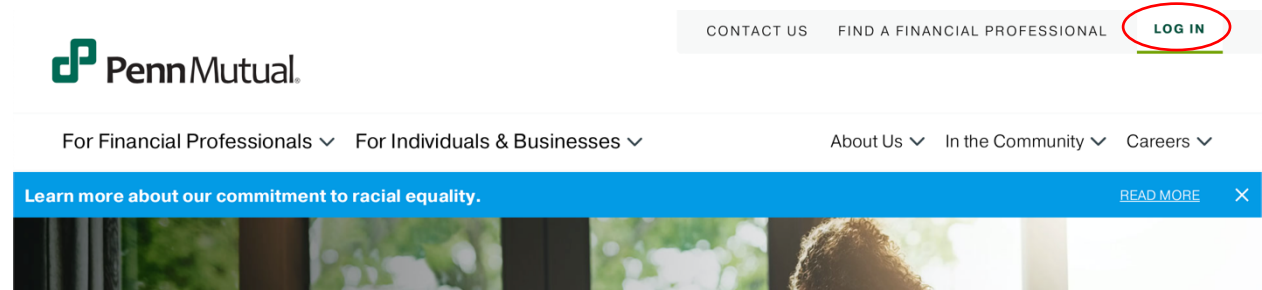
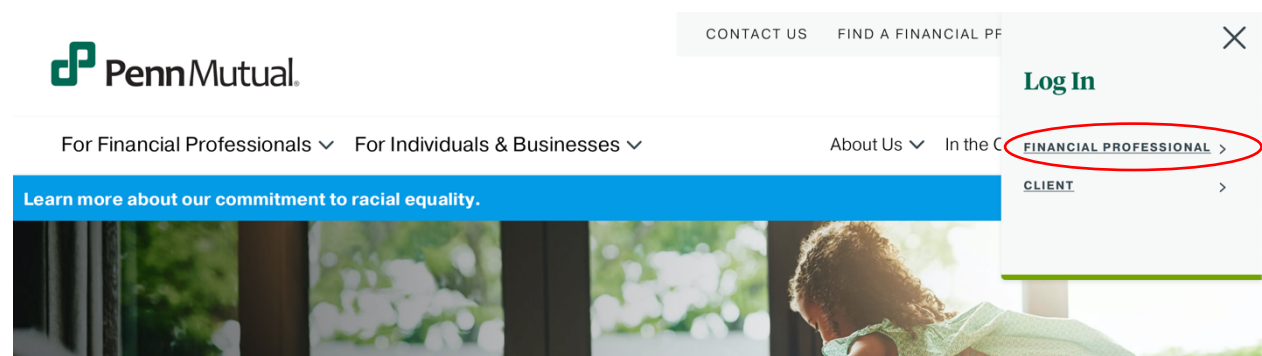


## How to Create a Penn Mutual *Whole Life* Illustration from the Why Life Leveraging Spreadsheet

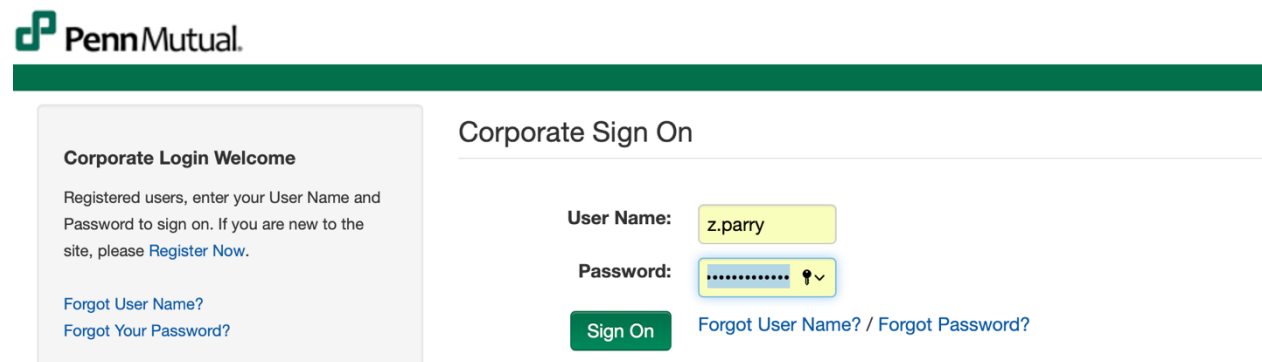
Start by going to pennmutual.com. Click on the “log in” button on the upper right of the screen.



