



**TO SERVE TO LEAD TO THRIVE TO PROTECT
FOR CHANGE FOR THE FUTURE TO RESPOND
TO ACT TO LEARN TO GROW TO RENEW**

**READY
TO SERVE**



DEANNA M. MULLIGAN

President and Chief Executive Officer

DEAR POLICYHOLDERS:

With a legacy that began in 1860, Guardian's talented professionals have always been ready to adapt and evolve to meet the needs of a fast-changing world — and this year was no different. We faced political uncertainty, responded to several natural disasters and navigated through new tax legislation, to name just a few examples. It was a challenging year. But, with the knowledge and expertise of 157 years on our side — we were ready. Ready to serve our communities when they were left vulnerable to forces beyond their control, and ready to meet the needs of our clients how, when and where they prefer. Guided by the values on which our Company was founded, 2017 proved another strong year.

OUR VALUES

- WE DO THE RIGHT THING
- PEOPLE COUNT
- WE HOLD OURSELVES TO VERY HIGH STANDARDS

READY TO SERVE OUR CLIENTS

Whether it was an individual who was placed on disability after an unexpected accident or a small-business owner looking to provide benefits to her employees — we were ready to deliver exceptional service that met the unique needs of each of our clients.

We formalized a real-time client feedback process this year with the launch of our Voice of the Customer program.

And, quarter after quarter — they told us that when they reached out to us, they would not only get a quality product but also the benefit of a person who has great expertise and who cares.

This sentiment was validated by our retirement clients for the seventh consecutive year and our disability income insurance clients for the first time this year with J.D. Power's recognition for "Outstanding Customer Service Experience" for the live phone channel at our Guardian Retirement and Disability Income Insurance Contact Centers. Also, this year, the industry's DALBAR Service Excellence Award was received by our Individual Life, Individual Disability, Annuity and Individual Markets Claims areas.

READY TO GROW OUR BUSINESS IN NEW AND INNOVATIVE WAYS

Our service translated into strong financial performance, even with a challenging low interest rate environment. Once again, the Company delivered its largest policyholder dividend in our history, at \$913 million, and we kept our dividend rate steady. We also achieved record earnings of \$1.6 billion, ending the year with \$8 billion in capital, and expanded our services to reach over 26 million clients.

This growth was supported by innovation. We turned first to the expertise of our colleagues when we launched our innovation challenge program. Five thousand colleagues

OUR ACCOLADES

Perfect Score of 100 in the Human Rights Campaign Foundation's 2017 Corporate Equality Index

HUMAN RIGHTS CAMPAIGN

7th Consecutive Outstanding Customer Service Experience for Guardian Retirement Contact Center and 1st year for Individual Disability Insurance Contact Center

J.D. POWER

Recognition for Service Excellence Across 6 Unique Client Support Departments

DALBAR

and 50 external partners generated 1,300 ideas to develop new solutions to address some of our emerging business challenges. Ideas in development range from a match-making service for potential clients to find the best advisor for them to ways of making our business more environmentally sustainable.

We applied technology to deliver more meaningful interactions with our clients by adopting a mobile, cloud-first technology approach, piloting solutions driven by artificial intelligence and adding more self-service capabilities across all our products to meet the requests of our clients. We are also using automation in many areas of our operations to improve efficiency for clients and colleagues so that they can spend more time working with people rather than paper.

And, to be ready to meet the growing needs of an increasingly digital world, we launched our new Strategy and Customer Development function to strengthen our client focus across all our business lines and to advance our digital experience.

READY TO INVEST IN OUR COLLEAGUES AND OUR COMMUNITIES

We continued to invest in our colleagues so that they could build new capabilities and acquire new credentials at every stage of their careers. For example, we launched our Executive Leadership Development Program for rising leaders and formed partnerships for advanced training opportunities with organizations such as General Assembly, a company focused on bringing digital education to workplaces. In our communities, we worked with organizations such as Girls Who Code, Year Up and Harbor House to empower the next generation of talent with access to the tools and training needed to be successful in the workforce now and be ready for the future.

We continue to move into state-of-the-art work environments to enable our teams to deliver the best for our clients. Early in the year, our colleagues settled into our Bethlehem, Pennsylvania, campus while preparing our Holmdel, New Jersey, location in the former Bell Labs headquarters for occupancy. We also finalized the lease for our new corporate headquarters in New York City at Hudson Yards, a project billed as the city of the future. We are preparing our office spaces across the country to promote collaboration, mobility and innovation, and to build upon our goals for sustainability and workplace enhancement, which in turn will help us better serve our clients.

And, when disaster struck — we were ready. Our colleagues brought our values to life when they came together to respond to Hurricanes Harvey, Irma and Maria. Whether it was securing hotel rooms so that their peers and their families who were in the path of the hurricanes had a safe haven, launching employee giving programs or calling clients to ensure they were safe and had received their payments — we continued to hear extraordinary accounts of individuals who went above and beyond to support their communities. This past year, our colleagues spent more than 10,000 hours volunteering in the communities where we live and work, and donated hundreds of thousands of dollars.

