loan Account Rates	3% Policy Years 1-10 3.75% Policy Years 11 & After
Minimum Allocation to the Dollar Cost Averaging Account	\$600
Indexed Interest	
Guaranteed Cap Percentage	[4%]
Guaranteed Participation Percentage	[100%]

Additional Policy Specifications

Table of Guaranteed Maximum Expense Charges per \$1,000 of Specified Amount

ISSUE AGE	BASE COVERAGE CHARGE	PI STIA-09 CHARGE
35	0.415	0.465
36	0.415	0.465
37	0.416	0.466
38	0.416	0.466
39	0.417	0.467
40	0.417	0.467
41	0.418	0.468
42	0.418	0.468
43	0.419	0.469
44	0.419	0.469
45	0.420	0.470
46	0.420	0.470
47	0.421	0.471
48	0.421	0.471
49	0.422	0.472
50	0.422	0.472
51	0.423	0.473
52	0.423	0.473
53	0.424	0.474
54	0.425	0.475
55	0.426	0.476
56	0.427	0.477
57	0.428	0.478
58	0.429	0.479
59	0.430	0.480
60	0.432	0.482
61	0.433	0.483
62	0.435	0.485
63	0.436	0.486
64	0.438	0.488
65	0.439	0.489
66	0.441	0.491
67	0.444	0.494
68	0.447	0.497
69	0.450	0.500
70	0.453	0.503
71	0.458	0.508
72	0.463	0.513
73	0.469	0.519
74	0.478	0.528
75	0.488	0.538

POLICY NUMBER 0 000 000
 FLEXIBLE PREMIUM LIFE INSURANCE POLICY
WILLIAM PENN
AGE 35 NONTOBACCO

Additional Policy Specifications

Table of Guaranteed Maximum Expense Charges per \$1,000 of Specified Amount

ISSUE AGE	BASE COVERAGE CHARGE	PI STIA-09 CHARGE
76	0.504	0.554
77	0.529	0.579
78	0.576	0.626
79	0.708	0.758
80	0.840	0.890
81	0.973	1.023
82	1.105	1.155
83	1.237	1.287
84	1.369	1.419
85	1.501	1.551

POLICY NUMBER 0.000 000
FLEXIBLE PREMIUM LIFE INSURANCE POLICY
WILLIAM PENN
AGE 35 NONTOBACCO

Additional Policy Specifications

TABLE OF GUARANTEED MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1,000

ATTAINED
AGE

BASE POLICY AND
PI STIA -09

35	0.0875
36	0.0925
37	0.0975
38	0.1042
39	0.1100
40	0.1175
41	0.1267
42	0.1375
43	0.1509
44	0.1659
45	0.1842
46	0.2009
47	0.2209
48	0.2334
49	0.2484
50	0.2684
51	0.2918
52	0.3218
53	0.3551
54	0.3960
55	0.4452
56	0.4961
57	0.5503
58	0.5995
59	0.6538
60	0.7180
61	0.7956
62	0.8883
63	0.9918
64	1.1004
65	1.2156
66	1.3334
67	1.4546
68	1.5858
69	1.7221
70	1.8852
71	2.0684
72	2.3045
73	2.5532
74	2.8162
75	3.1038
76	3.4175

POLICY NUMBER 0 000 000
FLEXIBLE PREMIUM LIFE INSURANCE POLICY
WILLIAM PENN
AGE 35 NONTOBACCO

Additional Policy Specifications

TABLE OF GUARANTEED MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1,000

ATTAINED AGE	BASE POLICY AND PI STIA-09
77	3.7775
78	4.1950
79	4.6717
80	5.1901
81	5.7951
82	6.4311
83	7.1051
84	7.8478
85	8.6746
86	9.5529
87	10.5646
88	11.6363
89	12.7582
90	13.8800
91	14.7786
92	15.8137
93	17.0207
94	18.3999
95	19.9936
96	21.4983
97	23.1138
98	23.9886
99	25.2309
100	26.8293
101	28.3499
102	30.0774
103	32.0379
104	34.2563
105	36.7251
106	39.3435
107	42.1036
108	44.9566
109	47.9782
110	51.1250
111	54.2398
112	57.3423
113	60.2927
114	64.2100

POLICY NUMBER 0 000 000
 FLEXIBLE PREMIUM LIFE INSURANCE POLICY
 WILLIAM PENN
 AGE 35 NONTOBACCO

Additional Policy Specifications (continued)

TABLE OF GUARANTEED MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1,000

ATTAINED AGE	BASE POLICY AND PI STIA-09
115	67.9891
116	71.9579
117	76.3104
118	80.4912
119	83.3333
120	83.3333

POLICY NUMBER 0.000 000
FLEXIBLE PREMIUM LIFE INSURANCE POLICY
WILLIAM PENN
AGE 35 NONTOBACCO

Additional Policy Specifications (continued)

SUPPLEMENTAL TERM INSURANCE AGREEMENT (PI STIA-09)

INSURED

WILLIAM PENN
AGE 35

SPECIFIED AMOUNT

\$50,000

EFFECTIVE DATE

03/01/2009

RATE CLASS

TERMINATION DATE

03/01/2095

STANDARD NONTOBACCO

POLICY NUMBER 0 000 000

FLEXIBLE PREMIUM LIFE INSURANCE POLICY

WILLIAM PENN

AGE 35

NONTOBACCO

Additional Policy Specifications

Table of Death Benefit Factors

Attained Age	Factor
0-40	2.50
41	2.43
42	2.36
43	2.29
44	2.22
45	2.15
46	2.09
47	2.03
48	1.97
49	1.91
50	1.85
51	1.78
52	1.71
53	1.64
54	1.57
55	1.50
56	1.46
57	1.42
58	1.38
59	1.34
60	1.30
61	1.28
62	1.26
63	1.24
64	1.22
65	1.20
66	1.19
67	1.18
68	1.17
69	1.16
70	1.15
71	1.13
72	1.11
73	1.09
74	1.07
75-90	1.05
91	1.04
92	1.03
93	1.02
94-120	1.01

POLICY NUMBER 0.000 000
FLEXIBLE PREMIUM LIFE INSURANCE POLICY
WILLIAM PENN
AGE 35 NONTOBACCO