This will bring up two login options. Choose “financial professional.”



This will bring you to the corporate sign-on page, where you will enter your username and password and login.



This will bring you to the main financial professional dashboard. Here, you’re going to look for the “Life Solutions Illustrator” link on the right side. Click it.

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Welcome Zachariah Parry  
September 01, 2020  
Not Zachariah Parry?

Need Support?  
(800) 873-7654



InSight | RR Donnelley | ACE e-App

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- Generate New Business
- ACE Resource Center
  - HTK Hub
  - Life Solutions Illustrator**  
*(Life and Annuity Illustrations)*
  - SPIA Illustrator
  - LEAP
  - Life & Annuity Application Builder
  - Service Request Builder

Current News

- A Message from NAC President Jason Rucker, CFP (08/17)
- Leadership News and Organizational Update (08/17)
- Gold Status - The Penn Mutual STAR Program (08/10)
- Heads Up: Online Self-Service Security

Training & Events Calendar

- View upcoming events
- (09/03) - Agent Assistant Educational Program
  - (09/08) - Monthly Product & Concept Training
  - (09/08) - Becoming a Thought Leader as You Deepen Relationships on LinkedIn

You will find yourself in the illustrations software. The first page you see should be the one below. On the left panel, you will see a tab called "Case Design." You will be switching between views using this panel. We'll start with the highlighted section, "insured." When this is selected, you will see a form in the main window on the right asking for information about the insured:

Software interface for Josie Hildebrand - Plan 2. The interface includes a PLAN MANAGER table, a left sidebar with CASE DESIGN and REPORTS tabs, and a main INSURED form area.

PLAN	PRODUCT	CONCEPT	LIVES	TARGET PREM	TOTAL FACE	DBO	INITIAL PREM	PREM MODE	UNDE
1	Plan 1	Accumulation Builder Flex IUL	Ledger	1	17,152.27	2,098,393	50,000.00	Annual	
2	Plan 2	Guaranteed Whole Life	Ledger	1	18,803.52	2,430,645	54,000.00	Annual	

Left Sidebar: CASE DESIGN (highlighted), REPORTS, Insured (highlighted), Policy Design, Income, Riders, Output Design.

INSURED Form Fields:

- Application Code: PUWK2
- Issue State: UT
- First Name: Josie
- Last Name: Hildebrand
- Male/Female: Female
- Issue Age or DOB (mm/dd/yyyy): 6/13/1988
- Issue Age: 32
- Risk Class: Preferred Plus Non-Tobacco
- Owner Type: Insured
- Tax Bracket: 40.00%

Every one of these fields is going to be specific to the insured, and you'll want to fill out the information about the insured. You can find this information on the "intake" tab in the Why Life Leveraging spreadsheet:

Client Info:	
STATE:	UT
Name:	Josie Hildebrand
Age:	32
DoB:	6/13/88
Gender:	Female
Expected Health Rating:	Preferred Plus
Income:	300000
Net Worth:	100000
Existing Policies:	Acordia IUL 919890
Highest Tax Rate (Combined federal and state):	40%

The application code is something you'll get once you've started the application. If you get the illustration before you start the application, then leave it blank. You can always come back and enter it later. The rest of it you should have. Fill out everything circled using information from the spreadsheet:

The screenshot shows a software interface for 'Josie Hildebrand - Plan 2'. The interface includes a table of plans and a detailed form for the 'INSURED' section. The form fields are filled with data from the spreadsheet, and several fields are circled in red: Issue State (UT), First Name (Josie), Last Name (Hildebrand), Gender (Female), Issue Age or DOB (6/13/1988), Issue Age (32), Risk Class (Preferred Plus Non-Tobacco), Owner Type (Insured), and Tax Bracket (40.00%).

