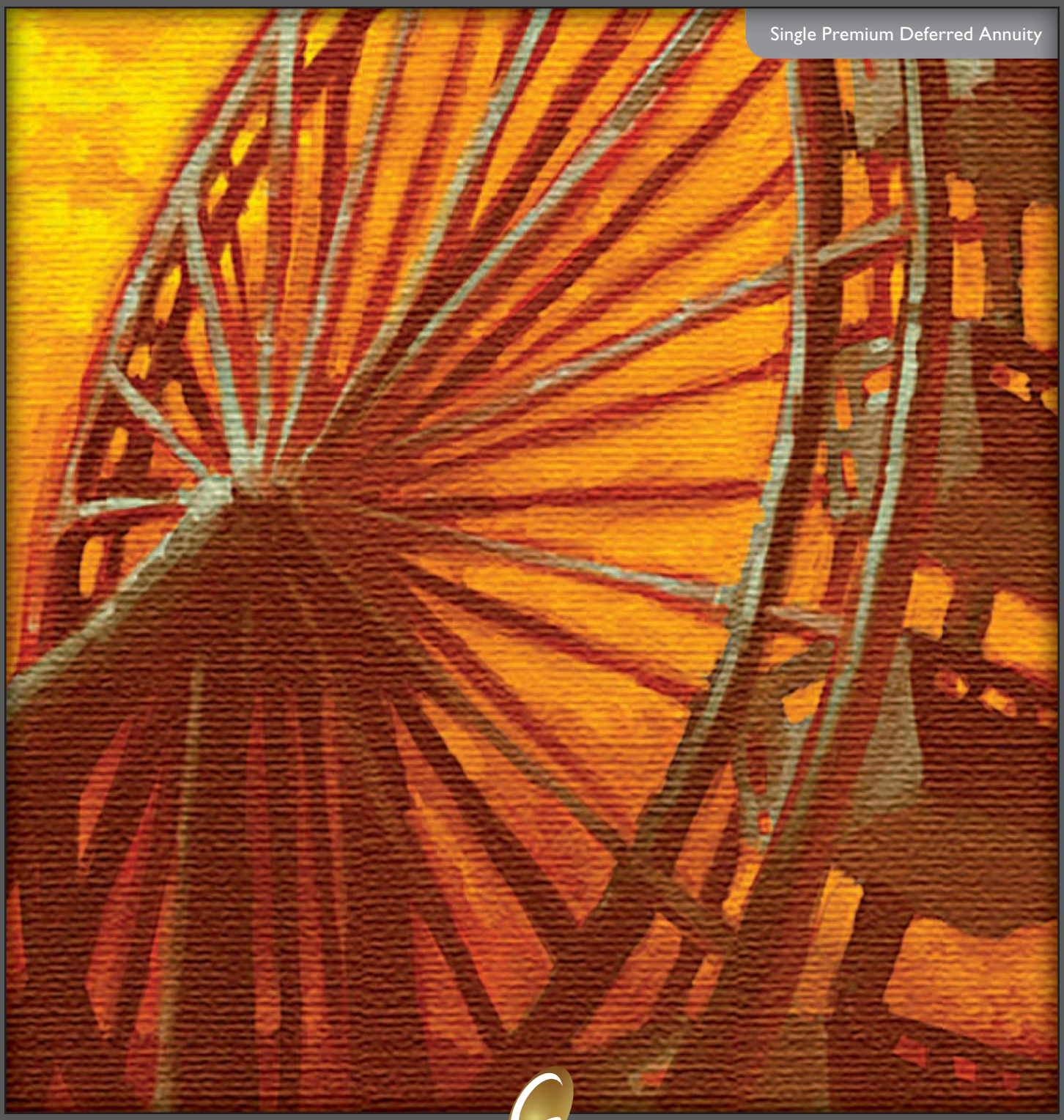
GUARDIAN | *Guardian Fixed Annuity*℠

Single Premium Deferred Annuity



GUARDIAN

Designed with **security** and flexibility for your retirement

Issued by The Guardian Insurance & Annuity Company, Inc.

