

# 2023 Annual Report



# THE PENN MUTUAL LIFE INSURANCE COMPANY

| EST. 1847 |

**9,100**

Financial  
Professionals

**1.1M**

Clients

**3,200**

Employees

**\$5.3B**

Total Revenue

**\$200B**

Assets Under  
Control

**\$2.8B**

Life Insurance and  
Annuity  
Benefits Paid

# From our Chairman, President and CEO

**Penn Mutual continues to deliver on our promises to policyholders while maintaining exceptional financial strength.**



On behalf of everyone at Penn Mutual, I am pleased to report that 2023 was another strong year for the company.

As a mutual company for more than 175 years, Penn Mutual has navigated changing economic environments, while continuing to deliver on our promises to our policyholders. During 2023, we paid \$2.8 billion in benefits and our dividend was a record payout to policyholders. Our total adjusted surplus last year increased to \$3.3 billion, its highest level in company history. Life insurance and annuity sales increased during the year to \$386 million and \$945 million, respectively.

Rating agencies have again affirmed our ratings and stable outlook due to our strong product offerings, well-positioned investment portfolio and consistent operating results. Penn Mutual has been rated A or better by AM Best for the past 97 years, the longest of any life insurance company.

As I reflect on our strength as a company, the strong relationships with Financial Professionals is essential to our success as a company and to our policyholders. We continue to develop relationships with top Financial Professionals who are dedicated to comprehensive financial planning to help their clients achieve their goals.

Penn Mutual has also strengthened its position as one of the nation's premier workplaces, earning the Great Place to Work® certification.

Thank you for continuing to trust Penn Mutual. As a leader in life insurance, we keep building upon our rich history, remain steadfast in our purpose and honor our promises. We look forward to serving you and your loved ones for many years to come.

David M. O'Malley  
Chairman, President and Chief Executive Officer

**\$2.8B**  
Benefits paid

**\$3.3B**  
Total surplus

**\$386M**  
Life insurance sales

# Our Financial Results

## Consolidated Balance Sheets; for the year ended (in thousands)

<b>Assets</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Debt securities, at fair value	22,172,141	19,676,926
Equity securities, at fair value	103,346	64,209
Real estate, net of accumulated depreciation	30,554	31,486
Other invested assets	5,037,633	3,823,383
<b>Total investments</b>	<b>27,343,674</b>	<b>23,596,004</b>
Other assets	10,459,778	9,785,650
Separate account assets	8,937,257	8,168,559
<b>Total assets</b>	<b>\$46,740,709</b>	<b>\$41,550,213</b>
<b>Liabilities</b>		
Reserves and funds for payment of future benefits	25,586,706	23,649,398
Accrued income tax payable	562,756	608,297
Other liabilities	7,532,715	5,830,336
Separate account liabilities	8,937,257	8,168,559
<b>Total liabilities</b>	<b>\$42,619,434</b>	<b>\$38,256,590</b>
<b>Equity</b>		
Accumulated other comprehensive income	(1,349,195)	(1,982,213)
Retained earnings	5,466,122	5,267,605
Non-controlling interest	4,348	8,231
<b>Total equity</b>	<b>4,121,275</b>	<b>3,293,623</b>
<b>Total liabilities and equity</b>	<b>\$46,740,709</b>	<b>\$41,550,213</b>

