

SERFF Tracking Number: PNMU-126751121 State: Arkansas
 Filing Company: Penn Mutual Life Insurance Company State Tracking Number: 46381
 Company Tracking Number: LVA-10, GMWB-10
 TOI: A02.11 Individual Annuities- Deferred Non- Sub-TOI: A02.11.002 Flexible Premium
 Variable and Variable
 Product Name: Variable Annuity with Living Benefit Rider
 Project Name/Number: Variable Annuity with Living Benefit Rider/LVA-10, GMWB-10

Filing at a Glance

Company: Penn Mutual Life Insurance Company

Product Name: Variable Annuity with Living Benefit Rider SERFF Tr Num: PNMU-126751121 State: Arkansas

TOI: A02.11 Individual Annuities- Deferred Non- Variable and Variable SERFF Status: Closed-Approved- Closed State Tr Num: 46381

Sub-TOI: A02.11.002 Flexible Premium Co Tr Num: LVA-10, GMWB-10 State Status: Approved-Closed
 Filing Type: Form Reviewer(s): Linda Bird

Authors: Nancy Yannuzzi, Rita Bellew Disposition Date: 08/12/2010

Date Submitted: 08/02/2010 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: Variable Annuity with Living Benefit Rider

Project Number: LVA-10, GMWB-10

Requested Filing Mode:

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 08/12/2010

Deemer Date:

Submitted By: Nancy Yannuzzi

Filing Description:

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

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments: Filed under the Interstate Compact

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 08/12/2010

Created By: Nancy Yannuzzi

Corresponding Filing Tracking Number:

Form	Title Form	Replaced
LVA-10	Individual Variable and Fixed Annuity Contract - Flexible Purchase Payments	None

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 GMWB-10 Rider Guaranteed Minimum Withdrawal None
 Benefit with Inflation Adjustment

Form LVA-10 will be issued to individual non-qualified purchasers. It will also be issued to fund qualified retirement plans, Individual Retirement Annuity plans and Tax Deferred Annuity plans under applicable sections of the Internal Revenue Code.

The enclosed GMWB-10 rider form is a variable annuity optional living benefit that provides guaranteed annual withdrawal amounts at a specified rate either for a specified period of time or over the annuitant's lifetime. The benefit also provides a death benefit enhancement to a beneficiary, if death of the annuitant or last to die annuitant, if joint, occurs prior to the annuity date. Withdrawals under the agreement are subject to all terms and conditions of the contract including any contingent deferred sales charges that apply.

Enclosed is a sample contract. We have placed brackets around the variable information which is detailed in the attached Statement of Variability.

Should you have any questions, please call Rita Bellew directly by phone (215) 956-8290, by fax (215) 956-8145, or by email Bellew.Rita@pennmutual.com.

Company and Contact

Filing Contact Information

Rita Bellew, State Filing Coordinator bellew.rita@pennmutual.com
 VIM C3G 215-956-8290 [Phone]
 Philadelphia, PA 19172 215-956-8145 [FAX]

Filing Company Information

Penn Mutual Life Insurance Company CoCode: 67644 State of Domicile: Pennsylvania
 VIM C3G Group Code: 850 Company Type: Life Insurance and Annuity
 Philadelphia, PA 19172 Group Name: Penn Mutual Life Ins. State ID Number:
 Co.
 (215) 956-8893 ext. [Phone] FEIN Number: 23-0952300

Filing Fees

SERFF Tracking Number: PNMU-126751121 State: Arkansas
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Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Penn Mutual Life Insurance Company	\$100.00	08/02/2010	38466326

SERFF Tracking Number: PNMU-126751121 State: Arkansas
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 TOI: A02.II Individual Annuities- Deferred Non- Sub-TOI: A02.II.002 Flexible Premium
 Variable and Variable
 Product Name: Variable Annuity with Living Benefit Rider
 Project Name/Number: Variable Annuity with Living Benefit Rider/LVA-10, GMWB-10

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	08/12/2010	08/12/2010

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	08/09/2010	08/09/2010	Nancy Yannuzzi	08/12/2010	08/12/2010

SERFF Tracking Number: PNMU-126751121 *State:* Arkansas
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Disposition

Disposition Date: 08/12/2010

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		Yes
Supporting Document	Life & Annuity - Actuarial Memo		No
Supporting Document	Statement of Variability		Yes
Supporting Document	Certification of Compliance with Ark. Code Ann 23-79-138 & Bulletin No. 15- 2009		Yes
Form	Individual Variable and Fixed Annuity Contract - Flexible Purchase Payments		Yes
Form	Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment		Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/09/2010
Submitted Date 08/09/2010
Respond By Date 09/09/2010

Dear Rita Bellew,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

Filings of variable annuity contracts should be accompanied by an assurance that Regulation 6 has been reviewed and that the company is in compliance.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/12/2010
Submitted Date 08/12/2010

Dear Linda Bird,

Comments:

Enclosed please find the required Certification of Compliance for the submitted filing. I apologize that this was originally omitted from the filing since it is something we know we should have sent. Thank you.

Response 1

Comments: The enclosed certification addresses the requirements of Ark. Code Ann 23-79-138 and Bulletin 15-2009.

Related Objection 1

Comment:

Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

Filings of variable annuity contracts should be accompanied by an assurance that Regulation 6 has been reviewed and that the company is in compliance.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Certification of Compliance with Ark. Code Ann 23-79-138 & Bulletin No. 15-2009

Comment:

No Form Schedule items changed.

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Form Schedule

Lead Form Number: LVA-10

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	LVA-10	Policy/Contract/Fratern al Certificate Purchase Payments Individual Variable and Fixed Annuity Contract - Flexible	Initial		50.600	LVA-10(AR) With brackets.pdf
	GMWB-10	Policy/Contract/Fratern al Certificate: Adjustment Amendmen t, Insert Page, Endorseme nt or Rider Rider - Guaranteed Minimum Withdrawal Benefit with Inflation	Initial		50.100	GMWB-10 Rider with brackets.pdf

The Penn Mutual Life Insurance Company

Founded 1847

Philadelphia, Pennsylvania

Contract Owner	[William Penn]	[9999999]	Contract Number
Contract Date	[September 1, 2010]	[September 1, 2061]	Annuity Date
Annuitant	[William Penn]	[45]	Age of Annuitant

VALUES AND PAYMENTS UNDER THIS CONTRACT, WHEN BASED UPON THE INVESTMENT EXPERIENCE OF A SEPARATE ACCOUNT, ARE VARIABLE. THEY MAY DECREASE OR INCREASE AND ARE NOT GUARANTEED AS TO FIXED DOLLAR AMOUNT.

RIGHT TO REVIEW CONTRACT: The Contract Owner may cancel this contract within ten days after its receipt. Simply return or mail it to the Company or the representative through whom it was purchased. The Company will refund the Contract Value as of the time notification is received.

This is a legal contract between the Contract Owner and Penn Mutual. Please read the contract carefully.

Executed on the Contract Date by The Penn Mutual Life Insurance Company.


Managing Corporate Counsel
and Secretary


President

Individual Variable and Fixed Annuity Contract Flexible Purchase Payments

- Annuity Payments payable on Annuity Date
- Flexible Purchase Payments payable until Annuity Date
- Participating
- The Company will make monthly annuity payments and other payments as set forth in this Contract
- This contract contains a benefit waiving surrender charges

The Penn Mutual Life Insurance Company, Philadelphia, Pennsylvania 19172
Phone: (215) 956-8000 / Web: www.pennmutual.com
LVA-10(AR)

Guide to Contract Sections

1. Contract Specifications
2. Endorsements
3. Contract Definitions
4. Purchase Payments
5. The Separate Account
6. The Fixed Account
7. Contract Charges and Deductions
8. Contract Value
9. Annuity Payments
10. Annuity Options
11. Death Benefit
12. Transfers
13. Withdrawal
14. General

Additional Contract Specifications and a copy of any applications follow Section 14.

1. Contract Specifications

Contract Owner: [William Penn]

Contract Number: [9999999]

Contract Date: [September 1, 2010]

Annuity Date: [September 1, 2061]

Annuitant: [William Penn]

Age of Annuitant: [45]

Annuitant: [Elizabeth Penn]

Age of Annuitant: [45]

Market Type: [Non-Qualified]

Separate Account: PML Variable Annuity Account III

Schedule of Purchase Payments

Initial Purchase Payment of \$10,000.00 was allocated to the contract on September 1, 2010 as follows:

Variable Account

100%

Fixed Account

0%

Subsequent Purchase Payments may be made subject to the provisions of the contract. The minimum amount is \$1,000.00. Total Purchase Payments may not exceed \$2,000,000 for the same Owner or Annuitant without our prior consent.

Schedule of Benefits

[Rider: Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment]

Schedule of Annual Charges

Annual Contract Administration Charge* \$40, or 2% of the Variable Account Value, whichever is less

Asset Based Contract Administration Charge** .15%

Mortality & Expense Risk Charge** 1.50%

Maximum Rider Charge***: 2.50%

Date Annual Charges are deducted each year: [August 31]

***THE CONTRACT ADMINISTRATION CHARGE APPLIES EACH YEAR THERE IS A VARIABLE ACCOUNT VALUE WHICH IS LESS THAN \$50,000.**

****THE MORTALITY AND EXPENSE RISK CHARGE AS WELL AS THE ASSET BASED CONTRACT ADMINISTRATION CHARGE ARE MADE DAILY AGAINST THE ASSETS OF THE SEPARATE ACCOUNT.**

*****THE RIDER CHARGE IS THE ANNUAL PERCENTAGE OF WITHDRAWAL BENEFIT BASE AND IS ASSESSED QUARTERLY WHILE THERE IS CONTRACT VALUE.**

Schedule of Contingent Deferred Sales Charge

Number of contract years
Since Purchase Payment

Contingent Deferred
Sales Charge
(% of Purchase Payment)

0

8%

1

7%

2

6%

3

5%

4

0%

Annual Free Withdrawal Percentage

10% of Total Purchase Payments

Refer to Withdrawal Section of the contract for further information on the Contingent Deferred Sales Charge.

1. Contract Specifications (continued)

Subaccounts

PENN SERIES FUNDS, INC.

Independence Capital Management, Inc.

Money Market Fund*
Limited Maturity Bond Fund*
Quality Bond Fund*
Aggressive Allocation Fund
Moderately Aggressive Allocation Fund
Moderate Allocation Fund
Moderately Conservative Allocation Fund
Conservative Allocation Fund

Wells Capital Management Incorporated

Large Core Growth Fund
SMID Cap Growth Fund

Vontobel Asset Management, Inc.

International Equity Fund

Allianz Global Investors Capital LLC

Small Cap Growth

Goldman Sachs Asset Management, L.P.

Small Cap Value Fund

Heitman Real Estate Securities LLC

REIT Fund

Alliance Bernstein L.P.

SMID Cap Value Fund

T. Rowe Price Associates, Inc.

High Yield Bond Fund
Flexibly Managed Fund
Large Growth Stock Fund

Turner Investment Partners, Inc.

Mid Cap Growth Fund
Large Cap Growth Fund

SSgA Funds Management, Inc.