PLAN	PRODUCT	CONCEPT	LIVES	TARGET PREM	TOTAL FACE	DBO	INITIAL PREM	PREM MODE	UNDE
1	Plan 1	Accumulation Builder Flex IUL	Ledger	1	17,152.27	2,098,393	Increasing	50,000.00	Annual
2	Plan 2	Guaranteed Whole Life	Ledger	1	18,803.52	2,430,645		54,000.00	Annual

**INSURED**

Application Code: PUWK2

(Required if submitting electronically to e-app)

Issue State: UT

First Name: Josie

Last Name: Hildebrand

Male/Female: Female

Backdate to Save Age?  Check if "Yes"

Issue Age or DOB (mm/dd/yyyy): 6/13/1988

(Age Nearest Birthday)

Issue Age: 32

Risk Class: Preferred Plus Non-Tobacco

Rating?  Check if "Yes"

Owner Type: Insured

Tax Bracket: 40.00%

In most cases, the owner will be the insured. That's not something the spreadsheet will tell you. But if you have set it up so the owner is someone else, you'll want to indicate that in the "owner type."

Another thing you want to check is the financial professional, which is in the upper right of the screen. The financial professional has to be the servicing agent on the case (which is usually the

one who starts the application). If you are doing the app and the illustration, that should be your name. If you are preparing the illustration, but someone else is doing the application, make sure that someone else's name is in there as the financial professional.

To change the financial professional, click on the button on the top right that says "financial professional."



This will bring up a screen where you can enter the financial professional's info. This is all you need:

A screenshot of a form titled "Financial Professional Information" with a close button (X) in the top right corner. At the top of the form, there are three buttons: "Save to Current Case and Close" (circled in red), "Save to Database", and "Select from Database". The form contains several input fields and a table. The fields are: Title (Ms.), First Name\* (Robin), Middle Name, Last Name\* (Peters), Suffix, Credentials, File As\* (Peters, Robin), Office Name, Broker / Dealer, Street\* (11920 Southern Highlands Parkway, Suite 200), City\* (Las Vegas), State\* (NV), and Zip Code\* (89141). The Phone\* field contains 702-550-7300. There are also empty fields for Fax and Email. A table with two columns, "State" and "License", is present. At the bottom, there are four checkboxes with associated text: "An IUL Continuing Education course as required by Iowa State Insurance Reg 15.84(2) has been completed.", "I agree to the terms and conditions required to run variable products. Click here to view the terms and conditions.", "I certify that I have been appointed by Penn Mutual to sell Accident and Health Insurance in the District of Columbia.", and "I understand and affirm that in order to receive numerical output from this illustration in a Microsoft Excel format, I will not use the output directly with a client or any third party not associated with The Penn Mutual Life Insurance Company. I also understand and affirm that I will adhere to regulatory requirements and company guidelines when communicating with a client, including but not limited to providing a full illustration or proposal." The last checkbox is checked. A note at the bottom states "\*Required for all Illustrations".

You can save them to the database so you can easily load them later. You'll use the "Save to Database" and "Select from Database" options to do that. To assign them to this case, you'll want

to select "Save to Current Case and Close." Then confirm that the new name is in the upper right corner under "Financial Professional."

The next step is to click on the "Policy Design" button in the left panel.

Here there are two kinds of fields: ones that will be the same in every single leveraging case you do (blue rectangles) and ones that will change based on information specific to this client (red circles). You can get the information for the red circles from the policy tab in the Why Life Spreadsheet.

Note: if there is more than one policy tab in the spreadsheet, you will need to create a separate illustration and submit a separate application for each of them.

The screenshot shows a software interface for policy design. At the top, there's a header with the user name 'Josie Hildebrand - Plan 2' and a user icon 'z.parry'. Below the header is a navigation bar with options like 'Cases', 'Add Plan', 'Output Types', 'Calculate', 'Share', 'Calculators', 'Tools', and 'Help'. The main interface is divided into several panels:

- PLAN MANAGER:** A table showing two plans:
 