We come to work every day to serve our clients. Our values — which guide each of the decisions made by our colleagues — keep us strong, so that we are always ready to serve. The stories that follow are examples of how, by living our values, we deliver every day for the people who matter most: our colleagues, partners, clients and communities.

Sincerely,



DEANNA M. MULLIGAN

President and Chief Executive Officer

READY TO LEAD

EXECUTIVE LEADERSHIP



▼ Pictured from left to right:

DEANNA M. MULLIGAN
President and Chief
Executive Officer

MARC COSTANTINI
Executive Vice President,
Group and Worksite Markets

DEAN DEL VECCHIO
Executive Vice President,
Chief Information Officer
& Head of Enterprise
Shared Services

ERIC R. DINALLO
Executive Vice President
and General Counsel

CHRIS DYRHAUG
Executive Vice President,
Individual Markets

MICHAEL FERIK
Executive Vice President
and Chief Financial Officer

ANDREW MCMAHON
Executive Vice President
of Strategy and Customer
Development

JAY ROSENBLUM
Senior Vice President
and Chief Human
Resources Officer

THOMAS G. SORELL, CFA
Executive Vice President and
Chief Investment Officer

BOARD OF DIRECTORS

As of March 2018:

JOHN J. BRENNAN
Chairman Emeritus, Vanguard
Director since 2011

LLOYD E. CAMPBELL
Consultant, Spencer Stuart
Director since 2006

RICHARD E. CAVANAGH
Retired President and Chief
Executive Officer,
The Conference Board, Inc.
Director since 1998

NANCY E. COOPER
Former Chief Financial
Officer and Executive
Vice President, CA
Technologies, Inc.
Director since 2012

**DEBORAH L. DUNCAN
(LEAD DIRECTOR)**
Senior Advisor, Director,
and Former Executive Vice
President and Chief Financial
Officer, Fremont Group
Director since 2006

WILLIAM C. FREDA
Retired Senior Partner and
Vice Chairman, Deloitte
Director since 2014

CHRISTOPHER T. JENNY
Senior Advisor,
EY-Parthenon
Director since 2017

DEANNA M. MULLIGAN
President and Chief Executive
Officer, Guardian
Director since 2011

GARY A. NORCROSS
President, CEO and
Director, FIS
Director since 2017

Independent Accountants
PricewaterhouseCoopers LLP
New York, NY

Full biographies and
committee assignments
for the Board of
Directors can be found
online at
guardianlife.com/board.

FINANCIAL INFORMATION

HIGHLIGHTS

(On a consolidated basis)

ASSETS UNDER MANAGEMENT

2017

\$71.5B

2016

\$66.5B

PREMIUMS

2017

\$9.4B

2016

\$9.3B

POLICYHOLDER DIVIDENDS DECLARED

2017

\$913M

2016

\$850M

OPERATING INCOME

2017

\$1.6B

2016

\$1.5B

BENEFITS PAID TO POLICYHOLDERS

2017

\$6.1B

2016

\$5.9B

(Before taxes and dividends to policyholders)

CAPITAL

2017

\$8.0B

2016

\$7.4B

LIFE INSURANCE IN FORCE

2017

\$637B

2016

\$600B

RATINGS

MOODY'S INVESTORS SERVICE

Aa2

**EXCELLENT –
3RD HIGHEST
OF 21 RATINGS**

A.M. BEST COMPANY

A++

**SUPERIOR –
HIGHEST OF 15
RATINGS**

STANDARD & POOR'S

AA+

**VERY STRONG –
2ND HIGHEST OF
22 RATINGS**

FITCH

AA+

**VERY STRONG –
2ND HIGHEST OF
21 RATINGS**

COMDEX

98

The ratings of The Guardian Life Insurance Company of America* (Guardian) quoted in this report are as of December 31, 2017, and are subject to change. The ratings earned by Guardian do not apply to the investments issued by The Guardian Insurance & Annuity Company, Inc. (GIAC) or offered through Park Avenue Securities LLC (PAS). Rankings refer to Guardian's standing within the range of possible ratings offered by each agency. Comdex is not a rating but a composite of all ratings that a company has received from the four major ratings agencies (A.M. Best, Fitch, Moody's and Standard & Poor's). Comdex represents a company's percentile standing, on a scale of 1 to 100 (with 100 being the best), in relation to other companies that have been rated by the major agencies.

READY TO THRIVE



WATCH ELISHA'S
VIDEO

[guardianlife.com/
elisha](https://guardianlife.com/elisha)



WITH THE HELP OF HARBOR HOUSE AND GUARDIAN'S STEP UP PROGRAM, ELISHA SHEPARD REENTERED THE WORKFORCE AND FOUND HER VOICE.