Small Cap Index Fund
Developed International Index Fund
Index 500 Fund

Lord, Abbett & Co. LLC

Mid Core Value Fund

Oppenheimer Funds, Inc.

Large Cap Value Fund

Neuberger Berman Management Inc.

Mid Cap Value Fund

Easton Vance Management

Large Core Value Fund

Morgan Stanley Investment Management Inc.

Emerging Markets Equity Fund

* These Subaccounts are available for Dollar Cost Averaging, Refer to the Fixed Account section for further information on Dollar Cost Averaging.

A limited list of these Subaccounts will be available with the presence of the Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment Rider specified in the Schedule of Benefits.

Fixed Account Options:

Fixed Dollar Cost Averaging Options

[Six-Month Dollar Cost Averaging Period]

[Twelve-Month Dollar Cost Averaging Period]

Fixed Interest Options

[One-Year Fixed Account]

[Three-Year Fixed Account]

[Five-Year Fixed Account]

[Seven-Year Fixed Account]

Minimum Guaranteed Interest Rate: [1.50%]

The minimum guaranteed interest rate for any Fixed Interest Option is determined as 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 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.

1. Additional Contract Specifications

Standard Withdrawal Rate:

Actual age at first Living Benefit Guarantee Withdrawal

At least 59 ½ but less than 64 ½

Age-Banded Standard Withdrawal Rate

5.0%

Lifetime Withdrawal Rate:

Actual age at first Living Benefit Guarantee Withdrawal

At least 64 ½, but less than 69 ½
At least 69 ½, but less than 74 ½
At least 74 ½

Age-Banded Base Lifetime Withdrawal Rate

4.0%
4.5%
5.0%

Age of Contract

Less than 5
At least 5, but less than 10
At least 10

Base Waiting Bonus

0.00%
0.50%
1.00%

Maximum Inflation Factor:

[5.0%]

Lifetime Withdrawal Option Inflation Increase Period:

[20 years]

Maximum Death Benefit Enhancement:

[\$1,000,000]

Initial Rider Charge:

[1.25%]

THE INITIAL RIDER CHARGE IS IN EFFECT AT THE CONTRACT ISSUE DATE AND IS GUARANTEED UNDER THE CONDITIONS STATED IN THE CONTRACT. UTILIZATION OF STEP-UPS, CHANGES TO INVESTMENT ALLOCATIONS, OR OTHER CHANGES MAY INCREASE THE RIDER CHARGE AND THE RIDER CHARGE CAN BE CHANGED BY THE COMPANY, SUBJECT TO THE MAXIMUM RIDER CHARGE.

Dates on which Rider Charge is deducted:

[February 28]
[May 31]
[August 31]
[November 30]

2. Endorsements

To be made only by the Company

**This page is intentionally
left blank.**

3. Contract Definitions

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 fractions).

Annuitant - The person upon whose life all annuity options, benefits and features are based.

Annuity Date - The date on which annuity payments are scheduled to begin.

Annuity Value - Contract Value at the time of annuitization.

Contract Owner - The person or entity, named in the Contract Specifications, unless amended by any subsequent change of 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

Fixed Account - The account under which amounts are held for this Contract under all Fixed Interest Options and Dollar Cost Averaging Options prior to the Annuity Date.

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

Interest Period - The period of time for which an interest rate declared by the Company is guaranteed. The period begins on the first day of the calendar month in which allocation or transfer is made.

Qualified Plan - A retirement arrangement that receives special tax treatment under the Internal Revenue Code.

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

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

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

The Company - The Penn Mutual Life Insurance Company.

4. Purchase Payments

Purchase Payment - Purchase Payment is any deposit made into the Contract. Initial Purchase Payment is the sum of all deposits made into the Contract on the Contract Date. Purchase Payments will be allocated to the Subaccounts of the Separate Account and to the Fixed Account as directed by the Contract Owner in the application for this Contract.

4. Purchase Payments (continued)

Subsequent Purchase Payment is any deposit made into the Contract after the Contract Date. Subsequent Purchase Payments will be allocated, as specified in the allocation section of the application, to the Subaccounts of the Separate Account and to the Fixed Account unless the Contract Owner directs that the Purchase Payments be allocated otherwise. Purchase Payments applied to the Contract after issue may be made at any time without prior notice to the Company. The minimum Subsequent Purchase Payment is \$1,000.

Total Purchase Payments may not exceed \$2,000,000 at any time without the consent of the Company. This limit applies across all Variable Annuity Contracts issued by the Company for the Annuitant.

The Company reserves the right to decline any Purchase Payment.

5. The Separate Account

The Separate Account - The Separate Account named on Page 3 was established by the Company for this and other variable Contracts. The Separate Account is divided into Subaccounts for the investment of assets in shares of the mutual funds which are listed on Page 3. Assets allocated or transferred to the Separate Account are variable. They are not guaranteed as to fixed dollar amount and may decrease or increase in response to investment experience.

The Company owns the assets held in the Separate Account. However, the portion of the assets of each Subaccount of the Separate Account equal to the reserves and other Contract liabilities with respect to the Subaccount of the Separate Account are not chargeable with the liabilities arising out of any other business the Company may conduct. Income and realized and unrealized gains and losses from the assets held in each Subaccount are credited to or charged against the Subaccount without regard to the income, gains or losses in other investment accounts of the Company. Shares of a mutual fund held in a Subaccount will be redeemed at current net asset value to make transfers, pay benefits and cover applicable charges and deductions. Any dividend or capital gain distribution from a mutual fund will be reinvested in shares of that mutual fund.

Substitution of Investment - If investment in a Subaccount should no longer be possible, or a Subaccount's investment in a particular mutual fund should no longer be possible, or, in the judgment of the Company, investment in a Subaccount or mutual fund becomes inappropriate to the purposes of the Contract, or, if in the judgment of the Company, investment in another Subaccount, mutual fund or insurance Company Separate Account is in the interest of Contract Owners of this class of Contracts, the Company may substitute another Subaccount, mutual fund or insurance Company Separate Account. Substitution may be made with respect to existing investments and the investment of future Purchase Payments. Substitution will be subject to all approvals required under applicable law.

6. The Fixed Account

The Fixed Account - The Fixed Account is the account under which amounts are held for this Contract under all Fixed Interest Options and Dollar Cost Averaging Options prior to the Annuity Date. The Fixed Interest Options and the Fixed Dollar Cost Averaging Options are listed on Page 3. Amounts allocated or transferred to the Fixed Account under this Contract become a part of the general account assets of the Company and do not fluctuate in response to investment experience.

6. The Fixed Account (continued)

Dollar Cost Averaging Options - If the Contract Value is at least \$10,000, the Contract Owner may allocate money to one of the Dollar Cost Averaging Options and have a fixed percentage transferred monthly from the account 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 the Contract Owner elects to discontinue participation in the program, any money left in the Dollar Cost Averaging Accounts will be transferred into the variable Subaccounts based on the Dollar Cost Averaging allocation initially selected (unless otherwise directed by the Contract Owner).

Fixed Dollar Cost Averaging Options - Only new Purchase Payments may be allocated to the Fixed Dollar Cost Averaging Options. Such payments are subject to the Contract minimums for Initial and Subsequent Purchase Payments. 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 (shown on Page 3) is determined on the Contract Date. 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 listed on Page 3. At the end of the Dollar Cost Averaging Period any interest remaining in the account will be automatically transferred into the variable Subaccounts based on the allocation initially selected by the Contract Owner.

Variable Dollar Cost Averaging Options - Dollar Cost Averaging may also be done from one of the variable Subaccounts listed on Page 3. New Purchase Payments and transfers may be allocated to the selected Subaccount. Such payments are subject to the Contract minimums for Initial and Subsequent Purchase Payments. The available periods under the Variable Dollar Cost Averaging Options are from at least 12 months up to 60 months.

Fixed Interest Options - Amounts may be allocated or transferred to the Fixed Interest Options listed on Page 3. Amounts held in the Fixed Interest Options of the Fixed 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 or transfer through the end of the elected Interest Period. At the expiration of an 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. For the 25 days following the expiration of such period, the Contract Owner may transfer all or a portion of the amount held in such Fixed Interest Option to Subaccount(s) of the Separate Account or to another account of the Fixed Interest Options. The Minimum Guaranteed Interest Rate applicable for any Fixed Interest Option (shown on Page 3) is determined on the Contract Date. This Minimum Guaranteed Interest Rate will apply for the life of the Contract.

7. Contract Charges and Deductions

Contract Administration Charges - These charges are assessed against Contracts with a Variable Account Value. The first charge is the Annual Contract Administration Charge which will be no greater than the Annual Contract Administration Charge specified on Page 3. This charge will only be deducted if the Variable Account Value at the time the charge is due to be incurred is less than the minimum amount specified on Page 3. It will be deducted annually on the dates specified on Page 3. It will also be deducted when the Variable Account Value is withdrawn or transferred in full if withdrawal or transfer is not on the date specified on Page 3. The charge will not be deducted after the Annuity Date.

7. Contract Charges and Deductions (continued)

The second charge is an Asset Based Contract Administration Charge. The charge is expressed on an annual basis and will be assessed as a percentage of the daily net asset value of the Variable Account which will not exceed the charge shown on Page 3.

Mortality and Expense Risk Charge - This charge is made to compensate the Company for the mortality guarantees made under this Contract and for guaranteeing that the Annual Contract Administration Charge will not be increased by the Company over the life of this Contract or other Contracts under the same class. The charge is expressed on an annual basis and will be assessed as a percentage of the daily net asset value of the Variable Account. The charge will not exceed the value shown on Page 3.

Contingent Deferred Sales Charge - The Company will apply a Contingent Deferred Sales Charge, according to the schedule shown on Page 3, to all withdrawals of Purchase Payments, which do not satisfy the Free Withdrawal provision as described in Withdrawal section of the Contract. This charge will not be applied on Required Minimum Distributions (subject to IRS enforcement rules), payment at time of annuitization, on a death benefit payment, medically related withdrawal payment or disability withdrawal payment.

Premium Taxes - The Company may deduct from the Contract Value any premium tax or other taxes payable to a state or other government entity. Should the Company elect not to assess any amount so due, the Company does not waive the right to collect such amounts at a later date.

Premature Withdrawal Charge - This charge will be deducted from any amount withdrawn from the Fixed Interest Options shown on Page 3 with an Interest Period longer than one year, before the end of the period for which a declared effective annual interest rate is guaranteed on such amount. The Premature Withdrawal Charge, for any contract year, will be determined by multiplying the Premature Withdrawal Rate by the Premature Withdrawal Amount.

The Premature Withdrawal Rate equals one-half 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;
- (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; and

The Premature Withdrawal Charge shall not apply to any Disability Free Withdrawal set forth in the General section of the Contract, a payment on death or any Annuity Payments.

Maximum Charge - In no event will the sum of the Premature Withdrawal Charge and the Contingent Deferred Sales Charge set forth in this Section exceed 10% of the amount withdrawn or such lesser percentage as may be the maximum in the jurisdiction in which this Contract is issued. In no event will the Premature Withdrawal Charge invade the Contract Owner's principal investment in the applicable Fixed Interest Option Account.

Deductions - 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 other 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.