## Consolidated Income Statements; for the year ended (in thousands)

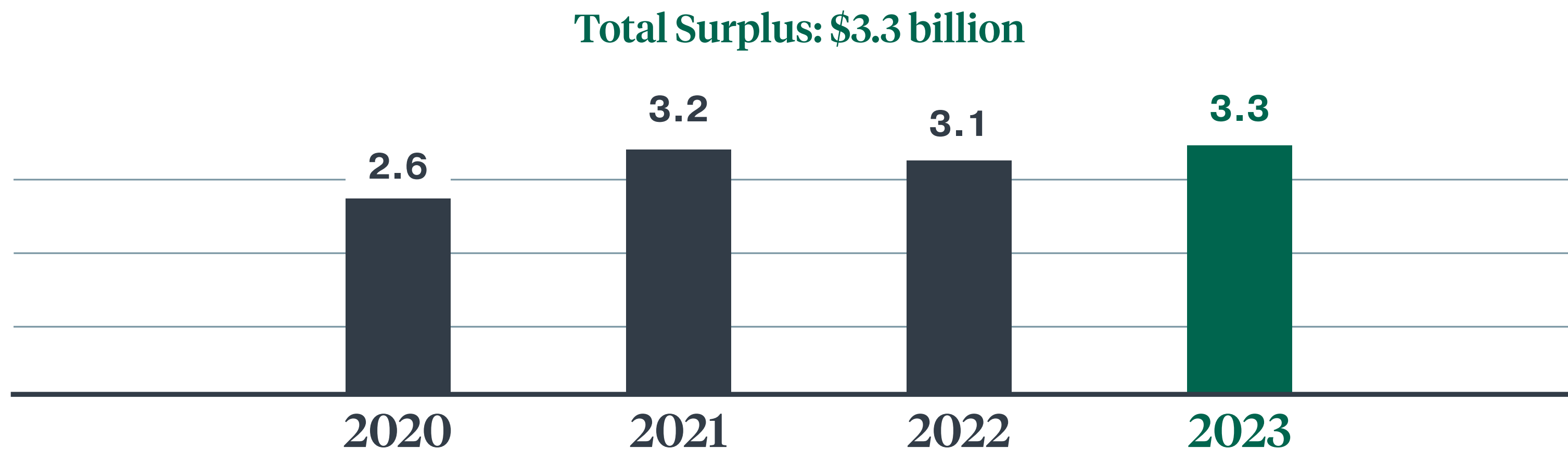
<b>Revenues</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
Premium and other product revenue	2,838,860	2,563,462
Investment income	1,073,466	957,506
Broker-dealer fees and commissions	1,361,940	1,153,107
Other revenue (including realized capital gains and (losses))	44,681	(105,883)
<b>Total revenue</b>	<b>\$5,318,947</b>	<b>\$4,568,192</b>
<b>Benefits and Expenses</b>		
Policyholder benefits	1,485,244	1,185,963
Change in reserve for payment of future benefits	1,626,778	1,414,671
Policyholder dividends	188,664	153,341
Broker-dealer sales expense	737,737	642,289
Other expenses	1,040,607	960,077
<b>Total expenses</b>	<b>\$5,079,030</b>	<b>\$4,356,341</b>
Income before income taxes	239,917	211,851
Income tax expenses	38,248	33,288
<b>Net income</b>	<b>\$201,669</b>	<b>\$178,563</b>
Net income attributable to non-controlling interest	689	(955)
<b>Net income attributable to Penn Mutual</b>	<b>\$200,980</b>	<b>\$179,518</b>

# Our Strength

Our consistent long-term view allows us to keep our promises and continue to evolve as a financially strong and stable company. In 2023, we paid \$2.8 billion in gross benefits to our policyholders or their beneficiaries, demonstrating our continued ability to deliver on our promises.

**Our total surplus (capital) was a strong \$3.3 billion as of December 31, 2023.**

This is the amount set aside for unexpected losses from operations and our financial protection against business volatility. Our surplus position is a testament to our high-quality investment portfolio and our ability to manage the guarantees we provide to our policyholders and contract owners through appropriate investment techniques.



**\$41.6B**  
Statutory assets under management

**498K**  
Total policy count

**\$287B**  
Life insurance in force

# Our Ratings

---

**A+**  
Strong

## **Standard & Poor's**

Penn Mutual's A+ Strong rating, which was affirmed in December 2022, ranks the fifth highest out of 22 ratings.