It seemed that Elisha had done everything right to have the life she dreamed of. She married her pastor's son and planned on having six children to fill her home with life and love. She had degrees in business administration and IT and was working as a manager for a small business focused on construction and restoration in Appleton, Wisconsin.

But one week into her marriage she began to notice drastic changes in her husband's behavior. "I was in an abusive marriage," she explains. "Over the course of time, without realizing it, someone completely robbed me of my value."

Elisha gave up her career to focus on her family, spending much of her time home-schooling her children. When she tried to get involved in community activities or volunteer for causes she cared about, the violence at home increased, making it impossible for Elisha to make full use of her education and professional experience.

Six years into her marriage, she decided to take action and started reaching out to people and organizations for help. That's when she found Harbor House, a domestic violence shelter that offers resources such as legal and economic advocacy, and a program called Step Up. Ann Munro, Harbor House's Economic Advocate, had been developing the program in partnership with Guardian to pair women in domestic abuse situations like Elisha's with businesses that could help.

Reentering the workforce is one of the obstacles confronting survivors of domestic abuse, because potential employers may be wary of hiring someone with holes in their work history. In response, the eight-week Step Up program includes assessment testing, résumé building, mock interviews and mentors from Guardian who help participants reignite their careers and reclaim their lives. Participants who complete the program are guaranteed a job interview with Guardian. "For me, the Step Up program helped to create connections that I was not able to create on my own," Elisha says.



"STEP UP HELPED ME TO CREATE CONNECTIONS. NOW, AS A STEP UP MENTOR, I GET TO GIVE BACK BY HELPING OTHERS."

ELISHA SHEPARD

Having made a powerful impression on Lisa Stevens, a talent management director with Guardian and a Step Up mentor, Elisha interviewed for a role at Guardian and was hired. Now, Elisha is a business analyst in the Company's Appleton office, where she has also taken on the role of regional coordinator of the Women's Leadership Network, an employee resource group in Guardian offices nationwide that fosters the advancement of women in leadership. Elisha is now thriving as she pays it forward to other women: "I think it's really powerful to have the ability — to have the opportunity — to look at another person and encourage them in their value."



READY TO PROTECT

GUARDIAN AND SERVICE TIRE CREATED A NEW BENEFITS PACKAGE THAT HELPS RETAIN EMPLOYEES AND RECRUIT DIVERSE TALENT.

Service Tire Truck Centers, headquartered in Bethlehem, Pennsylvania, has built its reputation on expert tire services, a commitment to sustainability of the environment and new technology to help serve its customers better. The company specializes in tire retreading, a process that reuses old tires instead of producing new ones. It uses less oil and energy and keeps old tires out of landfills. “We’ve been green since the 1960s, before it became fashionable,” explains Stan Carreras, Service Tire’s branch manager.

Today, Service Tire’s employees are busier than ever, as more clients, including Fortune 500 companies, require green initiatives and constant oversight of their trucking fleets. For Service Tire’s workers, such as those in the roadside service unit, it can be a risky job. “What they’re doing is inherently dangerous — they’re airing up tires. If it’s not done properly, they could explode,” Stan says. In this high-demand environment, employee retention is more important than ever. To attract and retain qualified professionals for such demanding work, Service Tire has turned to Guardian to create an attractive benefits package.

When Mary Cole, a Guardian group benefits account manager, first met Service Tire’s human resources manager, Kathy Propsner, Service Tire only offered dental and basic life insurance to its employees. The company now offers an array of low-cost, no-cost and voluntary benefits options to employees. As a portfolio, these benefits can help to alleviate costs related to high-deductible, high-copay health insurance plans. These voluntary benefits, including

critical illness and accident coverage, pay customers directly upon proof of the condition. “Being able to work with Guardian and having all of those different options in one place has been great,” Kathy says.

With these benefits in place, Kathy knows there are more opportunities ahead. “As Service Tire moves into the next phase of growth, enabled by cloud-based services and automation, having a strong benefits plan will help us recruit the new kinds of talent we need to attract for our future.”



“AS AN ACCOUNT MANAGER, MY RESPONSIBILITIES INCLUDE MAKING SURE THE CUSTOMERS ARE TOTALLY SATISFIED WITH THE SERVICE THEY RECEIVE FROM GUARDIAN.”

MARY COLE



WATCH SERVICE TIRE'S VIDEO
guardianlife.com/sttc

READY FOR CHANGE



SEE THE FULL
INFOGRAPHIC
guardianlife.com/gig



BENEFIT OPTIONS FOR THE GIG ECONOMY.

The workplace is changing, and we're changing with it. We published a study that analyzed the workforce of the future. In response, we will be launching an innovative digital storefront to meet the needs of new customers to provide essential benefits, such as dental, critical illness and accident insurance.

This new digital storefront helps to protect part-time workers, freelancers and retirees who do not have access to benefits at work.