When it comes to preparing for retirement…

Are you worried about:

- The ups and downs of the financial markets?
- Having enough income to continue the way you are living today?
- Safely securing the money you had set aside for retirement?
- Accessing your money when you need it the most?

If you're like most Americans, you're concerned about the challenge of preparing for and living through your retirement years. The **Guardian Fixed Annuity**℠ can help you achieve your retirement planning goals.

Why Choose a Fixed Annuity?

A fixed annuity may be beneficial to your retirement goals because it can provide a secure way to protect your assets and allow you to know how much you will earn each year from them.

A fixed annuity is a financial product issued by an insurance company. The insurance company guarantees your principal (your initial single premium payment) subject to any withdrawals and surrender charges, a fixed interest rate of return and a regular stream of income for a chosen period of time. These guarantees are backed by the strength and claims-paying ability of the issuing insurance company.

On the Cover
FLEXIBLE STRENGTH—
The Ferris wheel has been a fixture at carnivals and fairs since 1893 because of its simplicity of motion and the relatively safe feeling it gives to its riders. We cannot help but see the similarities of our Guardian Fixed Annuity's features and benefits to this long-time running attraction.

Why Choose the Guardian Fixed Annuity℠?

The Guardian Fixed Annuity℠ is issued by The Guardian Insurance & Annuity Company, Inc. (GIAC), a wholly owned subsidiary of The Guardian Life Insurance Company of America. Guardian is a mutual life company founded in 1860. Mutual insurance companies are not publicly traded and do not have any shareholders; therefore, when it comes to making sound decisions, we can focus on the interests of our policyowners, not the price of our stock.

The Guardian Fixed Annuity℠ continues GIAC's tradition of offering competitive products and services to help meet your financial needs. Your annuity's **accumulation value**—which equals your single premium payment plus interest credited to your annuity at the stated interest rates, less any withdrawals including surrender charges—and other contract guarantees are guaranteed solely by the financial strength and claims-paying ability of GIAC. We have reflected our commitment to policyholders by maintaining stability and by providing the highest level of service. GIAC has also received exemplary ratings from the four major independent rating services, as shown in the chart below.

GIAC Ratings as of December 31, 2009			
Agency	Rating	Meaning	Ranking
A.M. Best Company	A++	Superior	The highest of 16 ratings
Fitch Ratings	AA+	Very Strong	2nd highest of 24 ratings
Moody's Investors Service	Aa2	Excellent	3rd highest of 21 ratings
Standard & Poor's	AA+	Very Strong	2nd highest of 20 ratings

Ratings are subject to change .

About the Guardian Fixed Annuity℠

The Guardian Fixed Annuity℠ is a fixed single premium deferred annuity issued by GIAC. As a long-term, retirement-oriented savings tool, the Guardian Fixed Annuity℠ offers:

- A choice of **initial guarantee periods** of:
  - **one-year**
  - **five-years**
  - **three-years**
  - **seven-years**

  Only one initial guarantee period can be chosen per annuity.
- Tax deferral on any interest credited to the annuity.
- An opportunity to have guaranteed income for life.

A Choice of Initial Guarantee Periods

The Guardian Fixed Annuity℠ offers you a choice of initial guarantee periods of one, three, five and seven years. Your single premium will earn interest for the duration of the chosen initial guarantee period at the current interest rate established by GIAC. At the end of the chosen initial guarantee period, we will renew your annuity at a new competitive interest rate for the next contract year. This fixed rate will be guaranteed for one contract year only, and may change to a new fixed rate on your annuity's next contract anniversary. The new interest rate will be based upon the renewal rates declared by GIAC at the time. The rate credited in any given contract year will never be less than the minimum guaranteed interest rate shown in your annuity contract.