**A+**  
Superior

## **AM Best**

Penn Mutual's A+ (Superior) rating, which was affirmed in March 2023, ranks the second highest out of 15 rankings.

**Aa3**  
High Quality

## **Moody's**

Penn Mutual's Aa3 High Quality rating, which was affirmed in May 2023, ranks the fourth highest out of 21 ratings.

**AA-**  
Very Strong

## **Fitch**

Penn Mutual's AA- Very Strong rating, which was affirmed in November 2023, ranks fourth out of 21 ratings, and includes a stable outlook.

**AA**  
Very Strong

## **KBRA**

Penn Mutual's AA Very Strong rating, which was affirmed in November 2023, ranks the third highest out of 23 ratings, and includes a stable outlook.

All guarantees are based upon the claims-paying ability of the issuer. The ratings quoted above are subject to change and apply only to Penn Mutual's claims-paying ability and not to the products we offer or their underlying investments.

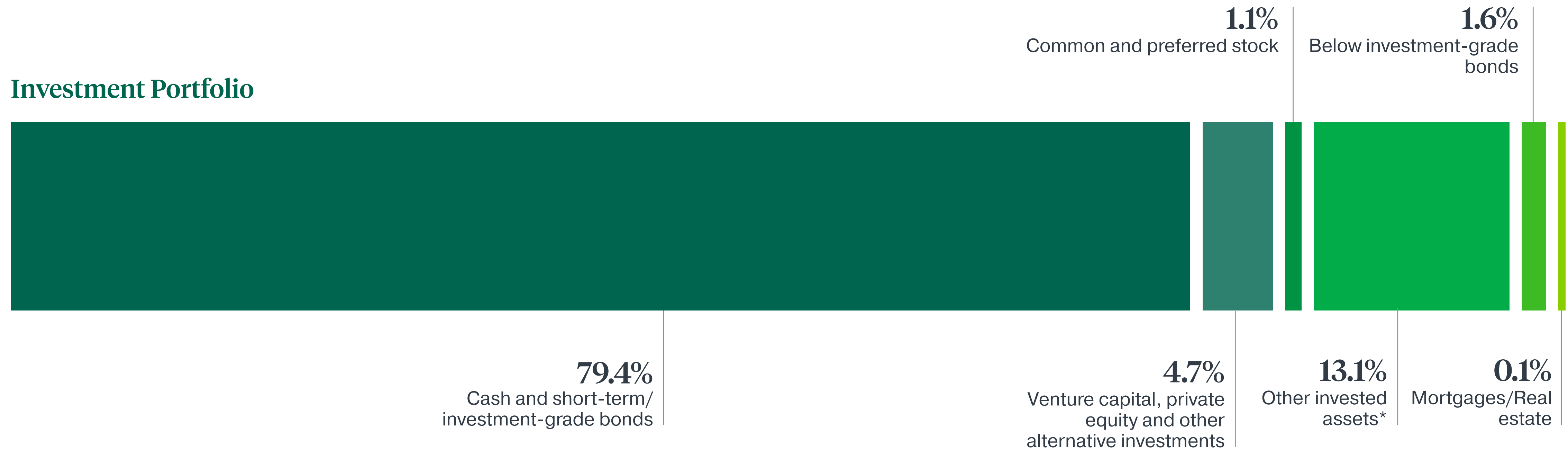


# Investments

**We make decisions in the best interest of our policyholders.**

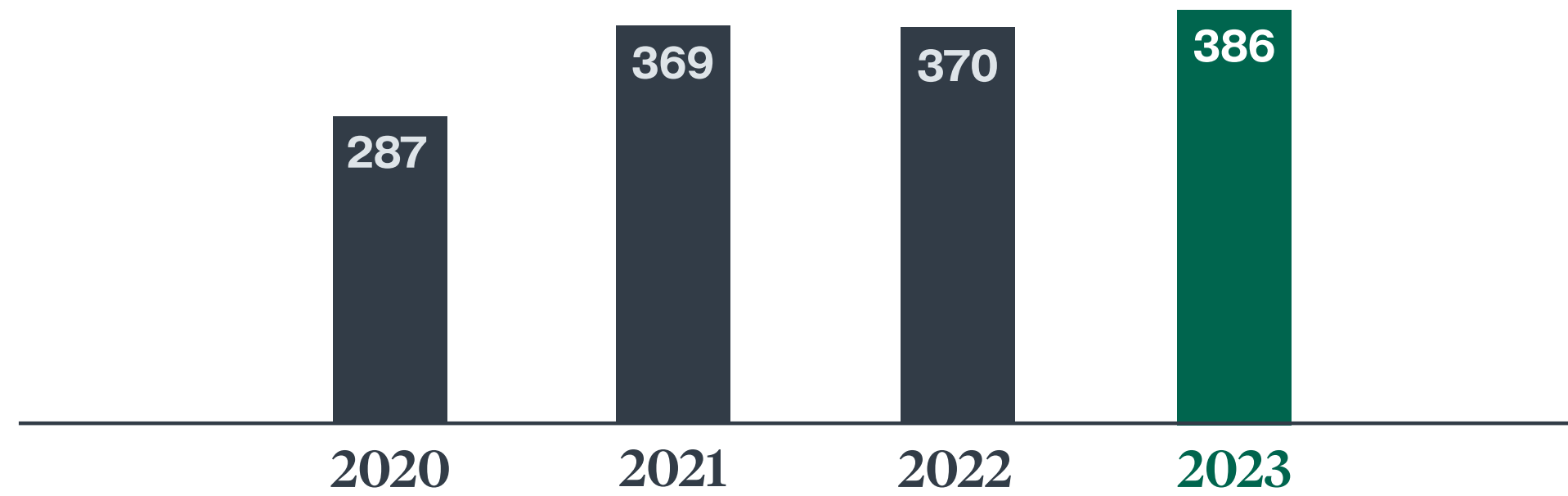
We manage our investments with a focus on fulfilling our commitment to policyholders while also protecting the long-term viability of Penn Mutual. Our investment philosophy stresses rigorous asset/liability management, diversification, strong liquidity and a conservative approach to portfolio risk. This means we're able to deliver on our promises to policyholders, now and in the future.

## Investment Portfolio



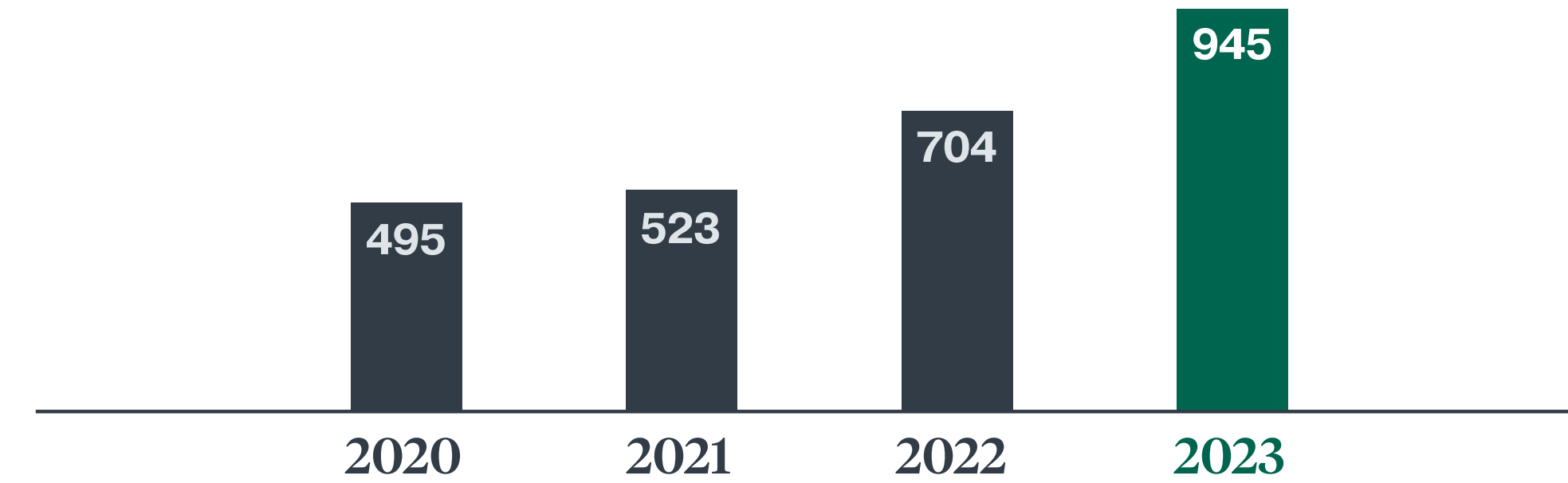
\*Includes ownership of Janney Montgomery Scott LLC and Penn Mutual Asset Management, LLC.