It includes:

A RESEARCH HUB

To help them learn more about insurance options

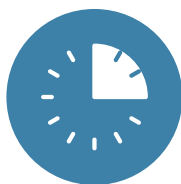
A GUIDED EXPERIENCE SOLUTION

To advise them on insurance needs

A QUICK-PURCHASE EXPERIENCE

To serve gig workers with ready-to-purchase insurance solutions

THE PART-TIME NATION



40M+

**WORKERS ARE INCLUDED
IN THE PART-TIME NATION**

26M

ARE PART-TIME

16M

ARE SELF-EMPLOYED

WHO ARE THEY?



THE MAJORITY ARE:

22-29

**YEAR-OLD
MILLENNIALS**

60+

**YEAR-OLD
BABY BOOMERS**

THE BENEFITS GAP



1/3

**OF PART-TIMERS HAVE
AN EMPLOYER-SPONSORED
RETIREMENT PLAN**

1/4

**HAVE AN EMPLOYER-
SPONSORED MEDICAL PLAN**

1/5

**HAVE DENTAL, DISABILITY OR
LIFE INSURANCE BENEFITS**

Read more about the changing workplace in our study, "Part-Time Nation," at guardianlife.com/part-time.

READY FOR THE FUTURE



WATCH KAT'S
VIDEO

guardianlife.com/kat



KAT BLOOMFIELD PROVES YOU'RE NEVER TOO YOUNG TO START GETTING READY FOR YOUR FUTURE.

Twenty-eight-year-old Kat Bloomfield does not take her financial security for granted. She grew up in Gary, Indiana, adopted by a family who “didn’t have a lot of money,” she says. Then, in high school, Kat discovered her passion.

She took advanced classes in art and design and graduated as the class valedictorian. “I imagined thinking about concepts as different colors,” she says. Her creative way of thinking earned her an arts scholarship, allowing Kat to become the first person in her family to graduate from college.

Today, Kat uses her artistic skills and training to help others. She works as the development manager for the Community-Word Project, a New York-based nonprofit that uses art as a tool for children to understand the world and become engaged citizens. In addition to her day job, Kat is the founder and CEO of Arts Business Collaborative, which works with arts-based companies to help develop sustainable financial strategies.

Kat’s business is inspired both by her childhood and the newfound financial confidence she has gained through her own financial planning with Roxana McKinney.

Roxana is a financial professional with Strategies for Wealth, a Guardian Network firm located in New York City. The pair met when Kat was in her early 20s and looking to set up a plan for her future. Like Kat, Roxana was a trailblazer. The two shared an early understanding of the need for a protection-first financial strategy that will last a lifetime.

“Kat is really a self-starter,” Roxana enthuses. “She is consistently taking action, which has really served her well and will continue to serve her over the long term.” Kat and Roxana have settled on three core tools for financial planning and wealth creation: disability income insurance, convertible term life insurance and now, whole life insurance. With Roxana’s guidance, Kat has disability insurance to protect her income. And because Roxana understands that giving is Kat’s passion, they even came up with a plan to leave Kat’s money to charity.

For Roxana, watching Kat build financial strength brings her work full circle. Almost two decades ago, Roxana started her career as one of only six female traders on the Wall Street trading floor. Now, she’s driven to support other women in achieving success. “Working with Kat and seeing how much she has progressed in her savings habits and her ability to define what she wants in her business has been very exciting.”

“I REALLY ENJOY INTRODUCING ROXANA TO MY FRIENDS. I THINK, ‘HOW CAN THEY BE HELPED BY HAVING A FINANCIAL ADVOCATE?’”

KAT BLOOMFIELD



READY TO RESPOND

WHEN HURRICANES HARVEY AND IRMA HIT THE U.S., GUARDIAN EMPLOYEES JUMPED INTO ACTION.

We're committed to helping people prepare for life's unexpected events. In 2017, during an unprecedented hurricane season, Guardian employees embodied our values by supporting clients in a time of crisis and taking care of their communities and one another.

Tiffany Wiggins, a leave of absence case manager for ReedGroup, a Guardian subsidiary in Orlando, Florida, suffered extensive home damage when high winds destroyed her roof.

The morning after Irma hit, Tiffany's senior operations manager checked on her entire team. Tiffany shared that everyone in her family was okay, but their house was severely damaged. Without hesitating, her manager escalated the situation, and just a few hours later Guardian had secured a hotel room for Tiffany and her family. They stayed in the hotel for three weeks at no cost, and Guardian offered Tiffany a grant to help rebuild her family's home.



"GUARDIAN CARES FOR ITS PEOPLE, REGARDLESS OF WHETHER YOU ARE AN EMPLOYEE, A CLIENT OR A POTENTIAL CLIENT."

TIFFANY WIGGINS

In Houston, Brett Harmeling, a financial professional with White Rhino Financial, a Guardian Network firm, jumped into action, rescuing people from rising waters in his Jeep all through the night.