PLAN	PRODUCT	CONCEPT	LIVES	TARGET PREM	TOTAL FACE	DBO	INITIAL PREM	PREM MODE	UNDE
1	Plan 1	Accumulation Builder Flex IUL	Ledger	1	17,152.27	2,098,393	Increasing	50,000.00	Annual
2	Plan 2	Guaranteed Whole Life	Ledger	1	18,803.52	2,430,645		54,000.00	Annual
- PRODUCT & CONCEPT:** Shows 'Guaranteed Whole Life' and 'Ledger'.
- CASE DESIGN:** A sidebar menu with 'Policy Design' highlighted in red.
- POLICY DESIGN:** A large section with various configuration options:
  - Face Design:
    - Total Face Amount Option: Minimum Non-MEC (blue rectangle)
    - Flexible Protection Rider (FPR):  Check if "Yes" (blue rectangle)
    - FPR Amount: Base Face Multiple (blue rectangle)
    - Ratio of FPR to Base (X:1): 0.20 (red circle)
    - Max Ratio of FPR to Base is (2:1): 7 (red circle)
    - Force to Next Higher Face Band:  Check if "Yes" (blue rectangle)
    - Exercise GPO:  Check if "Yes" (blue rectangle)
    - Illustrate Reduced Paid-Up:  Check if "Yes" (blue rectangle)
    - Reduced Paid-Up Age/Year: 20 (red circle)
    - Dividend Option after RPU: Paid-Up Additions (PUAs) (blue rectangle)
  - Premium Design:
    - Policy Payment Period: A100 Minus Issue Age (blue rectangle)
    - Scheduled Premium: 54,000.00 (red circle)
    - Month Initial Scheduled Premium is Received: 1 (red circle)
    - Premium Mode: Annual (red circle)
    - Prevent MEC?:  Check if "Yes" (blue rectangle)
    - Lump Sum Premium?:  Check if "Yes" (blue rectangle)
    - Term Conversion?:  Check if "Yes" (blue rectangle)
    - 1035 Exchange?:  Check if "Yes" (blue rectangle)
    - Premium Offset: None (blue rectangle)
    - Dividends:
      - Dividend Option: Paid-Up Additions (PUAs) (blue rectangle)
      - Alternate Dividend Assumptions: Specified Interest Rate Reduction (blue rectangle)
      - Interest Rate Reduction: 0.25% (red circle)
      - Solve Using Alternate Scale:  Check if "Yes" (blue rectangle)
    - Supplemental Ledger:
      - Include Growth Rate Column:  Check if "Yes" (blue rectangle)
- Policy Only Table:** A financial table with columns: Year, Scheduled Premium, Policy Cash Values, Death Benefit, YOY IRR, CV IRR, DB IRR.
 

Year	Scheduled Premium	Policy Cash Values	Death Benefit	YOY IRR	CV IRR	DB IRR
1	554,000	538,452	\$3,431,234	36.2%	-36.2%	4402.2%
2	554,000	572,802	\$2,508,393	17.2%	-23.6%	533.4%
3	554,000	\$117,095	\$2,752,637	7.7%	-15.4%	232.1%
4	554,000	\$178,685	\$3,608,215	4.4%	-7.4%	140.7%
5	554,000	\$247,085	\$3,270,990	6.2%	-2.9%	98.9%
6	554,000	\$315,753	\$3,533,944	6.9%	-0.7%	75.4%
7	554,000	\$388,710	\$3,797,859	5.2%	0.7%	69.6%
8	\$17,622	\$429,606	\$3,867,121	5.7%	1.2%	49.6%
9	\$17,622	\$473,221	\$3,939,373	5.8%	2.4%	41.8%
10	\$17,622	\$519,627	\$4,014,434	5.9%	2.9%	36.0%
11	\$17,622	\$568,271	\$4,092,124	5.8%	3.3%	31.6%
12	\$17,622	\$620,025	\$4,172,345	5.8%	3.6%	28.2%
13	\$17,622	\$675,095	\$4,255,272	5.9%	3.9%	25.4%
14	\$17,622	\$733,661	\$4,340,906	5.9%	4.1%	23.1%
15	\$17,622	\$795,871	\$4,429,271	5.9%	4.3%	21.1%
16	\$17,622	\$859,586	\$4,520,717	5.7%	4.4%	19.5%
17	\$17,622	\$927,242	\$4,615,446	5.7%	4.5%	18.1%
18	\$17,622	\$999,032	\$4,713,615	5.7%	4.6%	16.9%
19	\$17,622	\$1,075,218	\$4,815,350	5.8%	4.7%	15.9%
20	50	\$1,141,368	\$4,920,496	6.7%	4.8%	13.6%

In most cases, the premium mode is going to be annual (meaning, they will pay the entire first year's premium at once). In some cases, though, they'll pay monthly. There is no option to select "monthly" (that would be too obvious). Select "Penn Check" if they are paying their first year's

premiums in monthly installments. Then the client will need to change the payment mode to annually when they start financing subsequent years' premiums.