Rider Fees - Please, refer to the Rider Charge provision of the Rider pages attached to this Contract subject to the Schedule of Benefits on the Contract Specifications.

8. Contract Value

The Contract Value - The Contract Value is the sum of the Variable Account Value and the Fixed Account Value.

The Fixed Account Value - The Fixed Account Value is the value of the amounts held in all Fixed Interest Option Account of the Fixed Account for this Contract. The Fixed Account Value is determined by the total amount of premium allocated to the Fixed Account, 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 on Page 3.

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

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

Number of Accumulation Units - Assets in the Separate Account are held as Accumulation Units in the Subaccounts of the Separate Account. For each Subaccount of the Separate Account, the number of Accumulation Units is the sum of (a) divided by (b), where:

- (a) is each amount allocated to the Subaccount; and
- (b) is the value of the Accumulation Unit for that Subaccount for the Valuation Period in which the Purchase Payment was received.

The number of Accumulation Units will be adjusted for transfers, withdrawals and charges. Adjustments will be made as of the end of the Valuation Period in which all requirements for the transaction are received.

Value of Each Accumulation Unit - For each Subaccount of the Separate Account, the value of an Accumulation Unit is arbitrarily set at \$10 when the Subaccount is established. The value may increase or decrease from one Valuation Period to the next. For any Valuation Period the value is (a) multiplied by (b), where:

- (a) is the value of an Accumulation Unit for the prior Valuation Period; and
- (b) is the Net Investment Factor for that Subaccount for the current Valuation Period.

Net Investment Factor - As used in this Contract, "Net Investment Factor" is an index used to measure the investment performance of a Subaccount from one Valuation Period to the next.

For any Subaccount, the Net Investment Factor for a Valuation Period is found by dividing (a) by (b) and subtracting (c), where:

- (a) is the net result of:
 - (1) net asset value per-share of the mutual fund held in the Subaccount as of the end of the Valuation Period; plus
 - (2) the per-share amount of any dividend or capital gain distributions by the mutual fund if the "ex-dividend" date occurs in the Valuation Period; plus or minus
 - (3) a per-share charge or credit, as the Company may determine, as of the end of the Valuation Period, for tax reserves;
- (b) is the net result of:
 - (1) the net asset value per-share of the mutual fund held in the Subaccount as of the end of the last prior Valuation Period; plus or minus
 - (2) the per-share charge or credit for tax reserves as of the end of the last prior Valuation Period; and

8. Contract Value (continued)

(c) is the sum of the daily Asset Based Contract Administration Charge and the daily Mortality and Expense Risk Charge. On an annual basis, the sum of such charges will not exceed the values shown on Page 3.

Valuation Period - The Valuation Period is the interval of time from one valuation of shares of the applicable fund to the next valuation of that fund. Valuation of shares occurs on each day the New York Stock Exchange is open for trading, as of the close of regular trading on the New York Stock Exchange.

9. Annuity Payments

Annuity Date - Annuity Date is the date on which Annuity Payments are scheduled to begin, transitioning from the accumulation phase to the annuitization (income) phase, based on the elected Annuity Option or the default option. Unless another Annuity Date was specified on the annuity application or requested by later written notification, the Annuity Date will be set to the maximum maturity date, which is the later of (a) first Monthly Anniversary following the Annuitant's 95th birthday, or (b) 10th Contract Anniversary. The Monthly Anniversary is the same day of each month as the policy anniversary date; if there is no corresponding date in the month, the Monthly Anniversary date will be the last date of such month. The Contract Owner may change the Annuity Date up to 30 days before the current Annuity Date.

Annuity Options - On the Annuity Date, the Contract Value, net of premium taxes if applicable, must be annuitized. The Contract Owner must select an Annuity Option at least 30 days prior to the Annuity Date. In the event no response is received from the Contract Owner to the notification that an Annuity Option must be selected, 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 an Annuity Option has not been specified by the Contract Owner, the Contract Value will be annuitized on the Annuity Date based on a Life Annuity with Period Certain of 5 years.

Annuity Payments - Annuity Payments will generally start within 30 days of the Annuity Date. Payments under all options will be made to the Contract Owner, or to the Annuitant at the discretion of the Contract Owner.

Amount of Annuity Payments - The Contract Value on the day immediately preceding the Annuity Date will be used to determine the Annuity Payment. The Annuity Payment will be based upon the Annuity Option elected, the Annuitant's age, the Annuitant's sex (where permitted by law), and the appropriate Fixed Annuity Option Table. The annuity rates will not be less than those guaranteed in the Contract at the time of purchase. The annuity benefits at the time of their commencement will not be less than those that would be provided by the application of the cash 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.

The Contract Value will be applied to the selected Annuity Option as of the Annuity Date. In no event will the monthly income under Option 1, Option 2, Option 3 and Option 4 be less than the guaranteed monthly income. The guaranteed monthly income will be equal to that portion of the Contract Value, designated by the Contract Owner for an Annuity Option, applied to the Fixed Annuity Options Table in this section. The Fixed Annuity Options Table shows the amount of the first payment for each \$1,000 so applied, according to the age at the Annuity Date. The tables are based on the Annuity 2000 Basic Table, without projections, 50% male/50% female with an effective annual interest rate of 3%. Adjusted ages are used in applying those tables.

Minimum Annuity Payments - If the Contract Value to be applied at the Annuity Date is less than \$5,000, the Company may pay such amount in a lump sum to the Contract Owner. Otherwise, Annuity Payments will be made monthly, quarterly, semi-annually or annually at the Contract Owner's request. If any payment would be less than \$50, the Company may change the frequency so that payments are at least \$50 each.

10. Annuity Options

The Company must receive a written request to select and/or change the Annuity Option at least 30 days prior to the Annuity Date. After Annuity Payments begin, the Annuity Option cannot be changed.

Option 1 - Annuity for Specified Number of Years - Payments will be made for a specified number of years, which may not be less than 5 or more than 30. 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.

Option 2 - Life Annuity - Payments will be made for the life 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 are no payments made to the beneficiary.

Option 3 - Life Annuity with Period Certain - Payments will be made for the lifetime of the Annuitant, with a guaranteed period of time. The guaranteed period can range from 5 to 30 years. If the Annuitant dies prior to the end of the Period Certain, 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.

Option 4 - Joint and Survivor Life Annuity - Payments will be made during the lifetimes 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.

Other annuity options may be available with the consent of the Company.

If the Annuitant dies prior to the end of the specified period under Option 1 or the guaranteed period under Option 3, the beneficiary may choose either:

- (1) To have the payments continue for the remainder of the specified or guaranteed period, or
- (2) To receive at any time in one sum the present value of the remaining payments to be made over the specified or guaranteed period.

If the beneficiary dies while receiving Annuity Payments under Option 1 or the guaranteed period of Option 3, the Company will pay the present value of remaining guaranteed payments to the beneficiary's executors or administrators unless the Contract Owner designated otherwise in an election consented to by the Company. The present value will be computed as of the Valuation Period in which due proof of death and the necessary forms to make payment to the beneficiary are received at our Administrative Office. At that time, the present value of the Annuity Option will be commuted at a rate set by the Company on the Annuity Date.

Fixed Annuity Option Tables

The following tables show the amount of the first monthly income payment for each \$1,000 of Contract Value applied under the Annuity Option. "Age" as used in the tables for Options 2,3, and 4 means an adjusted age determined in the following manner from the Actual Age of the Annuitant on the birthday nearest the date of the first payment:

Date of First Payment	Adjusted Age
2010-2019	Actual Age decreased by 1
2020-2029	Actual Age decreased by 2
2030 and later	Actual Age decreased by 3

Option 1 - Annuity for Specified Number of Years

Number of Years	5	6	7	8	9	10	11	12	13	14	15	16	17
Monthly Income	17.91	15.14	13.16	11.68	10.53	9.61	8.86	8.24	7.71	7.26	6.87	6.53	6.23
Number of Years	18	19	20	21	22	23	24	25	26	27	28	29	30
Monthly Income	5.96	5.73	5.51	5.32	5.15	4.99	4.84	4.71	4.59	4.47	4.37	4.27	4.18

Option 2 - Life Annuity and Option 3 - Life Annuity with Payments Guaranteed for 10 or 20 Years

Age	Life Annuity	10 Years Guaranteed	20 Years Guaranteed	Age	Life Annuity	10 Years Guaranteed	20 Years Guaranteed
50	3.95	3.93	3.86	75	7.61	6.88	5.34
51	4.02	3.99	3.91	76	7.93	7.06	5.37
52	4.08	4.06	3.96	77	8.27	7.25	5.40
53	4.16	4.12	4.02	78	8.64	7.44	5.42
54	4.23	4.20	4.08	79	9.03	7.62	5.44
55	4.31	4.27	4.14	80	9.46	7.81	5.46
56	4.39	4.35	4.20	81	9.91	7.99	5.47
57	4.48	4.43	4.26	82	10.41	8.16	5.48
58	4.58	4.52	4.33	83	10.93	8.32	5.49
59	4.68	4.61	4.39	84	11.50	8.48	5.50
60	4.78	4.71	4.46	85	12.11	8.62	5.50
61	4.90	4.81	4.53	86	12.76	8.76	5.51
62	5.02	4.92	4.60	87	13.46	8.88	5.51
63	5.15	5.03	4.66	88	14.20	8.99	5.51
64	5.28	5.15	4.73	89	14.98	9.09	5.51
65	5.43	5.28	4.80	90	15.81	9.17	5.51
66	5.59	5.41	4.87	91	16.68	9.25	5.51
67	5.76	5.55	4.93	92	17.59	9.32	5.51
68	5.94	5.70	4.99	93	18.55	9.38	5.51
69	6.13	5.85	5.05	94	19.55	9.44	5.51
70	6.33	6.01	5.11	95	20.62	9.48	5.51
71	6.56	6.17	5.17				
72	6.79	6.34	5.21				
73	7.05	6.51	5.26				
74	7.32	6.69	5.30				

Option 4 - Joint and Survivor Life Annuity

Age	50	55	60	65	70	75	80	85	90	95	Age
50	3.53	3.64	3.73	3.80	3.85	3.89	3.92	3.93	3.94	3.95	50
55	3.64	3.79	3.92	4.04	4.13	4.20	4.24	4.27	4.29	4.30	55
60	3.73	3.92	4.12	4.30	4.45	4.57	4.65	4.71	4.74	4.76	60
65	3.80	4.04	4.30	4.56	4.81	5.02	5.17	5.28	5.35	5.38	65
70	3.85	4.13	4.45	4.81	5.18	5.52	5.80	6.01	6.15	6.23	70
75	3.89	4.20	4.57	5.02	5.52	6.04	6.52	6.91	7.19	7.37	75
80	3.92	4.24	4.65	5.17	5.80	6.52	7.27	7.96	8.50	8.87	80
85	3.93	4.27	4.71	5.28	6.01	6.91	7.96	9.03	9.99	10.73	85
90	3.94	4.29	4.74	5.35	6.15	7.19	8.50	9.99	11.48	12.78	90
95	3.95	4.30	4.76	5.38	6.23	7.37	8.87	10.73	12.78	14.74	95

11. Standard Death Benefit

Death Before the Annuity Date. A death benefit shall be payable upon the earlier of the death of:

- (1) the Contract Owner or
- (2) the Annuitant.