"THROUGH HELPING PEOPLE, I GET TO LIVE MY PURPOSE — SOMETHING I DO EVERY DAY AS A FINANCIAL PROFESSIONAL."

BRETT HARMELING

Brett single-handedly rescued 56 people before turning to social media to amplify the effort. He estimates that over 100 people were saved as a result. Guardian awarded Brett with a grant to help pay for the damages to his Jeep. "The reason that I went out to save these people during Hurricane Harvey is really pretty simple: It's because people matter to me," he explains.

Simultaneously, George Cochrum, an executive sales consultant in Guardian's Houston office, was also on the front line of the hurricane response. When he heard his friend Caroline was stranded, he walked 2 miles and back, through deep water, to rescue her. USA Today published a photo of the pair that went viral on news sites and social media. (Opposite page.)

In all, Guardian crisis teams phoned almost 2,000 Guardian clients affected by the storm to make sure they could receive their benefit payments. When postal service was interrupted, local Guardian offices reached out to disability claimants to facilitate electronic deposits to 126 policyholders. George says it best: "The reaction was just unbelievable. It meant so much to so many people."



Source: AP Images



WATCH THE VIDEO

guardianlife.com/hurricane



“WHEN I THINK BACK ON THE HURRICANE, ONE OF THE THINGS I’M MOST PROUD OF IS HOW GUARDIAN RESPONDED, BOTH INTERNALLY AND EXTERNALLY.”

GEORGE COCHRUM

READY TO ACT

With combined damage estimates as high as \$290 billion for the region, Hurricanes Harvey and Irma were the two most devastating natural disasters in U.S. history. During and after the event, Guardian’s actions consisted of:



1,839 POLICY-HOLDERS CALLED



126 CLAIMS PAID THROUGH DIRECT DEPOSIT



169 HOTEL ROOMS BOOKED FOR EMPLOYEES



OVER \$285,000 DONATED



READY TO LEARN

GUARDIAN SUPPORTS THE FIRST CENTER, WHICH HELPS PEOPLE BECOME FINANCIALLY INDEPENDENT.

After being apart for two years, Rajashri (Raj) Paricharak and her son moved to the United States from India to reunite with her husband, who was working in Hartford, Connecticut. She was happy to have her family back together, but before long, Raj's days began to feel empty. After leaving behind her own career in India, she needed to regain her sense of purpose. That's when she decided to go back to school.

Across town, Victoria Basanets and her family were also adjusting to a new life, after emigrating from Ukraine. She attended English as a second language (ESL) classes at Capital Community College (CCC), and once she grew more confident in her English skills, she wanted to challenge herself with new classes. That's how she learned about the Money Management for LifeSM course sponsored by Guardian.

In the Money Management for Life course, Raj and Victoria learned how to build their credit history, develop an emergency fund, plan for retirement and more. Since the program began, nearly 100 Guardian employees have volunteered to serve as expert speakers for the course. Guardian also provides course fees, books and other materials at no cost to the students.



**"OUR HOPE IS TO EMPOWER
INDIVIDUALS SO THAT
THEY CAN HAVE FINANCIAL
INDEPENDENCE AND THE
RESOURCES NECESSARY
TO MOVE FORWARD IN
THEIR LIVES."**

WILFREDO NIEVES
President, CCC

In 2013, the first year the course was offered, Guardian pledged to reach 3,000 students by the end of 2017. Today, the program is offered at 12 community colleges across the nation, and Raj and Victoria are among more than 3,000 students who have completed the course, fulfilling Guardian's original pledge.

When Dr. Linda Guzzo, Dean of the School of Workforce and Continuing Education at CCC, saw students' success in the course, she was inspired. She contacted Guardian and suggested they work together to create additional opportunities for financial education. Guardian quickly signed on as a partner, and in the summer of 2017, Guardian and CCC opened the Financial Independence to Reach Success and Transformation (FIRST) Center.



**"MY EXPERIENCE WITH
GUARDIAN HAS BEEN
AMAZING. THEY HAVE GONE
WELL ABOVE AND BEYOND
ANY CORPORATION THAT
WE HAVE WORKED WITH."**

DR. LINDA GUZZO
*Dean of the School of Workforce
and Continuing Education, CCC*

The goal of the center is to provide financial education, coaching, income tax assistance, information and internships to low- and moderate-income people. Both enrolled students and community members can take courses.

Today, Raj and Victoria use their knowledge to give back to the Hartford community. Through the FIRST Center, the pair trained to become volunteer certified tax preparers. Now, they empower others by providing free tax filing for those who come to the center for help.