**\*Note: If the source of funds for your case is another cash-value policy, and you are doing a 1035 exchange, then mark "Yes" to "1035 Exchange?" on this page.**

Now you will go to the "Riders" page. Once you have set this up right once, there will only ever be one change you have to make to this page, and that's on the PUA:

The screenshot shows the 'Riders' configuration page for a 'Guaranteed Whole Life' policy. The 'Initial Annualized Premium' dropdown is set to 7. A red arrow points from this dropdown to the 'PUA' value of 7 in the 'Illustration' table.

PLAN	PRODUCT	CONCEPT	LIVES	TARGET PREM	TOTAL FACE	DBO	INITIAL PREM	PREM MODE	UNDE
1	Plan 1	Accumulation Builder Flex IUL	Ledger	1	17,152.27	2,098,393	Increasing	50,000.00	Annual
2	Plan 2	Guaranteed Whole Life	Ledger	1	18,803.52	2,430,645		54,000.00	Annual

**RIDERS**

Paid-Up Additions Rider (PUAR)

PUAR Type: Accelerated Permanent Paid-Up Additions (APPUA)

PUAR Premium: Fill In

Month Initial Scheduled PUAR Premium is Received: 1

PUAR Premium Mode: Same as Base (0.54)

Annual Payment Limit (APL): Set to Initial Planned PUAR Premium

Prevent PUA Premiums from exceeding APL:  Check if "Yes"

Discontinue Premium After Elimination Year:  Check if "Yes"

PUAR Rider Period: 7

Annualized Amount for Billing: Initial Annualized Premium

Waiver of Premium:  Check if "Yes"

Children's Term Insurance:  Check if "Yes"

Accidental Death Benefit:  Check if "Yes"

Guaranteed Purchase Option:  Check if "Yes"

Overloan Protection Benefit:  Check if "Yes"

Surrender Value Enhancement Rider:  Check if "Yes"

Assumed Rates	
Bonds	2.00%
Financing Rate	1.95%
Minimum Equity	5%
Term Deduction?	N
Amortize Interest	Y

Taxes	
Short Term	40%
Long Term	20%

Illustration	
FPR/STR Amnt	0.2
FPR/STR Years	7
RPU	20
PUA	7

You'll get that number from the Why Life spreadsheet on the policy tab. It will usually be "7."

Now go to the "Output Design" button under the "Case Design" tab in the left panel.

All of these settings will be the same in every single case you do. So make sure that your screen matches this one. Select Picture 78 for the front cover picture. That's the picture of the hot air balloon that is an internal marker for us indicating this is a leveraging case.

Top navigation bar: Josie Hildebrand - Plan 2, z.parry

Toolbar: Cases, Add Plan, Output Types, Calculate, Share, Calculators, Tools, Help

Financial Professional: Robin Peters

PLAN	PRODUCT	CONCEPT	LIVES	TARGET PREM	TOTAL FACE	DBO	INITIAL PREM	PREM MODE	UNDE
1	Plan 1	Accumulation Builder Flex IUL	Ledger	1	17,152.27	2,098,393	Increasing	50,000.00	Annual
2	Plan 2	Guaranteed Whole Life	Ledger	1	18,803.52	2,430,645		54,000.00	Annual

Left sidebar: PLAN MANAGER (Process: Current Plan), PRODUCT & CONCEPT (Guaranteed Whole Life, Ledger, Single Participant), CASE DESIGN (Insured, Policy Design, Income, Riders, **Output Design**), REPORTS

Output Design settings:

