

Building on Financial Strength

Penn Mutual's ratings — based on evaluations of our financial condition and operating performance — are a clear sign of our continuing strength and stability.

A.M. Best: A+ Superior

A.M. Best's A+ (Superior) rating reflects Penn Mutual's:

- Increasing total-adjusted surplus trends
- Generally positive operating performance
- Well-established upscale market presence
- Strong risk-adjusted capitalization, which remains higher than most peer companies.

A.M. Best's Financial Strength Rating (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. A.M. Best uses letter grades ranging from A++, the highest, to F, companies in liquidation. Rating modifiers and affiliation codes may also be associated with these ratings.

Penn Mutual's A+ (Superior) rating, which was reaffirmed in November 2010, ranks the second highest out of 16 ratings.

Moody's Investors Service: Aa3 Excellent

Moody's Aa3 (Excellent) rating is a result of Penn Mutual's:

- Exceptional capitalization
- Favorable operating performance
- Carefully managed risk profile and stable management and operating philosophy
- Consistent focus on the upscale individual life insurance markets.

Moody's uses a letter grade scale that ranges from Aaa, the highest rating, to C, the lowest rating. It also applies modifiers (1, 2 or 3) for ratings below Aaa to indicate the approximate rank of the company in a particular class. These rating gradations provide investors with a system for measuring an insurance company's ability to meet its policyholder claims and obligations.

Penn Mutual's Aa3 Excellent rating, which was reaffirmed in July 2010, ranks the fourth highest out of 21 ratings.

Standard & Poor's: AA- Very Strong

Standard & Poor's attributes its AA- (Very Strong) rating to the following factors:

- Extremely strong capitalization and liquidity
- Strong business position and profitability
- High-quality investment portfolio.

Standard and Poor's uses a letter grade scale that ranges from AAA, the highest rating, to CCC, the lowest rating. Ratings from AA to B may be modified by a plus or minus sign to show relative standing within those grades. An insurer rated 'BBB' or higher is regarded as having financial security characteristics that outweigh any vulnerability, and is highly likely to have the ability to meet financial commitments. An insurer rated AA has very strong financial security characteristics, differing only slightly from those rated higher.

Penn Mutual's AA- Very Strong rating, which was reaffirmed in December 2010, ranks the fourth highest out of 16 ratings.

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