**WATCH THE FIRST
CENTER VIDEO**

[guardianlife.com/
first](http://guardianlife.com/first)

**“WHEN I HEARD ABOUT
THE OPPORTUNITY TO TAKE
THE PERSONAL FINANCE
CLASS, I WAS SO EXCITED TO
LEARN MANY NEW, USEFUL
THINGS THAT I COULD APPLY
IN MY LIFE.”**

VICTORIA BASANETS



**“I HAVE REGAINED MY
CONFIDENCE, AND I’M
LOOKING FORWARD TO
BEING A PART OF A BRIGHT
CLASS OF WORKING
AMERICANS.”**

RAJASHRI (RAJ) PARICHARAK

READY TO GROW

WHEN BRAIDY KIVELIER WAS READY FOR HIS NEXT CHALLENGE, GUARDIAN WAS READY WITH HIS NEXT OPPORTUNITY.

Before he joined Guardian's internship program in 2015, Braidy Kivelier was a motivated student who studied computer information systems in community college. When he signed on as an intern, his work focused on assisting case managers in the processing of claims, and he excelled at learning new programs, building on his college experience. As his internship came to an end, he knew he wasn't ready to leave Guardian.

Braidy took the initiative to speak with his manager about the possibility of a full-time position. As luck would have it, an opening was available, and Braidy interviewed with his manager. Shortly thereafter, he was hired as a claims assistant.



"IT'S LIKE A FAMILY. I GET UP EVERY MORNING AND CAN'T WAIT TO GO TO WORK."

BRAIDY KIVELIER

Braidy again excelled in his new position as a claims assistant, and he was soon ready to grow into yet another role within the Company. He continued to show initiative, shadowing a disability claims case manager to learn the nuances of the job, and soon enough he became a claims case manager himself.

The personal experiences Braidy brings to his role make him a compassionate and trustworthy ally for his customers. "I try to imagine myself in their position. I have a disability, too, and I treat them the way I would like to be treated." As Braidy continues to acquire new skills and advance professionally, he envisions a long career at Guardian. "They give you the opportunity to grow, and I've seen that with my own eyes."

Braidy's professional growth has brought with it personal growth as well. He's more independent now. Since working at Guardian, he has been able to save for and purchase a car that is being adapted with hand controls.

Braidy's internship gave him the skills and work experience he needed, not only to start a career but to build one. When he was ready to take on new challenges, Guardian helped him find a role that would be a solid fit. Why? It goes back to living a Guardian core value: People Count.

Guardian internships offer meaningful work opportunities and skills acquisition to individuals with disabilities, helping them toward the goal of competitive employment. The program mirrors our core values that We Do the Right Thing, People Count and We Hold Ourselves to Very High Standards. Learn more at guardianlife.com/intern.

READY TO RENEW

HOW MUTUALITY AND SUSTAINABILITY GO HAND IN HAND.

In 2017, sustainability-driven initiatives created greater efficiencies and reduced costs, enabling us to bolster our bottom line while conserving resources.

These mutually reinforcing initiatives enable us to grow our business ethically, profitably and sustainably, and we have measurable results to prove it.

Here's how we do it.

▼ OUR FOCUS ON SUSTAINABILITY



WATER



WASTE AND RECYCLING



ENERGY



PAPER USE



EMISSIONS



SEE THE FULL INFOGRAPHIC

guardianlife.com/renew

▼ WE HAVE REDUCED:

IMPACT OF SUSTAINABLE TRAVEL PRACTICES

More than 1,500 employees are now participating in new sustainability practices and working outside the office, saving:

5,084 TRAVEL DAYS

\$575,310 ON TRAVEL EXPENSES

189,685 GALLONS OF GASOLINE

OPERATIONS CHANGES

Systemwide updates have been made in our cafeterias and to our electronic recycling practices, saving:

12,000 POUNDS OF MATERIALS FROM LANDFILLS

PAPER USE

A 35 percent reduction in pages printed from 2016 to 2017, saving:

2.7M+ GALLONS OF WATER

3,177 TREES

291,200 POUNDS OF CO₂ EMISSIONS



CAREERCLUE

CareerCLUE helped high school students learn more about green jobs and the green economy.

- 100+ STUDENTS TRAINED
- \$125,000 GRANT GIFTED



GREEN IDEAS INNOVATION CHALLENGE

The Green Ideas Innovation Challenge demonstrated our employees' commitment to sustainability.