Prior to the Annuity Date and upon receipt of due proof of death and the necessary forms to make payment to the beneficiary, the Company will pay a death benefit to the beneficiary.

Upon the Annuitant's death, the death benefit is equal to the Standard Death Benefit on the date of receipt of due proof of death and the necessary forms to make payment to the beneficiary.

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

- (1) is the Contract Value; and
- (2) is the amount of the Adjusted Net Purchase Payments (total Purchase Payments less adjusted partial withdrawals), where adjusted partial withdrawals are the greater of (a) and (b) below, where:
 - (a) is the amount of each partial withdrawal; and
 - (b) is the amount of each partial withdrawal multiplied by the ratio of (i) and (ii) where:
 - (i) is the amount of the Adjusted Net Purchase Payments just before the partial withdrawal, and
 - (ii) is the Contract Value just before the partial withdrawal.

Upon the Contract Owner's death, if the Contract Owner is not the Annuitant, the death benefit is equal to the Contract Value on the date of receipt of due proof of death.

Upon either the death of the Contract Owner or the Annuitant, within one year of the date of death, the beneficiary may elect one of the following payout options if death occurs before the Annuity Date:

- (1) The death benefit may be paid in a single sum. The payment will generally be made within 7 days of receipt of the necessary forms to make payment.
- (2) The death benefit may be paid in the form of one of the Annuity Options. If the death benefit becomes payable upon the death of the Annuitant, election to receive the death benefit in the form of an annuity must be made within 60 days of the death of the Annuitant. The payments must be made over the life of the beneficiary or over a period not extending beyond the life expectancy of the beneficiary. Payments under this option must commence within one year after the date of death.
- (3) If the beneficiary is not the surviving spouse, the beneficiary may elect to keep the Contract in force but the Contract Value must be paid out within 5 years after the date of death. The Contract Value may be paid out in a single sum within five years after the date of death. At the time of this election, the beneficiary must specify the allocation of the Contract Value to the Subaccounts of the Separate Account and the Fixed Interest Options of the Fixed Account. During this election and within five years after the date of death, the beneficiary may transfer amounts among the Subaccounts of the Separate Account and the Fixed Interest Options of the Fixed Account. Transfers from the Fixed Interest Options are subject to the limitations imposed on such options prior to the end of the interest period.

If no such election is made within one year of the date of death, the Company will pay the Contract Value to the beneficiary at that time. If there is more than one surviving beneficiary, the beneficiaries must choose to receive their respective portions of the death benefit according to either (1) or (2) or (3) in the preceding paragraph. 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.

11. Standard Death Benefit (continued)

Death After the Annuity Date. If death occurs after the Annuity Date, upon receipt of due proof of death and the necessary forms to make payment to the beneficiary, the Company will pay a death benefit according to the Annuity Option in force if the option provides a death benefit.

Beneficiary. The beneficiary is the person(s) who is to receive:

- (1) Payment on the earlier of the death of the Contract Owner or the Annuitant prior to the Annuity Date, or
- (2) Remaining payments under specified or guaranteed annuity payments, if any, on death of the Annuitant on or after the Annuity Date.

The Contract Owner shall designate the beneficiary in the application. The Contract Owner may change the beneficiary at any time before the death of the Contract Owner or the Annuitant, whichever occurs first.

Changes in beneficiary, unless otherwise specified by the Contract Owner, shall take effect on the date the notice of change is signed by the Contract Owner, subject to any payments made or actions taken by the Company prior to receipt of this notice.

Unless a per stirpes designation is requested, the share of the death benefit of a beneficiary who predeceases the Contract Owner or Annuitant will pass to the remaining beneficiaries in the same class or, if none, to the next class of beneficiaries.

Exchange of Contract by Surviving Spouse. Upon the death of the earlier of the Annuitant or the Contract Owner, if the Contract's designated beneficiary is the surviving spouse of the deceased Contract Owner, the spouse may elect to become the Contract Owner and, upon such election, the Contract value shall be adjusted to equal the amount of the death benefit. 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 Annuitant; and (b) list the date of the exchange as the new Contract Date.

Riders on exchanged contracts are only available with the approval of the Company. Exchange shall not be treated as a withdrawal under the terms of the Contingent Deferred Sale Charge provision of this Contract. Purchase Payments to a Contract established as a result of an Exchange of Contract by a surviving spouse provision shall not be treated as a Purchase Payment under the terms of the Contingent Deferred Sales Charge provision of this Contract.

12. Transfers

Subject to and in accordance with the provisions of this Contract and prior to the Annuity Date, the Contract Owner may transfer amounts among the Subaccounts of the Separate Account and the Fixed Interest Options of the Fixed Account, provided that:

- (a) the minimum amount which may be transferred is \$250 or, if less, the full amount held in the Subaccount or Fixed Interest Option Account;
- (b) for partial transfers, the amount remaining in a Subaccount or Fixed Interest Option must be at least \$250;
- (c) amounts may be transferred from the Fixed Interest Option(s) to other Subaccounts only during the 25 day period immediately following the end of the Interest Period for which an interest rate is declared on such Fixed Interest Option(s).

Transfer Limits. Notwithstanding any other provision of this Contract, no more than two transfers may be made in a calendar month and no more than 12 such transfers can be made in a calendar year. Transfers pursuant to Dollar Cost Averaging or to Automatic Asset Rebalancing programs will not count towards this limit.

The Contract is not designed for individuals, advisers, or organizations that engage in frequent transfers among investment options or market timing transfers. The Company reserves the right to restrict frequency of transfers or market timing at its sole discretion.

13. Withdrawal

Withdrawal. Prior to the earlier of the Annuity Date, the death of the Contract Owner or the death of the Annuitant, the Contract Owner may withdraw all or part of the Contract Value.

Withdrawal Payments. The Contract Owner may make a full or partial withdrawal. The minimum withdrawal is \$500 or, at the time of the first withdrawal in each contract year, the Free Withdrawal Amount defined below, if less.

At the time of a partial withdrawal, the amount remaining in the Contract must be at least \$5,000 or such lower amount as the Company may require. A minimum balance of \$250 must remain in each Subaccount or a Fixed Interest Option. If the Contract Owner makes a full withdrawal, this Agreement will be terminated.

Unless otherwise specified by the Contract Owner, the withdrawal will be made first pro-rata from the Subaccounts of the Separate Account up to the Variable Account Value, and then from the Fixed Account 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.

Free Withdrawal. Prior to the Annuity Date, Purchase Payment withdrawals up to the Free Withdrawal Amount will not be assessed a Contingent Deferred Sales Charge.

Free Withdrawal Amount. The Free Withdrawal Amount each contract year is equal to the Annual Free Withdrawal Percentage (as specified on Page 3) multiplied by the cumulative Purchase Payments as of the date of the request less any prior free withdrawals taken during that contract year.

Contingent Deferred Sales Charge. The Contingent Deferred Sales Charge will be imposed upon withdrawals. For purposes of calculating the Contingent Deferred Sales 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 Company will allocate the Purchase Payment with the earliest effective date first, then the next earliest Purchase Payment until the allocation is equal to the withdrawal amount. There will be no Contingent Deferred Sales Charge on amounts withdrawn that exceed the total Purchase Payments of the Contract. Subject to the provisions of the Contract, the Free Withdrawal Amount will be applied to the Purchase Payments that have been in the Contract for the longest period of time.

The Contingent Deferred Sales Charge percentage will vary based on the number of contract years elapsed since the Purchase Payments were made until the date of the withdrawal in accordance with the table shown on Page 3.

The Contingent Deferred Sales Charge will be equal to the sum of charges applied to the Purchase Payments associated with the withdrawal. The charge applied to each Purchase Payment is equal to the product of (a) multiplied by (b) for each Purchase Payment associated with the withdrawal, where:

- (a) is the amount of the Purchase Payment associated with the withdrawal, and
- (b) is the percentage that corresponds to the number of contract years since the Purchase Payment.

Systematic Withdrawals. After the Contract is issued and prior to the Annuity Date, the Contract Owner may take systematic withdrawals. The withdrawals can be made on a monthly, quarterly, semiannual or annual basis. The minimum amount of each withdrawal payment is \$50. The Company will adjust the frequency of payments so that payments are at least \$50 each. A level systematic withdrawal payment will begin one modal period after the date of receipt of the request. Once initiated, the Contract Owner must send the Company a written notice to stop the systematic withdrawals or to change the amount or the mode of the withdrawals. The systematic withdrawals will terminate upon the earlier of the death of the Contract Owner or the Annuitant, or upon notice from the Contract Owner.

Systematic withdrawals will be subject to Contingent Deferred Sales Charge if the annual amount withdrawn exceeds the Free Withdrawal Amount available under the Free Withdrawal provision outlined in the Contract. All withdrawals during the contract year are considered in the determination of free amount withdrawn and the point at which Contingent Deferred Sales Charges will be assessed for additional withdrawals.

Ownership of Contract. The Contract Owner must be named in the application. Designation of Contract Owner will be effective on the Contract Date.

Assignment of Contract. Upon written notice to the Company, in a form acceptable to the Company, the Contract Owner may assign the Contract to a new Contract Owner. Assignments, unless otherwise specified by the Contract Owner, shall take effect on the date the notice of assignment is signed, subject to any payments made or actions taken by the Company prior to its receipt of this notice. The Company shall not be liable for the validity of the assignment.

Required Minimum Distributions. If Required Minimum Distributions are required (subject to IRS enforcement rules), and the Contract has been in effect through at least one calendar year-end, the Contract Owner can elect Required Minimum Distribution (RMD) withdrawals, which can be taken either as a one-time withdrawal or systematically. The Contingent Deferred Sales Charge will not be assessed if the annual RMD amount exceeds the Contract's annual Free Withdrawal Amount.

Disability Withdrawal. The Contract Owner may at any time withdraw all or any part of the Contract Value free of Contingent Deferred Sales Charge if:

- (i) the Contract Owner, or the Annuitant in a Qualified Plan, is then disabled as defined in Section 72(m)(7) of the Internal Revenue Code and as applied under the Social Security Act, and
- (ii) the disability began after the Contract Date, and
- (iii) the disability has continued without interruption for four months.

The Company must receive due proof of the Contract Owner's disability in writing. The Contract Owner must be living as of the date the Disability Withdrawal proceeds are paid. The maximum payout for all annuities owned by the Contract Owner with this benefit, at or issued by the Company and affiliated companies, is \$500,000. If the request to waive the Contingent Deferred Sales Charges based on the Disability Withdrawal provision is denied by the Company, the surrender proceeds shall not be disbursed until the Contract Owner is notified of the denial and provided with the opportunity to accept or reject the surrender proceeds, including any surrender charges.

Medically Related Withdrawal. After the first contract year for Contracts issued to Contract Owners prior to their 75th birthday and prior to the Annuity Date, the Contract Owner may request to withdraw all or any part of the Contract Value free of Contingent Deferred Sales Charge if either of the following events occur:

- (a) While the Contract is in force, the Contract Owner is first confined to a medical care facility and remains there for at least 90 consecutive days. The medical care facility must be a state licensed facility which provides medically necessary in-patient care. The facility must be prescribed based on physical limitations which prohibit daily living in a non- institutional setting (by a licensed physician in writing).
- (b) While the Contract is in force, the Contract Owner is diagnosed by a licensed physician with a fatal illness which is expected to result in death within 2 years of the diagnoses in 80% of diagnosed cases.