Extra Credit Rate

If you choose the five- or seven-year initial guarantee period, we will increase the fixed rate paid during the first contract year by an additional 1.00% interest. This additional interest will not be included in any renewal rates.

Tax-Deferred Growth

When you purchase a Guardian Fixed Annuity℠, you get to enjoy the benefits of **tax deferral**. This means you pay no current income taxes on the interest earned as long as it remains in the annuity. You have more money working toward your financial goals. IRAs and other qualified plans receive tax deferral under the Internal Revenue Code. While you can use money held in such plans to purchase a Guardian Fixed Annuity℠, you will receive no additional tax benefits. However, an annuity can provide additional insurance benefits, such as death benefit protection and the possibility of income for life.

Low Minimum

With a one-time minimum payment of $5,000, the Guardian Fixed Annuity℠ can fit into your plan and help you supplement your retirement income.

No Initial Sales Charge

100% of your money goes to work for you immediately.

No Administrative Fees

Unlike some annuity contracts, during your accumulation period, the Guardian Fixed Annuity℠ has no contract fees or charges, which helps preserve your earnings.

Accessing Your Money

You may withdraw your money held in the Guardian Fixed Annuity℠ at any time. Please note that during the first seven years of your annuity, a surrender charge will be applied to a full surrender of the annuity or to any amounts withdrawn from your **chargeable premium balance**, which initially equals your single premium payment. However, before we apply any withdrawal against your chargeable premium balance, we will allow you to first withdraw the following amounts without a surrender charge in this order:

- 100% of your interest credited to your annuity at any time, and then
- 10% of your chargeable premium balance, called your **free withdrawal amount**, each contract year on a non-cumulative basis.

You can access your surrender-charge-free amounts as a single withdrawal or through scheduled withdrawals. Please note that certain minimums and restrictions may apply to withdrawals.

For a full surrender of your annuity or partial withdrawals of your chargeable premium balance above your free withdrawal amount, the surrender charge schedule, shown in the table at right, will be applied.

The surrender charge percentage depends on the contract year during which a withdrawal of chargeable premium is made above your free withdrawal amount. For example, if you were to withdraw $5,000 of chargeable premium, which is above your free withdrawal amount, during the 3rd contract year, GIAC will assess a 6% surrender charge and deduct $300 from that withdrawal. If a chargeable premium withdrawal above your free withdrawal amount is made during the 4th contract year, the surrender charge percentage would equal 5%, and so on.

Surrender Charge Schedule

Contract Year	Surrender Charge
1	7%
2	7%
3	6%
4	5%
5	5%
6	4%
7	3%
8 and after	0%

Your annuity's chargeable premium balance will be reduced by the amount of the chargeable premium withdrawal above your free withdrawal amount. Using the example on the previous page, the chargeable premium balance would be reduced by $5,000. The chargeable premium balance will continue to equal this new amount until another withdrawal (if any) of chargeable premium is made above your free withdrawal amount. Your chargeable premium balance will not be reduced by any withdrawal of your free withdrawal amount.

Additional Surrender Charge Waivers

In life there are events that may cause you to access your monies held in the Guardian Fixed Annuity℠ sooner than you had originally planned. For such events, your Guardian Fixed Annuity℠ is flexible enough to meet your needs. Automatically issued with your annuity at no additional cost are:

- **The Nursing Home Waiver**—Subject to state availability, withdraw surrender-charge-free any amount when the annuity owner is confined to a skilled nursing facility for a consecutive 90-day period that began after GIAC issued your annuity. This waiver's benefit can only be exercised after the first contract year. Certain restrictions and requirements apply.
- **The Terminal Illness Waiver**—Subject to state availability, withdraw surrender-charge-free any amount when, after GIAC had issued your annuity, the annuity owner is diagnosed by a licensed medical doctor as having a condition likely to result in death within six months. Certain restrictions and requirements apply.
- **Required Minimum Distribution Waiver**—Withdraw surrender-charge-free the amount that you are intending to use to satisfy the required minimum distribution (RMD) rules under the Internal Revenue Code based solely on using the applicable calendar year-end value of your Guardian Fixed Annuity℠. Certain restrictions and requirements apply.