### New Life Insurance Sales (in millions)



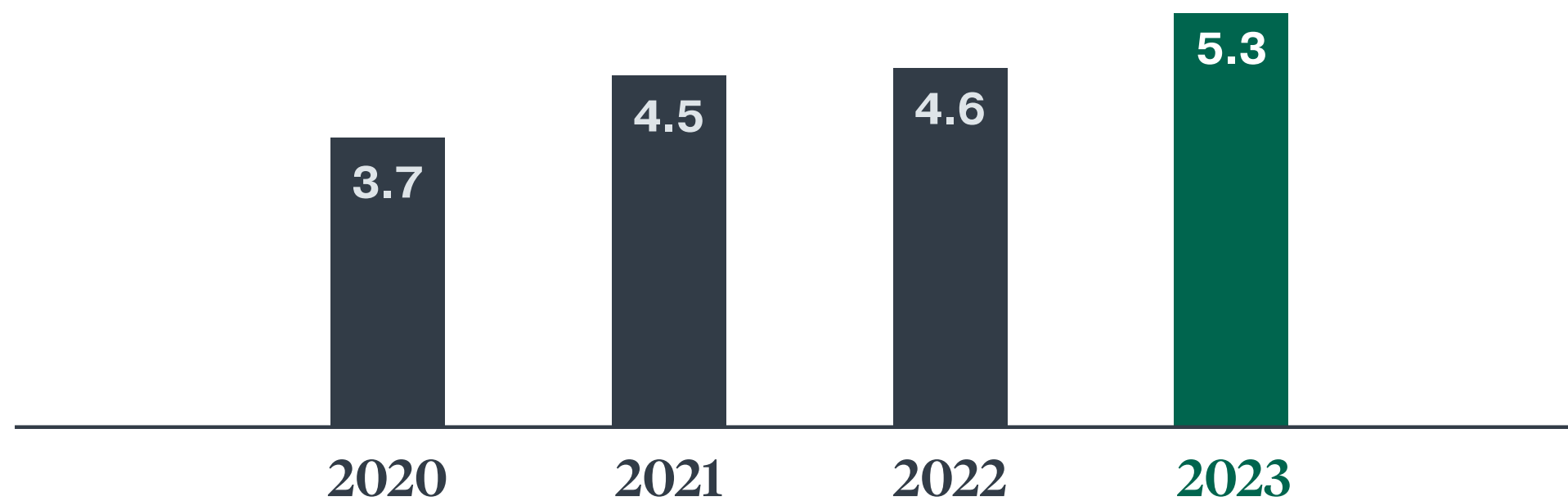
Our life insurance sales were \$386 million as of December 31, 2023, as measured by LIMRA. Life insurance is core to who we are as a company, and our sales growth reflects our industry leadership position in life insurance.