The Company must receive due proof of the Contract Owner's confinement or fatal illness in writing. The Contract Owner must be living as of the date the Medically Related Withdrawal proceeds are paid. The maximum payout (for all annuities owned by the Contract Owner) with this benefit, at or issued by the Company and affiliated companies, is \$500,000. If the request to waive the Contingent Deferred Sales Charges based on the Medically Related Withdrawal provision is denied by the company, the surrender proceeds shall not be disbursed until the Contract Owner is notified of the denial and provided with the opportunity to accept or reject the surrender proceeds, including any surrender charges.

Deferment of Transfers and Payments. Transfers and payments of withdrawals from the Fixed Account and payment of the 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 for such transfer, payment of withdrawal or payment of death benefits.

14. General (continued)

However, the Company may defer a payment of surrenders, partial withdrawals and loans 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 payments of withdrawals from the Variable Account and payment 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, payment of withdrawal or payment of death benefits. However, the Company may defer the determination and payment of all benefits under the Contract, including transfers, for any period during which:

- (1) The New York Stock Exchange is closed for trading (other than customary weekend and holiday closings);
- (2) Securities and Exchange Commission has determined that a state of emergency exists such that it is not reasonably practical to dispose of securities held in the Separate Account or to fairly determine the value of its assets.

Incontestability. No material misstatement made by the applicant will void the Contract unless it is contained in the written application attached to the Contract. Except in the event of fraud in the procurement of the Contract when permitted by applicable law in the state where the Contract is delivered or issued for delivery, the Contract will be incontestable after it has been in force during the life of the Annuitant for 2 years from the Contract Date or, if applicable, the date of reinstatement.

Misstatement of Age. If the age of the Annuitant or a joint payee is misstated, any amount payable under this Contract will be the amount which the Purchase Payments would have purchased based on the correct age.

If Annuity Payments have been overpaid because the age of the Annuitant or joint payee has been misstated, the amount overpaid, with interest at the rate of 6% per year or such higher rate as state law may permit, compounded annually, will be charged against the payments still to be made under this Contract.

If Annuity Payments have been underpaid because the age of the Annuitant or joint payee has been misstated, the amount underpaid, with interest at the rate of 6% per year or such higher rate as state law may require, compounded annually, will be paid in full with the next payment due under this Contract.

Proof of Age and Survival. The Company may require satisfactory proof of correct age at any time. If any payment under this Contract depends on the payee being alive, the Company may require satisfactory proof of survival.

The Contract. This Contract document, any Endorsements, any Riders and its attached application are the entire Agreement. The Contract document and any Endorsements and Riders are issued in consideration of the application and Purchase Payments.

Only the President, a Vice President, an Associate Actuary, an Actuary or the Secretary of the Company may amend the Contract. Any amendment must be in writing. At any time, the Company may make such changes in this Contract as are required to make it conform with any law, regulation or order issued by any government instrumentality to which it is subject.

Participating Contract. The Contract may participate in divisible surplus of The Company. Divisible surplus, if any, to be apportioned to the Contract shall be ascertained and apportioned annually and shall be paid in cash or credited to the Contract Value at the end of the contract year. If no election has been made by the Contract Owner, the divisible surplus will be credited to the Contract Value. No divisible surplus is expected to be apportioned to this Contract in the foreseeable future.

14. General (continued)

Dates. Contract years and anniversaries are measured from the Contract Date.

Notices, Changes and Choices. All notices, changes and choices which the Contract Owner may make under the Contract must be in writing. Contract Owner must provide notification on a form provided or approved by the Company, signed and received by the Company at its Administrative Office or designated Service Office. If acceptable to the Company, notices, changes and choices relating to beneficiaries and ownership will take effect as of the date signed except to the extent that the Company has already acted in reliance on the prior status. The Company is not responsible for their validity.

Contract Payments. All sums payable to the Company are payable at its designated Service Office.

Protection of Proceeds. Annuity Payments under this Contract may not be assigned by the Contract Owner or payee prior to their due dates. To the extent allowed by law, Annuity Payments are not subject to legal process for debts of a payee.

Compliance with Minimum Value Requirements. Annuity, death and withdrawal benefits are not less than the minimum benefits required under applicable laws and regulations of the jurisdiction in which this Contract is delivered. The benefits provided under the Fixed Account of this Contract may be increased by interest credited in excess of the Guaranteed Minimum Interest Rate, if any.

Periodic Reports. As required by federal and state law, the Company will furnish the Contract Owner with periodic reports. The periodic reports will be provided at least annually and without charge.

Reports will contain 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 cash surrender value, if any, at the end of the current report period.

Additional status reports to be made available to the Contract Owner upon request.

Address Change. The Contract Owner must promptly notify the Company of any change in address.

Please notify the Company promptly of any change in address.

Annual Election - The Company is a mutual life insurance company. It has no stockholders. The Contract Owner of this contract is a member of The Company while this contract is in force during the life of the Annuitant before the Annuity Date and before total withdrawal of the Contract Value. Members have the right to vote in person or by proxy at the annual election of Trustees held at the Home Office, on the first Tuesday of March. If more information is desired, it may be obtained from the Secretary.

VALUES AND PAYMENTS UNDER THIS CONTRACT, WHEN BASED UPON THE INVESTMENT EXPERIENCE OF A SEPARATE ACCOUNT, ARE VARIABLE AND ARE NOT GUARANTEED AS TO FIXED DOLLAR AMOUNT.

Policyholder Service Office of Company Address	The Penn Mutual Life Insurance Company Mail Code C2L, Philadelphia, PA 19172 Telephone # 1-800-523-0650
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Name of Agent _____
Address _____
Telephone # _____

If we at The Penn Mutual Life Insurance Company fail to provide you with reasonable and adequate service, you should feel free to contact:

Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201
(800)852-5494 or (501)371-2640

Individual Variable and Fixed Annuity Contract Flexible Purchase Payments

- Annuity Payments payable on Annuity Date
- Flexible Purchase Payments payable until Annuity Date
- Participating
- The Company will make monthly annuity payments and other payments as set forth in this contract.
- This Contract contains a benefit waiving surrender charges

The Penn Mutual Life Insurance Company, Philadelphia, Pennsylvania 19172
Phone: (215) 956-8000 / Web: www.pennmutual.com
LVA-10(AR)

Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment

This form may be cancelled only under certain disclosed conditions.

The purpose of the Guaranteed Minimum Withdrawal Benefit provided under this annuity contract is to provide security through a stream of annual income payments to the Contract Owner. The Guaranteed Minimum Withdrawal Benefit will terminate upon assignment or a change in ownership of the contract unless the new assignee or owner meets the qualifications specified in the Termination provision of the Guaranteed Minimum Withdrawal Benefit.

The Penn Mutual Life Insurance Company (the "Company") agrees, subject to and in accordance with the provisions of this Supplemental Agreement ("the Rider), to provide the Guaranteed Minimum Withdrawal Benefit described below. The Rider is a part of the Contract to which it is attached. It is subject to all of the provisions of the Contract unless stated otherwise in the Rider.

Joint Life Guarantee - A Joint Life Guarantee is issued when a Joint Annuitant is specified in the application (and in the Contract Specifications). The primary Annuitant must be the Contract Owner. The Joint Annuitant must be the Contract Owner's legal spouse and must also be designated as the sole, primary beneficiary of the Contract. Unless the Rider is changed to a Single Life Guarantee before guaranteed withdrawals have begun and while the Contract Owner is living, the spousal Joint Annuitant must always be the Contract Owner's primary beneficiary. The Guaranteed Annual Withdrawal Amount under the Lifetime Withdrawal Option is guaranteed over the lifetimes of the Annuitant and Joint Annuitant.

Single Life Guarantee - A Single Life Guarantee is issued when a Joint Annuitant is not named in the application or specified in the Contract Specifications. The Guaranteed Annual Withdrawal Amount under the Lifetime Withdrawal Option is guaranteed over the lifetime of the Annuitant. If the Contract Owner is a natural person, the Contract Owner must also be the Annuitant.

This Rider is available only if, on the Contract Date, the Annuitant (if a Single Life Guarantee) or the younger of the Annuitant and Joint Annuitant (if a Joint Life Guarantee) is not younger than 45 nor older than 80.

Guaranteed Minimum Withdrawal Benefit - Under the Guaranteed Minimum Withdrawal Benefit, the Contract will have two distinct phases. The Deferral Phase begins on the Contract Date and continues until the earlier of: (a) the exercise of the Living Benefit Guarantee Withdrawal Option (availability by age is shown on Page 3), (b) Actual Age 95 of the Annuitant or the younger of the Annuitant and Joint Annuitant (if a Joint Life Guarantee), or (c) Contract Value is reduced to zero. The Withdrawal Phase begins when a Living Benefit Guarantee Withdrawal Option is exercised. This benefit allows the Annuitant to receive Guaranteed Annual Withdrawal Amounts based on the Withdrawal Benefit Base as described below.

Withdrawal Options - In the Deferral Phase, withdrawals are received through the Deferral Phase Withdrawal Option. In the Withdrawal Phase, withdrawals are received through one of the Living Benefit Guarantee Withdrawal Options: Standard Withdrawal Option or the Lifetime Withdrawal Option. Available withdrawal option depends on the Contract Phase and the ages of Annuitant and Joint Annuitant (if Joint Guarantee).

Deferral Phase Withdrawal Option - Deferral Phase Withdrawals do not initiate a Living Benefit Guarantee Withdrawal Option and will keep the Contract in the Deferral Phase.

Deferral Phase Withdrawal before Living Benefit Guarantee Withdrawal Option becomes available - By default, if a withdrawal is requested before the Living Benefit Guarantee Withdrawal Option becomes available, it will be treated as a Deferral Phase Withdrawal, which can be taken as a one-time distribution or systematically. If Deferral Phase 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 an available Living Benefit Guarantee Withdrawal Option.

Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

Deferral Phase Withdrawal after Living Benefit Guarantee Withdrawal Option becomes available - By default, if a withdrawal is requested after the Living Benefit Guarantee Withdrawal Option becomes available, one of the Living Benefit Guarantee Withdrawal Options will be exercised (depending on the age at the time of withdrawal), and the Contract will move into the Withdrawal Phase. In order to remain in the Deferral Phase, the Contract Owner must indicate to the Company, that they are requesting a Deferral Phase Withdrawal, which can be taken as a one-time distribution or systematically. If Deferral Phase Withdrawals are set up systematically, the Contract will remain in the Deferral Phase until a request is received by the Company with instructions to enter the Withdrawal Phase and exercise an available Living Benefit Guarantee Withdrawal Option.

Regardless of the Contract Phase, surrender charges will apply if withdrawals exceed the Contract's annual Free Withdrawal Amount.