Annuity Payout Options

The Guardian Fixed Annuity℠ offers a variety of annuity payout options to you when you wish to stop the accumulation period of your annuity and start to receive payments (payouts) from it. The available options, which may vary by state, are:

Payout Option	Benefit
Life	Guarantees payouts for as long as the annuitant lives.
Life with Guaranteed Period	Guarantees payouts for as long as the annuitant lives. You may choose a guaranteed period of 1-30 years. If the annuitant dies within the guaranteed period, you can receive the balance of payouts for that period or the present value of the annuity as a lump sum.
Joint and Survivor Life	Guarantees payouts for as long as the annuitant and joint annuitant are living and during the survivor's remaining lifetime. This option is also available with a guaranteed period.
Payments for a Period Certain	Payouts are made for a specific time period of 10 or 15-30 years.
Payments to Age 100	Payouts are made for a number of whole years that is equal to 100 minus the annuitant's age on the birthday nearest the annuity commencement date when annuity payments begin.

Tax Considerations for Making Withdrawals

When you make a withdrawal from your annuity that is not a part of an annuity payout option, interest credited to your annuity must be withdrawn first, and any chargeable premium second (if needed), to equal your requested amount. You will need to pay ordinary income tax on the withdrawal of any interest credited to your annuity. In addition to ordinary income tax, you may also need to pay a federal income tax penalty of 10% if the withdrawal was made prior to your attaining age 59½. A withdrawal of your chargeable premium would be free of federal income tax if it consists solely of after-tax dollars, but may be subject, depending on your state, to an annuity tax.

Payouts made under an annuity payout option will consist of both the interest credited to your annuity and your initial premium payment.

If you purchased your annuity using money from a traditional IRA or another qualified retirement plan, generally, the entire amount of the withdrawal is subject to ordinary income tax when it is paid to you. However, you can roll over that withdrawal to another traditional IRA or an acceptable retirement plan free of any taxes.

Preserving Your Legacy

Another benefit of the Guardian Fixed Annuity℠ is that your annuity's accumulation value, which equals your single premium payment and any interest credited to the annuity, less any withdrawals including surrender charges, is guaranteed for your annuity's beneficiary in the form of a **death benefit**. Depending on your state, an annuity tax may be deducted from the payable death benefit. This death benefit will be made available to your beneficiary if you die before you start to receive payouts from an annuity payout option. This guarantee is backed by the claims-paying ability and financial strength of GIAC.

Beneficiary Payout Options

Your annuity's beneficiary has a variety of options for receiving the death benefit. Your beneficiary may defer receiving the death benefit for up to five years, immediately take a lump sum payment or choose one of the same annuity payout options that are made available to you during your lifetime.