### New Annuity Sales (in millions)



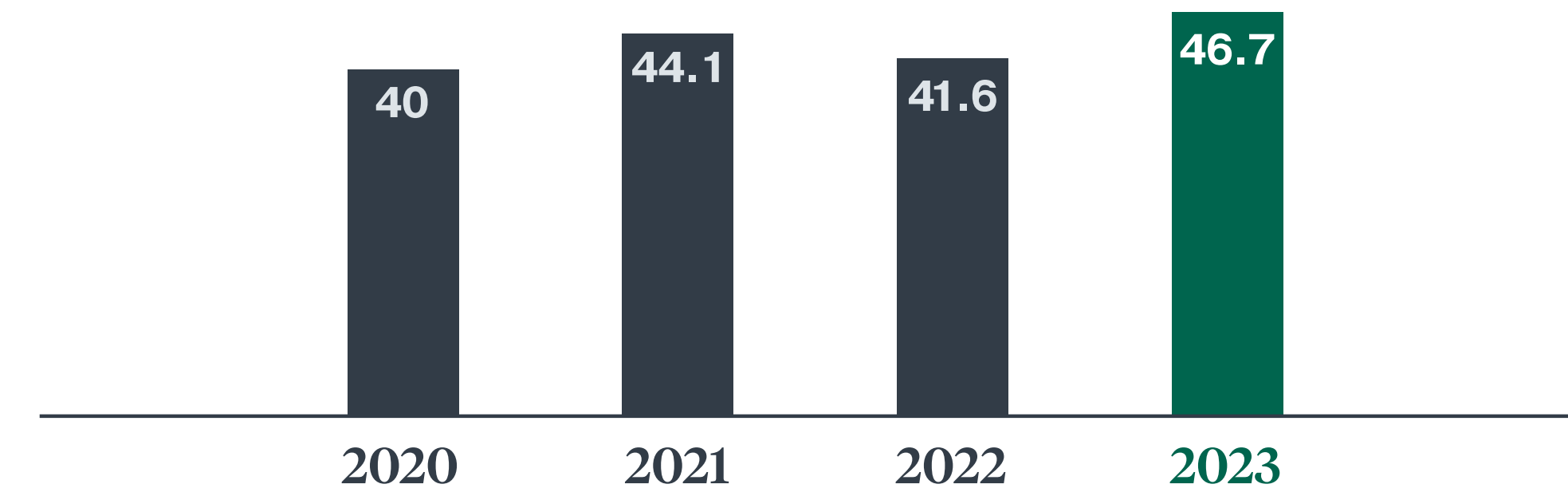
Our annuity sales were a robust \$945 million as of December 31, 2023. This underscores our ability to provide diverse solutions through our comprehensive product portfolio.

### Total Revenue (in billions)



Our total revenue was \$5.3 billion as of December 31, 2023. This includes premium and product revenue from life and annuity products, investment income on our assets, and broker-dealer and RIA fees and commissions. Our revenue remains consistent with demonstrated year-over-year growth.

### Total GAAP Assets (in billions)



Our total GAAP (generally accepted accounting principles) assets, including the funds we safeguard for our policyholders, was \$46.7 billion as of December 31, 2023. Our disciplined approach to investment strategy and financial management helped our assets and surplus level remain strong despite challenging capital market conditions.



# The Penn Mutual Board of Trustees

Our board of trustees includes talented and respected leaders who oversee our business affairs and ongoing commitments to policyholders.



*(In order from left to right, back row first)*

**Helen P. Pudlin**

Retired Executive Vice President and General Counsel, The PNC Financial Services Group, Inc.