Effects of Deferral Phase Withdrawals on Withdrawal Benefit Base - Deferral Phase Withdrawals reduce the Withdrawal Benefit Base by the greater of (a) and (b) where:

- (a) is the withdrawal amount,
- (b) is the withdrawal amount multiplied by the ratio of (1) and (2), where:
 - (1) is the Withdrawal Benefit Base immediately prior to the withdrawal, and
 - (2) is the Contract Value immediately prior to the withdrawal

Withdrawal Phase - Living Benefit Guarantee Withdrawal Options - Once the Annuitant has reached the age at which a Living Benefit Guarantee Withdrawal Option becomes available (available age ranges are shown on Page 3), the Contract may enter the Withdrawal Phase. There are two Living Benefit Guarantee Withdrawal Options in the Withdrawal Phase: the Standard Withdrawal Option and the Lifetime Withdrawal Option. The age at the time the Living Benefit Guarantee Withdrawal Option is exercised determines the available option.

Standard Withdrawal Option - Under the Standard Withdrawal Option, the Company guarantees withdrawals up to the Guaranteed Annual Withdrawal Amount until the Standard Withdrawal Benefit Balance is depleted.

The Standard Withdrawal Benefit Balance cannot be withdrawn in a lump sum and is not payable as a death benefit.

The Standard Withdrawal Option is only available if the Actual Age of the Annuitant (or the younger of the Annuitant and Joint Annuitant, if Joint Guarantee) at the time of the first Living Benefit Guarantee Withdrawal is within the age range shown on Page 3. If a withdrawal is requested in this age range, the Contract will automatically be entered into the Standard Withdrawal Option.

Guaranteed Annual Withdrawal Amount - The Guaranteed Annual Withdrawal Amount under Standard Withdrawal Option is equal to the Age-Banded Standard Withdrawal Rate (specified on Page 3) multiplied by the Withdrawal Benefit Base.

Standard Withdrawal Benefit Balance and Standard Annual Reduction - At the time the Contract enters the Withdrawal Phase under the Standard Withdrawal Option, the Standard Withdrawal Benefit Balance is set equal to the Withdrawal Benefit Base. The Standard Withdrawal Benefit Balance will be reduced for withdrawals less than the Guaranteed Annual Withdrawal Amount by the amount up to the Standard Annual Reduction. At the time the Contract enters the Withdrawal Phase under the Standard Withdrawal Option, the Standard Annual Reduction will be equal to the Standard Withdrawal Rate multiplied by the Withdrawal Benefit Base. The Standard Annual Reduction will increase upon step-up of the Withdrawal Benefit Base to the Contract Value, and will decrease upon an Excess Withdrawal.

Effect of Withdrawals on Standard Withdrawal Benefit Balance - During each contract year, the Standard Withdrawal Benefit Balance will be reduced for withdrawals as follows:

- The Standard Withdrawal Benefit Balance will be reduced dollar-for-dollar for the amount of withdrawals up to the Standard Annual Reduction.

Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

- The Standard Withdrawal Benefit Balance will not be reduced when cumulative withdrawals in the contract year exceed the Standard Annual Reduction but are less than the Guaranteed Annual Withdrawal Amount.
- When cumulative withdrawals during the contract year exceed the Guaranteed Annual Withdrawal Amount, the Standard Withdrawal Benefit Balance will be reduced for any Excess Withdrawals by the greater of the dollar-for-dollar or proportionate withdrawal amount.

Effects of Withdrawals on Withdrawal Benefit Base - The Withdrawal Benefit Base will not be reduced when cumulative withdrawals in a contract year are less than the Guaranteed Annual Withdrawal Amount. Withdrawal Benefit Base will be reduced for any Excess Withdrawals by the greater of the dollar-for-dollar or proportionate withdrawal amount.

Excess Withdrawal - The Excess Withdrawal Amount, as applicable to any individual withdrawal, is equal to the greater of (a) zero, and (b) total withdrawal amount less the Guaranteed Annual Withdrawal Amount remaining before the withdrawal is taken.

Any time 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) 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 any time 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,
- (b) is the Excess Withdrawal Amount multiplied by the ratio of (1) and (2) where:
 - (1) is the Withdrawal Benefit Base immediately prior to the 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.

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.

Effect of Standard Withdrawal Benefit Balance reducing to zero - If the Standard Withdrawal Benefit Balance goes to zero, and the Contract Value is greater than zero, the Standard Withdrawal Benefit Balance will Step-Up 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 Step-Up / Reset, the Guaranteed Annual Withdrawal Amount and the Standard Annual Reduction will be recalculated, and the Guarantee will continue based on recalculated values. If the Standard Withdrawal Benefit Balance goes to zero, and the Contract Value also goes to zero, the Contract will be terminated.

Guaranteed Annual Withdrawal Amount in the final year - In the final year the Guarantee is active (i.e. 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 Standard Annual Reduction, and is calculated according to the following process:

Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

- (1) Every Contract Anniversary, the Standard Withdrawal Benefit Balance is compared to Standard Annual Reduction. If, at the start of any contract year, Standard Withdrawal Benefit Balance is less than 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 the Standard Withdrawal Benefit Balance at the start of the final year of the Guarantee to the Standard Annual Reduction at the start of the final year of the 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 (Guaranteed Annual Withdrawal Amount = Withdrawal Benefit Base * Standard Withdrawal Rate) by the Guaranteed Annual Withdrawal Amount Reduction Factor.

Lifetime Withdrawal Option - Under the Lifetime Withdrawal Option, the Company guarantees withdrawals up to the Guaranteed Annual Withdrawal Amount for the lifetime of the Annuitant or the Joint Annuitant (if a Joint Guarantee). The Lifetime Withdrawal Option is only available if the Actual Age of the Annuitant (or the younger of the Annuitant and Joint Annuitant, if Joint Guarantee) at the time of the first Living Benefit Guarantee Withdrawal satisfies the age range specified on Page 3. If withdrawals are requested after the age at which the Lifetime Withdrawal Option becomes available (as specified on Page 3), the Contract will be entered into the Lifetime Withdrawal Option by default. Under the Lifetime Withdrawal Option, the Company guarantees lifetime withdrawals up to the Guaranteed Annual Withdrawal Amount.

Guaranteed Annual Withdrawal Amount - Guaranteed Annual Withdrawal Amount under the Lifetime Withdrawal Option is equal to the Lifetime Withdrawal Rate multiplied by the Withdrawal Benefit Base.

Lifetime Withdrawal Rate - At the time the Lifetime Withdrawal Option is exercised, the Lifetime Withdrawal Rate will be determined. The Lifetime Withdrawal Rate is the sum of the Age-Banded Base Lifetime Withdrawal Rate (specified on Page 3) and the Effective Waiting Bonus (if applicable). For a Single Life Guarantee, the Lifetime Withdrawal Rate is based on the Actual Age of the Annuitant at the time of the first Living Benefit Guarantee Withdrawal. For a Joint Life Guarantee, the Lifetime Withdrawal Rate is based on the Actual Age of the younger of the Annuitant and Joint Annuitant at the time of the first Living Benefit Guarantee Withdrawal.

Waiting Bonus - A Waiting Bonus may be added to the Age-Banded Base Lifetime Withdrawal Rate, based on the age of the Contract at the time of the first Living Benefit Guarantee Withdrawal. The Base Waiting Bonus (specified on Page 3) will be pro-rated for any Subsequent Purchase Payments, based on the age of the Purchase Payments and the age of the Contract, to determine the Effective Waiting Bonus. The Effective Waiting Bonus, if any, is determined at the time the Lifetime Withdrawal Option is exercised, and will not change for the entire duration of the Contract.

Lifetime Withdrawal Rates after Step-Up - If a Step-Up occurs under the Lifetime Withdrawal Option, the Contract is eligible to receive the Lifetime Withdrawal Rate for the current age.

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 guaranteed Annual Withdrawal Amounts cannot be carried over to any future contract years. If total withdrawals in a contract year do not exceed the Guaranteed Annual Withdrawal Amount, the Withdrawal Benefit Base will not be reduced.

Excess Withdrawals - Excess Withdrawal Amount, as applicable to any individual withdrawal, is equal to the Total withdrawal amount less the Guaranteed Annual Withdrawal Amount remaining prior to the withdrawal. Excess Withdrawals could reduce future benefits by more than the dollar amount of the Excess Withdrawals.

Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

At 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
- (b) is the Excess Withdrawal Amount multiplied by the ratio of (1) and (2) where:
 - (1) is the Withdrawal Benefit Base immediately prior to the Excess Withdrawal
 - (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.

If 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 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 available means to determine if the requested withdrawal amount would result in an Excess Withdrawal treatment. The Contract Owner may also contact the Company's Customer Service at any time to determine whether the contemplated withdrawal would result in an Excess Withdrawal treatment.

Systematic Withdrawals - Systematic withdrawals may be taken under either of the Withdrawal Options. The maximum systematic withdrawal amount is the amount available under the Free Withdrawal provision of this Contract. However, if the Guaranteed Annual Withdrawal Amount exceeds the Free Withdrawal Amount, withdrawals can still be taken systematically.

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

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

The Withdrawal Benefit Base is determined as follows:

On the Contract Date - the Withdrawal Benefit Base is equal to the Initial Purchase Payment received.

After the Contract 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), an Inflation Increase will be credited to the Withdrawal Benefit Base, followed by evaluation for a Step-Up opportunity.

At the time the Living Benefit Guarantee Withdrawal Option is 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. The Guaranteed Annual Withdrawal Amount and/or the Standard Annual Reduction will be calculated based on the Withdrawal Benefit Base at that time.

In the Withdrawal Phase - the Withdrawal Benefit Base is determined based on which Living Benefit Guarantee Withdrawal Option has been exercised. Under any Living Benefit Guarantee Withdrawal Option in the Withdrawal Phase, the Withdrawal Benefit Base does not increase for Subsequent Purchase Payments.

Withdrawal Benefit Base with Standard Withdrawal Option - In the Withdrawal Phase under the Standard Withdrawal Option, each year (on the contract anniversary), an Inflation Increase will be credited to the Withdrawal Benefit Base, followed by evaluation for a Step-Up opportunity.

Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

Withdrawal Benefit Base with Lifetime Withdrawal Option - In the Withdrawal Phase under the Lifetime Withdrawal Option, each year (on the contract anniversary) until age 95, an Inflation Increase will be credited to the Withdrawal Benefit Base until the Lifetime Withdrawal Option Inflation Increase Period expires, followed by evaluation for a Step-Up opportunity.

Inflation Increase of Withdrawal Benefit Base - On each Contract Anniversary, if the Withdrawal Benefit Base is greater than zero, the Company credits an automatic Inflation Increase to the Withdrawal Benefit Base. The Inflation Increase is calculated on Contract Anniversary and equals the Inflation Factor multiplied by the average Withdrawal Benefit Base.

Inflation Factor - 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. 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 (specified on Page 3) or the ratio of (a) to (b), where:

- (a) is the greater of zero and the difference between (1) and (2), where:
 - (1) is the CPI-U released in the previous month (most recent release); and
 - (2) is the CPI-U released twelve months prior to the most recent release; and
- (b) is the CPI-U released twelve months prior to the most recent release.