- Revised Illustration: No
- Subtotals: None
- Basic & Supp Ledger Pages-Switch to Landscape:  Check if "Yes"
- Include EOY Reduced Paid-Up Column:  Check if "Yes"
- Monthly Premium Summary:  Check if "Yes"
- Chronic Illness:
  - Chronic Illness Accelerated Benefit Payment Year: 20
  - Percent of Maximum Accelerated Benefit Payment: 100%
- Accelerated Death Benefit:
  - Accelerated Death Benefit Payout Year: 10
  - Percent of Death Benefit: 50%
- Additional Compliance Ledger Pages:
  - FPR Summary:  Check if "Yes"
  - Internal Rate of Return:  Check if "Yes"
  - IRR for PUA Rider:  Check if "Yes"
  - Distribution Summary:  Check if "Yes"
  - Tax Summary:  Check if "Yes"
  - CIAB Report:  Check if "Yes"
  - Cash Value Summary:  Check if "Yes"
  - Dividend Option Summary:  Check if "Yes"
- Optional Reports:
  - Illustration Details:  Check if "Yes"
  - Presentation Cover Page:  Check if "Yes"
  - Policy Summary:  Check if "Yes"
  - Front Cover Picture: Picture 78, View all picture options
  - Display Values Every: 5 Years
  - IRR Columns to Appear: Both IRR Columns
  - Summary Year Bar Graphs:
    - Chart 1 Year: 20
    - Chart 2 Year: 40
    - Chart 3 Year:
    - Chart 4 Year:
  - Guideline/7 Pay Report (for Financial Professionals Only):  Check if "Yes"

Now that you have input everything, up at the top left, click on "Cases" and then "Save as favorite."

Top navigation bar: Untitled - Plan 2, z.parry

Toolbar: Cases, Add Plan, Output Types, Calculate, Share, Calculators, Tools, Help

Financial Professional: Angela Malis

PLAN	PRODUCT	CONCEPT	LIVES	TARGET PREM	TOTAL FACE	DBO	INITIAL PREM	PREM MODE	UNDE
1	Plan 1	Accumulation Builder Flex IUL	Ledger	1	17,152.27	2,098,393	Increasing	50,000.00	Annual
2	Plan 2	Guaranteed Whole Life	Ledger	1	53,221.56	3,784,805		150,000.00	Annual

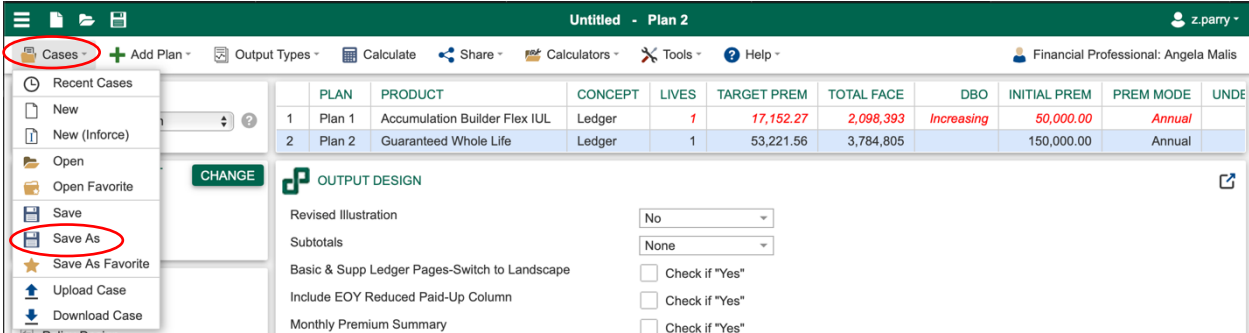
Left sidebar: Recent Cases, New, New (Inforce), Open, Open Favorite, Save, **Save As**, **Save As Favorite**, Upload Case, Download Case

Output Design settings:

- Revised Illustration: No
- Subtotals: None
- Basic & Supp Ledger Pages-Switch to Landscape:  Check if "Yes"
- Include EOY Reduced Paid-Up Column:  Check if "Yes"
- Monthly Premium Summary:  Check if "Yes"

This will make it so all your settings are saved and will be the first thing you see when you login in the future. Then on future illustrations you can just input the information in the fields I have indicated with red circles (the info you get from the Why Life Leveraging spreadsheet).