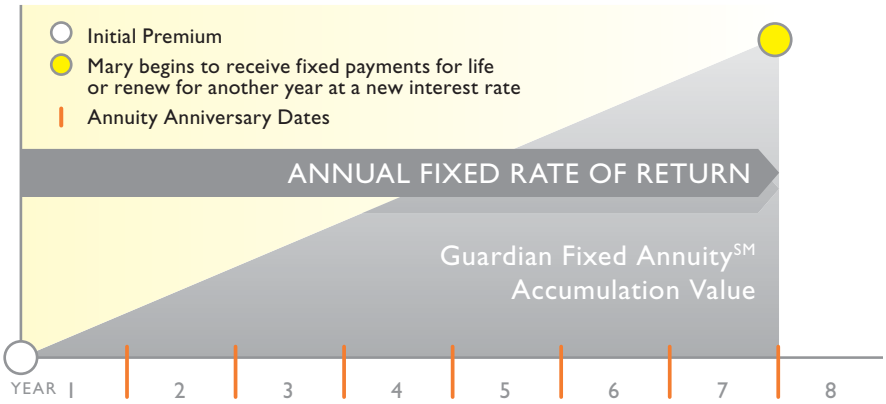
Spousal Continuation Option

Upon your death, your spouse can continue the Guardian Fixed Annuity℠ and assume ownership of it tax-free provided that he or she was named as either the sole joint owner or the sole surviving primary beneficiary under the annuity. In addition, when your spouse assumes ownership of the annuity under the Spousal Continuation Option, surrender charges will not be applied to a full surrender of the annuity or to any partial withdrawals.

The Guardian Fixed Annuity℠ Solution

To help you better understand how the Guardian Fixed Annuity℠ may fit into your plan for retirement and possibly help you prepare for and live through your retirement years without outliving your assets, take a look at these three scenarios.

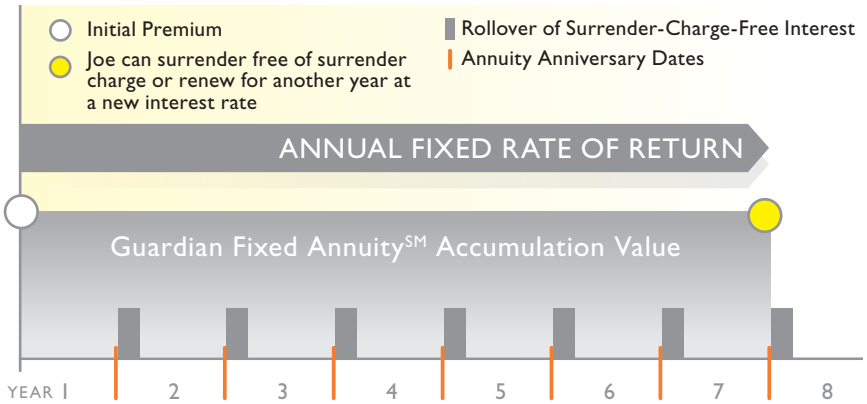
MARY is 56 years old and is hoping to retire in about seven years. She has $100,000 saved outside her retirement plans and wants to make it work for her. She is concerned with investing in financial products that rely on the stock market for their returns and value, because she doesn't like the volatility and unpredictability of the stock market. She also wants a guaranteed income stream for when she is ready to retire.



This chart is for hypothetical purposes only. It assumes no withdrawals from the annuity's accumulation value. It also assumes a single fixed rate of interest for seven years. If another Guardian Fixed Annuity℠ initial guarantee period were to be illustrated, this hypothetical illustration would look different.

The Guardian Fixed Annuity℠ can offer Mary a guaranteed annual rate of return on her $100,000 for seven years under its seven-year initial guarantee period. The annual rate of return will not change each year until the end of the seven-year guarantee period. At that time, if Mary is ready to retire, she can receive annuity payments for life from her Guardian Fixed Annuity℠.

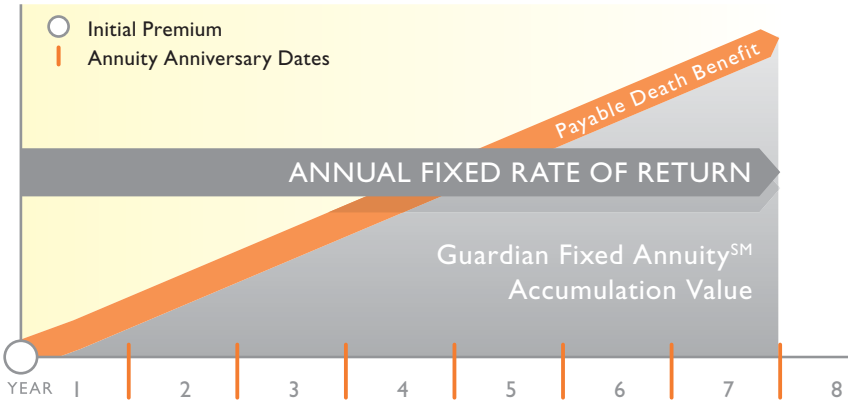
JOE is 52 years old and has $75,000 in a traditional IRA. Joe also wants to make this money work for him. He likes the way the stock market has been performing and wants to get in, but without having the risk of losing it all.