Lifetime Withdrawal Option Inflation Increase Period - In the Withdrawal Phase under the Lifetime Withdrawal Option, Inflation Increases are only available until the Lifetime Withdrawal Option Inflation Increase Period expires. The Lifetime Withdrawal Option Inflation Increase Period will continue for as long as the Contract Value is greater than zero.

If, at some point, the Contract Value goes to zero, Lifetime Withdrawal Option Inflation Increase Period will expire on the earlier of (1) and (2) where:

- (1) is Actual Age 95 of the Annuitant (or the younger of the Annuitant and the Joint Annuitant, if Joint Guarantee), and
- (2) is the 20th Contract Anniversary since the later of (a) and (b) where
 - (a) is the contract year in which the lifetime withdrawals began, and
 - (b) is the most recent Step-Up.

Automatic Annual Step-Up of Withdrawal Benefit Base - On each Contract Anniversary for the life of the Rider, after the Inflation Increase has been applied, the Withdrawal Benefit Base will be evaluated for Step-Up opportunity. At this time, if the Contract Value is greater than the Withdrawal Benefit Base (after Inflation Increase), then the Withdrawal Benefit Base will automatically be increased to the Contract Value. Guaranteed Annual Withdrawal Amount will be increased by the same percentage as the Withdrawal Benefit Base (or by the higher percentage, if a higher Lifetime Withdrawal Rate becomes available upon Step-Up). Under the Standard Withdrawal Option, upon the Withdrawal Benefit Base Step-Up, the Standard Withdrawal Benefit Balance will also Step-Up to the Contract Value, and the Standard Annual Reduction will be reset to the Standard Withdrawal Rate multiplied by the Withdrawal Benefit Base after the Step-Up.

Effect of Withdrawal Benefit Base reducing to zero - If the Withdrawal Benefit Base goes 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 with the request to terminate the Rider. Upon this reset, the Guaranteed Annual Withdrawal Amount will be recalculated, and the guarantee will continue based on recalculated values. If the Withdrawal Benefit Base goes to zero, and the Contract Value also goes to zero, the Contract will be terminated.

Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

Effect of Contract Value reducing to zero - If the Contract Value is reduced to zero and any benefits are due under either of the Living Benefit Guarantee Withdrawal Options, 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 goes to zero in the Deferral Phase:

- If the Withdrawal Benefit Base is greater than zero and you are eligible for a Living Benefit Guarantee Withdrawal Option (see age ranges on Page 3), the Contract will be annuitized at the Guaranteed Annual Withdrawal Amount using the Withdrawal Benefit Base at the time of annuitization and either the Standard Withdrawal Rate or the Lifetime Withdrawal Rate, as applicable for the Standard Withdrawal Option or the Lifetime Withdrawal Option, respectively.
- If the Withdrawal Benefit Base is greater than zero but you are not eligible for a Living Benefit Guarantee Withdrawal Option (see age ranges on Page 3), the Contract will be terminated.
- If the Withdrawal Benefit Base also goes to zero, the Contract will be terminated.

If the Contract Value goes to zero in the Withdrawal Phase:

- If the Standard Withdrawal Benefit Balance under the Standard Withdrawal Option 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 depleted or for Annuitant's Lifetime (whichever ends earlier), and Inflation Increases will still apply.
- If the Withdrawal Benefit Base under the Lifetime Withdrawal Option 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 Annuitant's Lifetime, and Inflation Increases will apply until the end of Inflation Increase Period Remaining, but not later than Actual Age 95.
- If the Standard Withdrawal Benefit Balance under the Standard Withdrawal Option or Withdrawal Benefit Base under the Lifetime Withdrawal Option goes to zero, the Contract will be terminated.

Enhanced Death Benefit - Prior to the Annuity Date and upon receipt of due proof of the Annuitant's death for Single Life Guarantees, or the last death of the Annuitant and Joint Annuitant for Joint Life Guarantees, and the necessary forms to make payment to a beneficiary, the Company will pay the beneficiary a Death Benefit Enhancement in addition to the Standard Death Benefit provided in the Contract to which the Rider is attached. The Death Benefit Enhancement is equal to the remaining Enhanced Death Benefit Base (which is calculated as described below for purposes of determining the Death Benefit Enhancement) minus the Standard Death Benefit payable under the Contract. The Death Benefit Enhancement cannot be less than zero. The maximum Death Benefit Enhancement is shown in the Additional Contract Specifications.

Enhanced Death Benefit Base - The Enhanced Death Benefit Base is calculated independently of the Withdrawal Benefit Base as follows:

On the Contract Date, the Enhanced Death Benefit Base will be the Initial Purchase Payment received;

The Enhanced Death Benefit Base will be increased dollar-for-dollar for all Subsequent Purchase Payments.

The Enhanced Death Benefit Base will automatically Step-Up annually to the Contract Value on each Contract Anniversary, if greater than the current Enhanced Death Benefit. The Enhanced Death Benefit will Step-Up through the Contract Anniversary after Actual Age 80 of the Annuitant, or younger of the Annuitant and Joint Annuitant, if applicable.

Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

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 Withdrawal Amount multiplied by the ratio of (1) and (2), where:
 - (1) is the Enhanced Death Benefit immediately prior to the Withdrawal
 - (2) is the Contract Value immediately prior to the Withdrawal

The Death Benefit Enhancement will be payable until Actual Age 95 of the Annuitant (or the younger of the Annuitant and Joint Annuitant, if applicable), or until the Contract Value reaches zero, if earlier.

Required Minimum Distributions (RMDs) - If the required minimum distributions are required (subject to IRS enforcement rules), and the Contract has been in effect through at least one calendar year-end, the Contract Owner can elect required minimum distribution (RMD) withdrawals, which can be taken either as a one-time withdrawal or systematically.

RMD in 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 a Deferral Phase Withdrawal. The Contract will then remain in the Deferral Phase, and each RMD will be treated as a Deferral Phase Withdrawal.

RMD in Withdrawal Phase - RMD withdrawals in the Withdrawal Phase are subject to more favorable Excess Withdrawal treatment. Such treatment is contingent on the Contract Owner accepting the Company's calculations of the RMD amounts, and RMD calculations will be limited to this Contract only.

If the Contract has entered the Withdrawal Phase under the Standard Withdrawal Option, upon receiving the written notification of the election of RMD withdrawals, the benefit will be treated as follows:

- Every contract year the Guaranteed Annual Withdrawal Amount will be calculated under general rules of the Rider. This amount will not be changed based on the RMD requirement.
- If the RMD amount is greater than the Guaranteed Annual Withdrawal Amount:
 - Standard Withdrawal Benefit Balance will be reduced dollar-for-dollar for withdrawals greater than 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.

If the Contract has entered the Withdrawal Phase under the Lifetime Withdrawal Option, upon receiving the written notification of the election of RMD withdrawals, and if the Company determines that the RMD for the Contract is greater than the Guaranteed Annual Withdrawal Amount, the benefit will be treated as follows:

- Every contract year the Guaranteed Annual Withdrawal Amount will be calculated under general rules of the Rider. This amount will not be changed based on the RMD requirement.
- 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.

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Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

Investment Allocation Restrictions - Once the Contract enters the Withdrawal Phase, the Contract will be subject to additional limitations and restrictions on the Contract Owner's right to allocate Contract Value among the Subaccounts, the right to request transfers between Subaccounts and the right to allocate Purchase Payments to Subaccounts. The Company reserves the right to impose the investment allocation restrictions in the Deferral Phase in the future. Investment allocation restrictions will be administered in the following manner:

- The list of the Subaccounts available as investment options will be limited;
- Investment allocation restrictions will be effective on the day the Contract enters the Withdrawal Phase;
- Once the investment allocation restrictions become effective, the Contract Owner must indicate a new allocation that satisfies the investment restrictions;
- If no indication is provided, any funds remaining in restricted Subaccounts will be moved at the discretion of the company;
- Purchase Payments directed to the restricted Subaccounts will not be accepted;
- Any change to investment restrictions or decision to impose the restrictions in the Deferral Phase will be communicated to the Contract Owner 60 days prior such change becomes effective;
- The Contract Owner can opt out of investment allocation restrictions by terminating this Rider in accordance with the "Termination of the Rider" provisions.

Rider Charge - The Rider Charge, expressed as an annual percentage, will be applied to the monthly average of the Withdrawal Benefit Base on a quarterly basis. The Rider Charge will be deducted from the Contract Value quarterly on the date(s) specified in the Additional Contract Specifications and will not exceed the Maximum Rider Charge shown on the Additional Contract Specifications. The Rider Charge will be deducted from the Subaccounts of the Variable Account pro-rata based on the fund allocation at the time of deduction. If there are not enough funds in the Variable Account Value to cover the Rider Charge at the time of deduction, the remaining portion of the uncollected Rider Charge will be deducted from the Fixed Account Value. The Company will deduct any accrued, but uncollected rider charges on the date the Contract is surrendered. In addition, upon payment of any Death Benefit associated with the contract, the Death Benefit payable will be reduced by the accrued costs of the optional contract riders. No rider charge will be imposed upon annuitization, or deducted after the Annuity Date.

On the date of an automatic Step-Up of the Withdrawal Benefit Base to the Contract Value, the Rider Charge may be increased, but will not be greater than the current charge applicable to the class of Contract Owners then electing this Rider. The current charge will not exceed the Maximum Rider Charge shown in the Additional Contract Specifications. 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, 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 send a written request to the Company, at least 30 days prior to a subsequent Contract Anniversary, to reinstate the Automatic Annual Step-Ups of the Withdrawal Benefit Base. The reinstatement will be effective on Contract Anniversary following the current Contract Anniversary. 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 shown on the Additional Contract Specifications.

Changes to Single Life Guarantees - Single Life Guarantees cannot be converted to Joint Life Guarantees. A spouse may not be added as a Joint Annuitant or Successor Owner after the Contract Date.

Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

Changes to Joint Life Guarantees - If the living benefit guarantee withdrawal option has not been exercised, Joint Life Guarantee can be changed to a Single Life Guarantee, and the Rider Charge will change from Single to Joint. Once converted, it cannot be changed back to Joint Life Guarantee. If the living benefit guarantee withdrawal option has not been exercised, the Contract Owner can change the Joint Annuitant to Annuitant's current spouse. If the Company accepts either change, the Contract Owner can also request a change of the Primary Beneficiary of the Contract. If the living benefit guarantee withdrawal option has been exercised, the Joint Annuitant cannot be changed. The Joint Annuitant can be removed from the Contract, but the charge for the Rider would remain at the Joint Life Guarantee charge.

For any requested written Change accepted by the Company, the Company will send the Contract Owner amended Contract Specifications. Please contact the Company for additional details.

Impact of Annuitant's Death for Single Life Guarantees - Upon the death of the Annuitant, the Company will pay the designated beneficiary the Standard Death Benefit under the Contract and the Death Benefit Enhancement, if any, and the Rider will be terminated. Alternatively, an eligible spousal Beneficiary can continue the Contract but not the Rider.

Impact of Annuitant's and/or Joint Annuitant's Death for Joint Life Guarantees

Impact of Annuitant's Death for Joint Life Guarantees - Upon the Annuitant's death, an eligible spousal Beneficiary who is also the Joint Annuitant can elect to become the Successor Owner of the Contract and continue the Contract and the Rider. Successor Owner will become the new Contract Owner and the Primary Annuitant.