**William C. Goings**

Former Executive Vice President, TD Bank Group and President, TD Insurance

**Eileen C. McDonnell**

Retired Chief Executive Officer, The Penn Mutual Life Insurance Company

**James S. Hunt**

Retired Executive Vice President and Chief Financial Officer, Walt Disney Parks and Resorts Worldwide

**Robert H. Rock**

Chairman, MLR Holdings, LLC

**Gerard P. Cuddy**

Former President and Chief Executive Officer, Beneficial Bank

**Susan D. Waring**

Retired Executive Vice President and Chief Administrative Officer, State Farm Life Insurance Company

**David M. O'Malley**

Chairman of the Board of Trustees and President and Chief Executive Officer, The Penn Mutual Life Insurance Company

**Carol J. Johnson**

Former President and Chief Operating Officer, AlliedBarton Security Services

**Charisse R. Lillie**

Retired Vice President, Community Investment, Comcast Corporation and President of the Comcast Foundation



# Our Family of Companies

---

## Life Insurance and Annuities



**The Penn Insurance and Annuity Company (PIA)** is a wholly-owned life insurance subsidiary of The Penn Mutual Life Insurance Company (Penn Mutual). Domiciled in Delaware, PIA maintains its operations in Horsham, Pa., and is licensed to do business in 49 states and the District of Columbia. It markets its products with a focus on universal life insurance through Penn Mutual's distribution systems and has its in-force business serviced by the parent company.



**The Penn Insurance and Annuity Company of New York (PIA-NY)** is a wholly-owned life insurance subsidiary of Penn Mutual. PIA-NY is domiciled and only licensed to do insurance business in New York.

## Vantis Life

**Vantis Life Insurance Company (Vantis Life)** is a wholly-owned subsidiary of Penn Mutual. Vantis Life was established in 1942 and became part of the Penn Mutual family in 2016. Vantis Life is focused on delivering exceptional service to its policyholders.

## Wealth Management



A PennMutual Company

**Janney Montgomery Scott LLC (Janney)** is a leading full-service wealth management and capital markets firm that provides advice to individual, corporate and institutional clients. Janney's expertise includes guidance about wealth and investment management, retirement and income planning, corporate and public finance, mergers and acquisitions, and public and private capital raising. Janney is an independently-operated subsidiary of The Penn Mutual Life Insurance Company and is a member of the Financial Industry Regulatory Authority (FINRA), the New York Stock Exchange (NYSE) and Securities Investor Protection Corporation (SIPC).

## HTK

**Honor, Townsend & Kent, LLC (HTK)** is a wealth management firm supporting independent financial professionals across the U.S. As a broker-dealer and a registered investment adviser, HTK delivers a flexible platform for financial professionals to build and scale their practices; supports a culture of connection and access by cultivating trusted relationships; and provides peace of mind with the strength and stability as a wholly-owned subsidiary of The Penn Mutual Life Insurance Company. HTK is a member of the FINRA and SIPC.

## Institutional Asset Management



**Penn Mutual Asset Management, LLC (PMAM)** is a registered investment adviser and wholly-owned subsidiary of Penn Mutual, and is dedicated to creating value through a prudent, thoughtful and rigorous investment decision-making process. PMAM serves as investment adviser and manager of managers for the Penn Series Funds, Inc., a proprietary fund complex, with approximately \$9 billion in assets. PMAM is also responsible for the management of the investment portfolios of Penn Mutual and its insurance affiliates.

**THE PENN MUTUAL  
LIFE INSURANCE COMPANY**  
| EST. 1847 |

## About The Penn Mutual Life Insurance Company

For over 175 years, Penn Mutual has empowered individuals, families and businesses on the journey to achieve their financial goals. Through our partnership with Financial Professionals across the U.S., we help generations grow stronger by instilling the confidence and reliability that comes from a secure financial future. Penn Mutual and its affiliates offer a comprehensive suite of competitive and robust solutions to meet the unique needs of Financial Professionals and their clients, including life insurance, annuities, wealth management and institutional asset management. To learn more, including current financial strength ratings, visit [www.pennmutual.com](http://www.pennmutual.com).