- 100+ IDEAS SUBMITTED
- 8 IDEAS SELECTED FOR PILOT
- 6 IDEAS TO BE IMPLEMENTED

2017 FINANCIALS

STATUTORY BASIS BALANCE SHEETS

AS OF DECEMBER 31 (IN MILLIONS)	2017	2016
ADMITTED ASSETS		
Bonds	\$38,125	\$35,243
Unaffiliated common and preferred stocks	536	478
Investments in affiliates	995	1,044
Mortgage loans	4,001	3,472
Private and real estate equity	1,478	1,458
Policy loans	3,520	3,405
Receivables for securities, other invested assets, and derivatives	1,246	997
Cash and short-term investments	554	822
Total invested assets	50,455	46,919
Due and accrued investment income	430	384
Premiums deferred and uncollected	1,091	1,058
Net deferred tax asset	587	727
Reinsurance recoverable from affiliate	2,641	2,472
Other assets	365	324
Total admitted assets	\$55,569	\$51,884
LIABILITIES AND SURPLUS		
Reserves for policy benefits	41,778	39,369
Policyholder dividends payable and other contract liabilities	3,550	3,107
Interest maintenance reserve	531	464
Asset valuation reserve	829	810
Amounts due to brokers and other liabilities	2,197	1,962
Total liabilities	48,885	45,712
Policyholders' surplus	5,487	5,327
Surplus notes	1,197	845
Total liabilities and surplus	\$55,569	\$51,884

Results are The Guardian Life Insurance Company of America only (not consolidated).

The condensed financial statements of The Guardian Life Insurance Company of America have been derived from audited statutory financial statements, which are available upon request.

STATUTORY BASIS STATEMENTS OF OPERATIONS

AS OF DECEMBER 31 (IN MILLIONS)

2017

2016

REVENUES

Premiums, annuity considerations, and fund deposits	\$8,112	\$7,768
Net investment income	2,106	2,052
Other income	441	421
Total revenue	10,659	10,241

BENEFITS AND EXPENSES

Benefit payments to policyholders and beneficiaries	4,449	4,293
Net additions to policy benefit reserves	2,409	2,330
Commissions and operating expenses	2,383	2,262
Total benefits and expenses	9,241	8,885
Gain from operations before policyholder dividends and taxes	1,418	1,356
Policyholder dividends	(903)	(839)
Gain from operations before taxes and realized capital losses	515	517
Income tax expense	(65)	(141)
Income from operations before net realized capital losses	450	376
Net realized capital losses	(27)	(8)
Net income	\$423	\$368

INVESTMENTS

ASSET CLASS ALLOCATION – DECEMBER 31, 2017

STATEMENT VALUE	\$ MILLIONS	% OF INVESTED ASSETS
Public Fixed Income (excl. surplus note debentures)	28,889	57.3%
Private Placement Debt	9,236	18.3%
Commercial Mortgages	4,001	7.9%
Policy Loans	3,520	7.0%
Affiliates & Subsidiaries ¹	1,819	3.6%
Private & Real Estate Equity	1,478	2.9%
Cash, Short-Term & Other Invested Assets	1,050	2.1%
Public Equity ²	462	0.9%
Total Invested Assets	\$50,455	100.0%

FIXED INCOME – DECEMBER 31, 2017

STATEMENT VALUE	\$ MILLIONS	% OF BONDS
NAIC 1 (Aaa-A/AAA-A)	21,653	56.8%
NAIC 2 (Baa/BBB)	14,685	38.5%
Investment Grade Subtotal	36,338	95.3%
NAIC 3 (Ba/BB)	753	2.0%
NAIC 4 (B)	869	2.3%
NAIC 5&6 (Caa/CCC & below)	165	0.4%
Below Investment Grade Subtotal	1,787	4.7%
Total Bonds³	\$38,125	100.0%

% OF INVESTED ASSETS



¹ Affiliates and Subsidiaries includes \$824 million in affiliates classified as LLCs on the annual statement that are not private equity.

² Public Equity excludes Bond & Cash Mutual Funds and includes commodity ETFs.

³ Total Bonds includes public and private debt but excludes surplus note debentures classified as Schedule BA invested assets, commercial mortgages and preferred stock.

IMPORTANT INFORMATION

Roxana McKinney is a Financial Representative of The Guardian Life Insurance Company of America (Guardian), New York, NY.

The Guardian Network® is a network of preferred providers authorized to offer products of Guardian, New York, NY and its subsidiaries. Strategies for Wealth and White Rhino Financial are independent agencies and not affiliates or subsidiaries of Guardian.

Park Avenue Securities LLC (PAS) is a wholly owned subsidiary of The Guardian Insurance & Annuity Company, Inc. (GIAC) and an indirect, wholly owned subsidiary of Guardian. PAS is a registered broker-dealer offering investment products, as well as a registered investment adviser offering financial planning and investment advisory services. PAS is a member of FINRA and SIPC.

The ratings of Guardian quoted in this report are as of December 31, 2017, and are subject to change. The ratings earned by Guardian do not apply to the investments offered through PAS.

Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors.

Financial information concerning Guardian as of December 31, 2017, on a statutory basis: Admitted Assets = \$55.6 Billion; Liabilities = \$48.9 Billion (including \$41.8 Billion of Reserves); and Surplus = \$6.7 Billion.

Financial information concerning GIAC as of December 31, 2017, on a statutory basis: Admitted Assets = \$17.4 Billion; Liabilities = \$17.0 Billion (including \$3.4 Billion of Reserves); and Capital and Surplus = \$0.3 Billion.