If no withdrawals have been taken, the Successor Owner has the option, upon written request to the Company, to convert the guarantee and the associated Rider Charge to a Single Life Guarantee based on his/her lifetime.

If withdrawals have been taken, the Successor Owner cannot change to a Single Life Guarantee, change the associated Rider Charge, or name a new spouse.

The spousal Beneficiary also has the option of surrendering the Contract and receiving a Death Benefit equal to the Contract Value, as of the date of the Annuitant's death.

If the Joint Annuitant is not alive on the date of death of the Annuitant, the Standard Death Benefit under the Contract and the Death Benefit Enhancement, if any, is payable to a beneficiary and the Rider is terminated.

Impact of Joint Annuitant's Death for Joint Life Guarantees - If the Joint Annuitant dies and the Annuitant is still alive, no Death Benefit is paid. If no withdrawals have been taken, the Contract Owner has the option, upon written request to the Company, to convert the guarantee and the associated Rider Charge, to a Single Life Guarantee based on the Annuitant's lifetime. If the Annuitant does not convert the guarantee to a Single Life Guarantee, the Annuitant may name a new spouse as the Joint Annuitant before withdrawals are taken. If withdrawals have been taken, the guarantee and the Rider Charge do not change, and the Annuitant cannot name a new spouse.

If the Annuitant is not alive on the date of death of the Joint Annuitant, the Standard Death Benefit under the Contract and the Death Benefit Enhancement, if any, is payable to a beneficiary and the Rider is terminated.

Periodic Reports - As required by federal and state law, the Company will furnish the Contract Owner with periodic reports. The periodic reports will be provided at least annually and without charge. Reports will contain the following information:

- (a) Withdrawal Benefit Base;
- (b) Standard Withdrawal Benefit Balance, if applicable;
- (c) Guaranteed Annual Withdrawal Amount.

Additional status reports to be made available to the Contract Owner upon request.

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Rider - Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment (continued)

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

- (a) At any time after the third Contract Anniversary immediately following receipt by the Company of a written request by the Contract Owner to discontinue the Guaranteed Minimum Withdrawal Benefit;
- (b) Upon a change in ownership (or assignment) of the contract unless:
 - (1) The new 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 the Joint Annuitant elects to become the Successor Owner of the Contract and the Rider upon 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
 - (2) The assignment is for the purposes of effectuating a 1035 exchange of the contract.
- (c) Spousal Continuation of a Single Life Guarantee upon the primary Annuitant's death;

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 earlier of:

- (a) Elective annuitization;
- (b) Full surrender of the Contract;
- (c) The date of the death of the Annuitant for Single Life Guarantees, or the date of the last death of the Annuitant or Joint Annuitant for Joint Life Guarantees;
- (d) The Contract Value goes to zero and the Withdrawal Benefit Base also goes to zero;
- (e) The Contract Value goes to zero and the Standard Withdrawal Benefit Balance also goes to zero under the Standard Withdrawal Option;
- (f) The Contract Value goes to zero and there are no Living Benefit Guarantee Withdrawal Options available as defined in Additional Contract Specifications, regardless of the value of the Withdrawal Benefit Base.

Annuity Payments - If annuity payments are to commence under the conditions specified in the Contract to which this Rider is attached, the guarantee will expire. If annuity payments are to commence under conditions specified by the Rider, the payments will continue annually according to the guarantee.

Effective Date - The Effective Date of the Rider is the same as the Contract Date of the Contract unless another effective date is shown below.

The Penn Mutual Life Insurance Company


President

SERFF Tracking Number: PNMU-126751121 State: Arkansas
 Filing Company: Penn Mutual Life Insurance Company State Tracking Number: 46381
 Company Tracking Number: LVA-10, GMWB-10
 TOI: A02.11 Individual Annuities- Deferred Non- Sub-TOI: A02.11.002 Flexible Premium
 Variable and Variable
 Product Name: Variable Annuity with Living Benefit Rider
 Project Name/Number: Variable Annuity with Living Benefit Rider/LVA-10, GMWB-10

Supporting Document Schedules

Item Status: **Status Date:**

Satisfied - Item: Flesch Certification
Comments:
 Please see the attached Flesch Test Certification
Attachment:
 Flesch Test Certification.pdf

Item Status: **Status Date:**

Satisfied - Item: Application
Comments:
 The application that will be used with this product is PM1398 approved by your department under SERFF Submission PNMU 126280760.

Item Status: **Status Date:**

Satisfied - Item: Statement of Variability
Comments:
 Attached please find the Statement of Variability for the Policy Form and the Rider.
Attachments:
 Statement of Variability LVA-10.pdf
 Statement of Variability GMWB-10.pdf

Item Status: **Status Date:**

Satisfied - Item: Certification of Compliance with
 Ark. Code Ann 23-79-138 & Bulletin
 No. 15-2009
Comments:
Attachment:
 Cert of Compliance.pdf

The Penn Mutual Life Insurance 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>
LVA-10	Individual Variable and Fixed Annuity Contract Flexible Purchase Payments	50.6
GMWB-10	Rider- Guaranteed Minimum Withdrawal Benefit With Inflation Adjustment	50.1


Nancy A. Yannuzzi
Sr. Manager of Policy Filing

July 23, 2010

Statement of Variability

Date: June 23, 2010

Form Number(s): LVA-10

Enclosed is a sample copy of contract specification pages would be included in that the above referenced form upon contract issue. The brackets indicate those items which have a range of variability based on the descriptions cited below. Any use of variability shall be administered in a uniform and non-discriminatory manner and shall not result in unfair discrimination. All changes applied to the contract will be in accordance with the guidelines described below.

Any changes will be applicable only to new issues.

Any change in the determination of the guaranteed interest rate will be filed with the Department for approval prior to use.

Section / Section #	Page Number	Annotation letter / Description
Cover Page	Page 1	Company contact information, officer titles, and signatures of officers are denoted as variable. They may be changed without notice.
State Insurance Department Information	Page 1	State Insurance Department Information is denoted as variable. This section may be changed to reflect the current information without notice.
Contract Specifications	Page 3	Contract Owner, Contract Number, Contract Date, Annuity Date, Annuitant, Age of Annuitant, Joint Annuitant, Age of Joint Annuitant, Market Type, Schedule of Purchase Payments, Initial Purchase Payment, Date of Initial Purchase Payment, Allocation of payment – submitted on a variable basis and is denoted as variable by the use of brackets []. This information will vary based on each individual annuity and the annuitant's financial objective.
Contract Specifications	Page 3	Optional benefit rider is bracketed on the Schedule of Benefits section of the Specifications Page. It is optional to the annuitant and a selection is made at issue. It can be terminated subject to provisions in the contract. Currently the product will only be marketed/made available with the Rider.
Contract Specifications	Page 3	Date Annual Charges are Deducted. The dates the annual charges are deducted each year are bracketed on the Schedule of Annual Charges section of the Specifications Page. The Date Annual Charges are deducted will vary by Contract Date.
Contract Specifications (continued)	Page 3 (cont'd)	Subaccounts. This information will vary based on the funds that exist in the Penn Series Funds, Inc.
Contract Specifications (continued)	Page 3 (cont'd)	Fixed Dollar Cost Averaging Options. The available options may vary in the future. The possible options are a Six-Month and Twelve-Month Dollar Cost Averaging Period.
Contract Specifications (continued)	Page 3 (cont'd)	Fixed Interest Options. The availability of these accounts will vary based on current market interest rates. The possible options are One-Year, Three-Year, Five-Year and Seven-Year Fixed Account.

Contract Specifications (continued)	Page 3 (cont'd)	Minimum Purchase Payment to initiate Dollar Cost Averaging Program. This will vary as denoted by the brackets at the discretion of the Company. The possible range is (\$1,000 - \$10,000).
Contract Specifications (continued)	Page 3 (cont'd)	Minimum Guaranteed Interest Rate. This will vary as denoted by the use of brackets. This rate will vary depending on the current rate declared by the Company at the time of issue and will never be less than the guaranteed minimum interest rate described in the paragraph following the rate. By definition, this rate will always be greater than or equal to the nonforfeiture rate. The possible range is (1.00% - 3.00%).
Additional Contract Specifications	Page 3 (cont'd.)	Standard Withdrawal Rate. The ages used in the age-bands, number of age-bands, and rates specified for each age-band may vary. The rates will be in the range (3%-10%).
Additional Contract Specifications	Page 3 (cont'd.)	Age-Banded Base Lifetime Withdrawal Rate may be revised. The ages used in the age-bands, number of age-bands, and rates specified for each age-band may vary. The rates will be in the range (3%-10%).
Additional Contract Specifications	Page 3 (cont'd.)	Base Waiting Bonus. The ages of the contract specified, the number of contract age-bands, and the rates used may vary. Additionally this section may be omitted if there is no waiting bonus offered at the time of issue.
Additional Contract Specifications	Page 3 (cont'd.)	Maximum Inflation Factor. This rate will be in the range (3%-Unlimited).
Additional Contract Specifications	Page 3 (cont'd.)	Lifetime Withdrawal Option Inflation Increase Period. This value will be in the range (10 years – 50 years).
Additional Contract Specifications	Page 3 (cont'd.)	Maximum Death Benefit Enhancement. This value will be in the range (\$1,000,000 – Unlimited).
Additional Contract Specifications	Page 3 (cont'd.)	Initial Rider Charge. This charge will vary depending on the current charges the company is using at the time of issue and will not exceed the maximum rider charge on Page 3.
Additional Contract Specifications	Page 3 (cont'd.)	Dates on which Rider Charge is deducted. These dates will vary based on each individual annuity and the annuitant's Contract Date.

Kimberly E Love

Kimberly Love
Actuary Title: Associate Actuary
Date: June 23, 2010

Statement of Variability

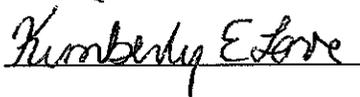
Date: June 23, 2010

Form Number(s): GMWB-10

The brackets indicate those items which have a range of variability based on the descriptions cited below. Any use of variability shall be administered in a uniform and non-discriminatory manner and shall not result in unfair discrimination. All changes applied to the rider will be in accordance with the guidelines described below.

Any changes will be applicable only to new issues.

<u>Section / Section #</u>	<u>Page Number</u>	<u>Annotation letter / Description</u>
Rider – Guaranteed Minimum Withdrawal Benefit with Inflation Adjustment	Last Page	The officer's signature has been bracketed as it may change based on the individual holding the position of authority to sign the policy form.



Kimberly Love
Actuary Title: Associate Actuary
Date: June 23, 2010

Arkansas Certification of Compliance
Penn Mutual Life Insurance Company

We confirm that 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 certify that we are in compliance with Regulation 19 subsection 10B in that our filing meets the provisions of this rule as well as applicable requirements of the department.

We confirm that we are in compliance with Regulation 6 in that the policy provides disclosure in non-technical terms the features of the contract and the manner in which the variable benefits reflect the investment experience of a separate account.

The Penn Mutual Life Insurance Company was approved for the issuance of variable contracts as required by Regulation 33 Article III 1(b) on February 28, 1969.