This chart is for hypothetical purposes only. It assumes no withdrawals from the annuity's chargeable premium balance. It also assumes a single fixed rate of interest for seven years. If another Guardian Fixed Annuity℠ initial guarantee period were to be illustrated, this hypothetical illustration would look different. Withdrawals from a traditional IRA are taxed as ordinary income and if taken prior to the IRA owner attaining age 59½ may be subject to an additional 10% federal income tax penalty.

Using his traditional IRA monies to purchase the Guardian Fixed Annuity℠, Joe will be able to roll over (withdraw) the interest credited to the annuity without a surrender charge to his traditional IRA. Joe can then invest that money in whatever equities or financial products he wants that are allowed under his traditional IRA. All the while, Joe's original $75,000 is safe and guaranteed inside his annuity by the claims-paying ability and financial strength of GIAC.

BETH is 75 years old. She has $200,000 and is concerned about leaving enough of her assets to her loved ones since her assets are heavily invested in equities. She is also concerned about having access to her money if she were to become ill or require more assistance in her daily activities.



This chart is for hypothetical purposes only. It assumes no withdrawals from the annuity's accumulation value. If any withdrawals were made from the annuity contract, the payable death benefit would be reduced by each withdrawal including any surrender charge and any annuity taxes. If withdrawals were taken into account in this hypothetical illustration, the payable death benefit depiction in this chart would be significantly reduced and it would look different from what is being shown here. It also assumes a single fixed rate of interest for seven years. If another Guardian Fixed Annuity℠ initial guarantee period were to be illustrated, this hypothetical illustration would look different.

◀ Before Beth starts an annuity payout option, the Guardian Fixed Annuity℠ will pay a death benefit to Beth's named beneficiary on her annuity in the event of her death. The death benefit will equal her annuity's accumulation value less any annuity taxes, depending on her state. If Beth were to be confined to a skilled nursing home for more than 90 consecutive days after she purchased her annuity, she may withdraw any amount surrender-charge-free from her annuity after her first contract anniversary and prior to her receiving payouts under an annuity payout option. Any withdrawals will reduce the payable death benefit. Certain requirements and restrictions apply.

Flexible Security for Your Retirement Today

Talk with your financial professional today about The Guardian Insurance & Annuity Company's Guardian Fixed Annuity℠. He or she will be able to walk you through the benefits of the annuity and show you how it may help you achieve your goal of a comfortable retirement.

This document is not a legal contract. For exact terms and conditions, please refer to the annuity contract.

Guardian Fixed Annuity℠ is a service mark of and is issued by The Guardian Insurance & Annuity Company, Inc. (GIAC), a Delaware corporation whose principal place of business is 7 Hanover Square, New York, NY 10004. (800) 221-3253.

GIAC is a wholly owned subsidiary of The Guardian Life Insurance Company of America.

Form numbers 10-IFA, 10-WSC

Product availability and features may vary by state.

Principal, stated interest rates and other contract guarantees are guaranteed solely by the claims-paying ability and financial strength of The Guardian Insurance & Annuity Company, Inc.

For more information about GIAC's Guardian Fixed Annuity℠ or to obtain current initial guarantee period interest rates, please contact your investment professional or call GIAC at (800) 221-3253.

© 2010 The Guardian Insurance & Annuity Company, Inc.
All rights reserved.

www.GuardianInvestor.com

Not a Deposit	Not FDIC or NCUA Insured	No Bank or Credit Union Guarantee

GUARDIAN

FB 015783 (2/10)