



Guardian's Dividend and Financial Performance

At Guardian®, we want to reassure you that we will be there when you need us most — today and well into the future. That's why the facts on the financial strength of a company should be considered in conjunction with other benefits, like the dividend offering.

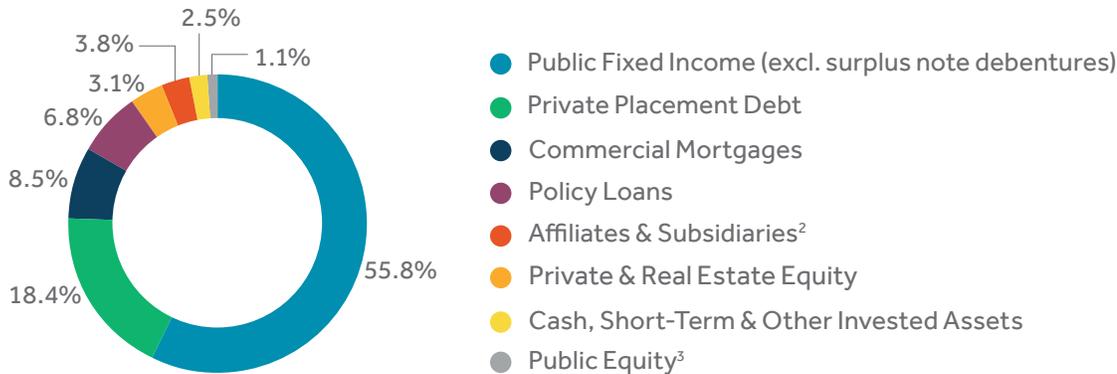
	2018*
Operating Income (Before Taxes and Dividends¹ to Policyholders)	\$1.6 Billion
Policyholder Dividends Declared	\$980.6 Million
Total Assets Under Management	\$73.9 Billion
Total Admitted Assets	\$58.5 Billion
Total Surplus	\$7.2 Billion

* All dollar amounts shown are as of 12/31/2018.

Guardian's capital strength allows for successful investment performance

Based on a five-year average, our capitalization ratio — i.e., the company's capital as a percent of total assets — is among the highest in the industry at an average of 14.7% for the five-year period ending in 2018. Our capital strength and long-term investment horizons enable us to take advantage of opportunities that offer potentially higher returns over time, while integrating asset maturities to fund liabilities. This carefully monitored balance of risk/return profiles delivers consistent, strong results.

Here is Guardian's investment portfolio as of 12/31/18:



“Everything we do is designed to reinforce Guardian’s status as a trusted mutual partner, delivering financial security how, when — and where our clients prefer.”

— Deanna M. Mulligan, President and Chief Executive Officer

How our financial strength benefits you⁴

Hearing about a company's success is great, but do you understand how that success impacts you? As a mutual life insurance company, Guardian does not answer to stockholders or Wall Street analysts. Our participating policyholders benefit directly from our success.

Consequently, any efficiencies we obtain in our operations are passed on to our clients through:

- Annual dividends paid on participating whole life policies
- A broad array of high-quality, affordable products
- Professional financial representatives
- Award-winning service and long-term claims-paying ability

How is our dividend determined?

The three core business disciplines in a life insurance company that impact dividends are:

- **Investment results** — Strong investment results mean the company is able to prudently manage a well-diversified, high-quality asset portfolio that backs its long-term obligations. Investment income earned in excess of the guaranteed⁶ interest rate comprises part of the dividend.
- **Mortality experience** — The company has good mortality experience if the number of death claims paid is less than the mortality assumptions used to provide the guarantees in whole life policies. The difference between actual experience and the guaranteed mortality in the policy is returned to the policyholder as part of the dividend.
- **Expense management** — If the company's expenses are lower than anticipated, those savings also help to support a more favorable dividend that year. Expenses are carefully monitored and controlled.

Guardian's 2018 key accomplishments:

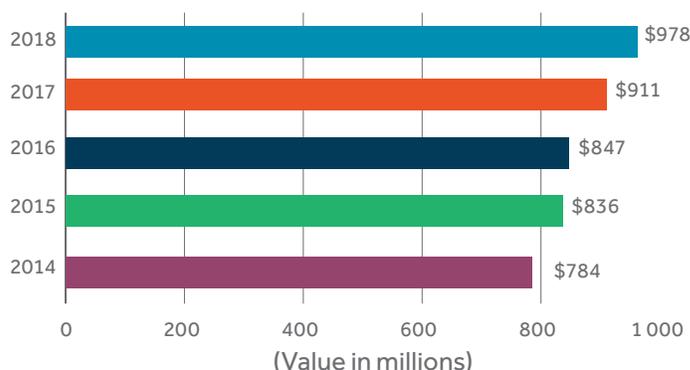
- We approved \$6.3 billion in total benefits and dividends to policyholders.⁵
- We increased our life insurance in force to \$667 billion, reflecting our overall business growth.⁵

The following example shows how a dividend is calculated using the three components just discussed, and is based on the 2019 dividend scale for a Guardian whole life policy:

Life Paid-Up at 99: \$500,000 face amount, Male, Age 45, Issued Preferred Plus Non-smoker

Interest Return	\$2,828
Mortality Return	\$1,523
Expense Return	\$2,904
Base Policy Dividend in Year 20	\$7,255

Guardian Announced Dividends 2014–2018:



The Guardian Life Insurance Company of America

guardianlife.com

New York, NY

¹ Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors. In addition, the Board established a minimum amount of the dividend allocation — no less than \$868 million, to be distributed in 2019 to participating life policyholders with policy dates of January 1, 1984 and later.

² Affiliates and Subsidiaries includes \$720 million in affiliates classified as LLCs on the annual statement that are not private equity.

³ Public Equity excludes bond and cash mutual funds and includes commodity ETFs.

⁴ Financial information concerning Guardian as of December 31, 2018, on a statutory basis: Admitted Assets = \$58.5 Billion; Liabilities = \$51.3 Billion (including \$44.3 Billion of Reserves); and Surplus = \$7.2 Billion.

⁵ On a consolidated basis.

⁶ All whole life insurance policy guarantees are subject to the timely payment of all required premiums and the claims-paying ability of the issuing insurance company.

Guardian® is a registered trademark of The Guardian Life Insurance Company of America.