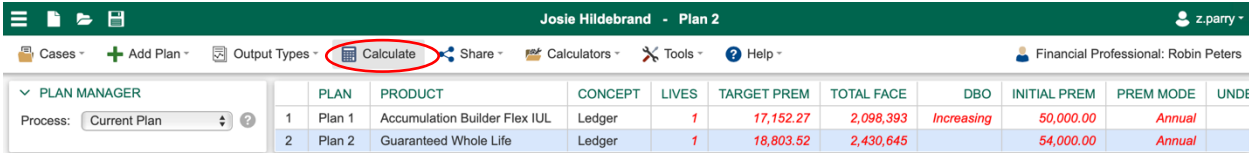
You only have to save this as a favorite once. Now click on “Cases” and select “Save As.”



Save it as the name of your client. Now, in the future, if you ever have to make changes to this illustration, you can just open it and make the changes.

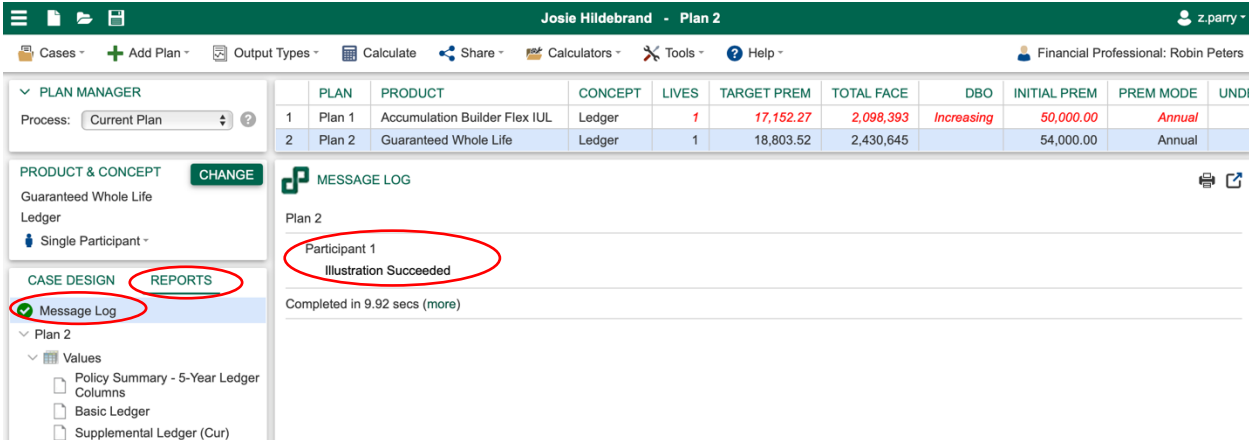
You will want to save a copy of every illustration you do for this reason.

Now that everything is saved, you are going to click “calculate” in the top:



After a few seconds, you will see the output screen. You should note that now, instead of being in the “Case Design” tab, you are in the “Reports” tab.

The first thing you will want to do is click on the “Message Log.” It should tell you the illustration succeeded and have a green checkmark next to “Message Log.” If the illustration as you entered it has a problem (like if it MECs), it will tell you here.





If it MECs, double check to make sure you entered everything correctly. If you think everything is in their correctly, and it still MECs, then you'll want to reach out to Nathan Stoddard at Desert Rose Capital Management, nathan@desertrosecapital.com.

Now click on "Policy Summary" on the left under "PDF." This will bring up the illustration. To save it, click the picture of the 1980s-style floppy diskette.

The screenshot shows a software interface with a table of plans and a policy summary report. The table has columns for PLAN, PRODUCT, CONCEPT, LIVES, TARGET PREM, TOTAL FACE, DBO, INITIAL PREM, PREM MODE, and UNDE. The report is titled "Policy Summary" and "Guaranteed Whole Life SM". It includes a large image of hot air balloons over a river valley and a smaller inset image. The report text includes "Prepared For: Josie Hildebrand", "Prepared By: Ms. Robin Peters", and "September 1, 2020".