Financial information for Berkshire Life Insurance Company of America as of December 31, 2017, on a statutory basis: Admitted Assets = \$3.7 Billion; Liabilities = \$3.5 Billion (including \$0.8 Billion in Reserves); and Capital and Surplus = \$0.2 Billion.

Guardian's website (guardianlife.com) contains, under the "Corporate Governance" heading, in the "About Guardian – Corporate Governance" section, copies of Guardian's Charter, Bylaws, Corporate Governance Guidelines, Audit and Risk Committee Charter, Human Resources and Governance Committee Charter, Investment Committee Charter, and Product and Distribution Committee Charter.

Guardian, its subsidiaries, agents and employees do not provide tax, legal or accounting advice. Consult your tax, legal or accounting professional regarding your individual situation.

These are the personal views of a select group of individuals and may not represent the experience of other individuals or clients. These opinions are not indicative of future performance or results.

Individual disability income products underwritten and issued by Berkshire Life Insurance Company of America (BLICOA), Pittsfield, MA. BLICOA is a wholly owned stock subsidiary of The Guardian Life Insurance Company of America (Guardian), New York, NY. Product provisions and availability may vary by state.

Life Insurance policy benefits are reduced by any outstanding loan or loan interest and/or withdrawals. Dividends, if any, are affected by policy loans and loan interest. Withdrawals above the cost basis may result in taxable ordinary income. If the policy lapses, or is surrendered, any outstanding loans considered gain in the policy may be subject to ordinary income taxes. If the policy is a Modified Endowment Contract (MEC), loans are treated like withdrawals, but as gain first, subject to ordinary income taxes. If the policy owner is under 59 ½, any taxable withdrawal may also be subject to a 10% federal tax penalty.

Guardian's Accident Insurance is underwritten and issued by The Guardian Life Insurance Company of America, New York, NY. Products are not available in all states. Policy limitations and exclusions apply. Optional riders and/or features may incur additional costs. Plan documents are the final arbiter of coverage. This policy provides ACCIDENT insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Department of Financial Services. **IMPORTANT NOTICE –THIS POLICY DOES NOT PROVIDE COVERAGE FOR SICKNESS.** Policy Form # GP-1-AC-BEN-12, et al.

Guardian's Critical Illness, Long Term Disability and Short Term Disability Insurance policies are underwritten and issued by The Guardian Life Insurance Company of America, New York, NY. Products are not available in all states. Policy limitations and exclusions apply. Optional riders and/or features may incur additional costs. Plan documents are the final arbiter of coverage. These policies provide limited benefits health insurance only. They do not provide basic hospital, basic medical or major medical insurance as defined by the New York State Department of Financial Services. Policy Forms # GP-1-CI-14, # GP-1-LTD07-1.0, et al. # GP-1-STD07-1.0, et al.

DentalGuard Insurance is underwritten and issued by The Guardian Life Insurance Company of America, New York, NY. Products are not available in all states. Policy limitations and exclusions apply. Optional riders and/or features may incur additional costs. Plan documents are the final arbiter of coverage. This policy provides DENTAL insurance only. Policy Form # GP-1-DG2000.

Guardian Group Life Insurance is underwritten and issued by The Guardian Life Insurance Company of America, New York, NY. Products are not available in all states. Policy limitations and exclusions apply. Optional riders and/or features may incur additional costs. Plan documents are the final arbiter of coverage. Policy Forms # GP-1-LIFE-15 (Group Term Life) and # GP-1-GPL-14 (Voluntary Permanent Life).

An individual's eligibility for benefits is determined on a case-by-case basis, taking into consideration the factual circumstances presented as well as the terms and conditions of his/her policy(ies).

Guardian does not issue nor underwrite Worker's Compensation Insurance.

KEY GUARDIAN SUBSIDIARIES AND AFFILIATES

- Access Dental Services, LLC
- Avësis Incorporated
- Berkshire Life Insurance Company of America
- First Commonwealth, Inc.
- GIS Strategic Ventures, LLC
- Guardian India Operations Private Limited
- Guardian Investor Services LLC
- The Guardian Insurance & Annuity Company, Inc.
- Innovative Underwriters, Inc.
- Managed Dental Care/Managed DentalGuard, Inc. companies
- Park Avenue Institutional Advisers LLC
- Park Avenue Life Insurance Company
- Park Avenue Securities LLC
- Premier Access Insurance Company/Access Dental Plan companies
- ReedGroup
- STX Healthcare Management Services, Inc.

READY TO EXPLORE THESE STORIES?

guardianlife.com/ar2017



GUARDIAN®

**The Guardian Life Insurance
Company of America**
7 Hanover Square
New York, NY 10004-4025

guardianlife.com

1-888-482-7342

CONNECT WITH US ON:



2018-54786 Exp. 2/2019

Pub. 8932