PLAN	PRODUCT	CONCEPT	LIVES	TARGET PREM	TOTAL FACE	DBO	INITIAL PREM	PREM MODE	UNDE
1	Plan 1	Accumulation Builder Flex IUL	Ledger	1	17,152.27	2,098,393	Increasing	50,000.00	Annual
2	Plan 2	Guaranteed Whole Life	Ledger	1	18,803.52	2,430,645		54,000.00	Annual

**Policy Summary**  
Guaranteed Whole Life<sup>SM</sup>

Prepared For:  
**Josie Hildebrand**

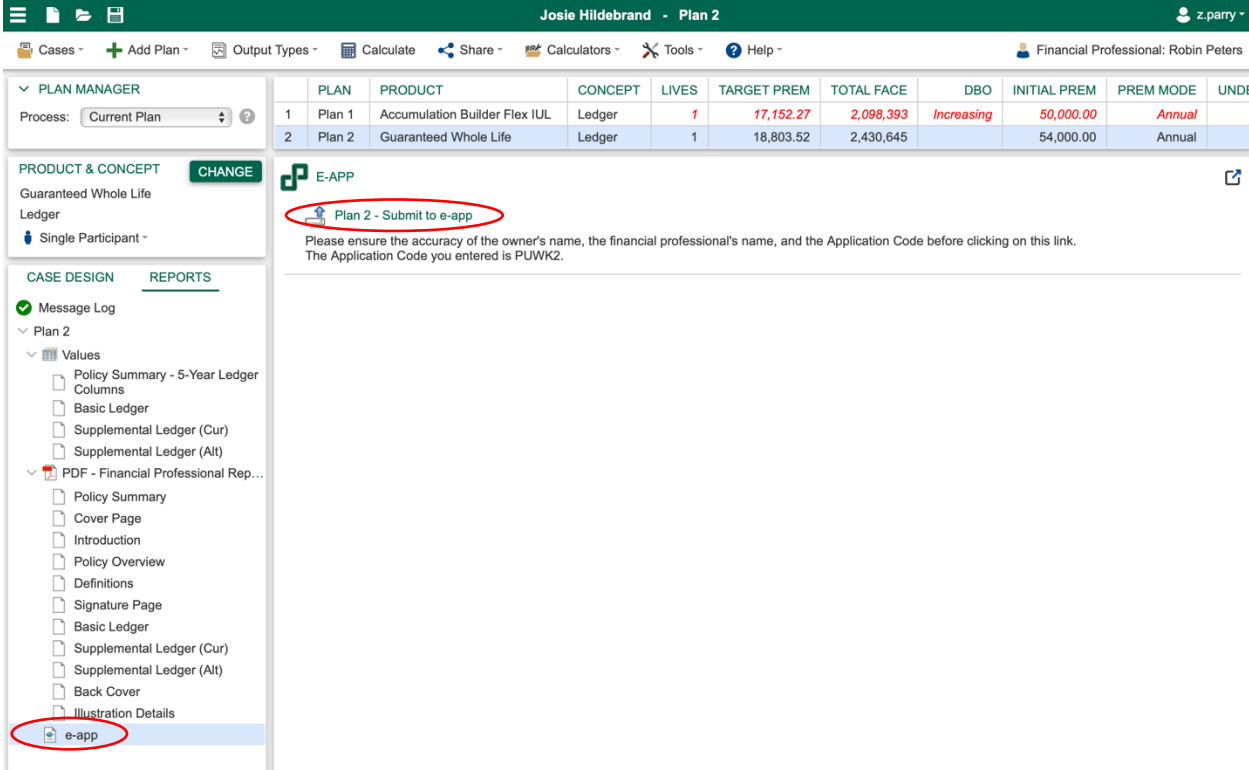
Prepared By:  
**Ms. Robin Peters**

**September 1, 2020**

If you entered the application code on the first page, then at the bottom of your choices in the left panel will be a button called "e-app." If you didn't enter it, you can go enter it now and click

“calculate” again. If you don’t have the application code yet, you can always come back later and add it. Make sure you save this case.

Once you do have the “e-app” button, click on it.



This will bring up another button that says “Submit to e-app.” Click on that. It should bring up a screen that says the application was successfully submitted.

Note, if the financial professional does not match the servicing agent on the application, you will not get an error here. You will get an error through ACE. The only way to fix it is to come back into this software, change the financial professional to match, then re-upload the illustration.

Now you have a copy of the illustration, the illustration is attached to the application, and the illustration is saved so if you need to make changes, you can come in and do so easily.