THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Information Memorandum Supplement

Dated as of September 6, 2022

The following is added to the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" immediately prior to the heading "Analysis of Results of Operations—For the Years Ended December 31, 2021, 2020 and 2019" on page 76 of the Offering Memorandum:

SUMMARY OF CERTAIN SECOND QUARTER FINANCIAL INFORMATION

Results of Operations—For the Six Months Ended June 30, 2022 compared to the Six Months Ended June 30, 2021.

The following table sets forth the components of statutory net income.

	Six Months Ended June 30,		
	2022	2021	Change
	($ in Millions)		
Revenues:			
Premiums, annuity considerations and fund deposits	$ 5,077	$ 4,766	$ 311
Net investment income	1,191	1,237	(46)
Amortization of IMR	30	29	1
Other income	54	178	(124)
Total revenue	$ 6,352	$ 6,210	$ 142
Benefits and expenses:			
Benefit payments to policyholders and beneficiaries	$ 2,555	$ 2,710	$ (155)
Net increase to policy benefit reserves	1,996	1,594	402
Commissions and operating expenses	1,133	1,145	(12)
Total benefits and expenses	$ 5,684	$ 5,449	$ 235
Income from operations before policyholder dividends and taxes	668	761	(93)
Policyholder dividends	(574)	(523)	(51)
Income from operations before taxes and realized capital losses	$ 94	$ 238	$ (144)
Income tax (expense)	(8)	(40)	32
Income from operations before net realized capital losses	$ 86	$ 198	$ (112)
Net realized capital (losses) after taxes and transfers to Interest Maintenance Reserve	(76)	(37)	(39)
Net income	$ 10	$ 161	$ (151)

Net Income

Guardian's statutory net income was $10 million for the six months ended June 30, 2022, a $151 million decrease from $161 million net income for the six months ended June 30, 2021, primarily due to higher net increases to policy benefit reserves, lower other income, lower net investment income and higher net realized capital losses, partially offset by higher premiums, annuity considerations and fund deposits and lower benefit payments to policyholders and beneficiaries.

Total revenue increased $142 million from $6,210 million for the six months ended June 30, 2021 to $6,352 million for the six months ended June 30, 2022, driven primarily by higher premiums, annuity considerations and fund deposits partially offset by lower other income and net investment income.

Total benefits and expenses increased $235 million from $5,449 million for the six months ended June 30, 2021 to $5,684 million for the six months ended June 30, 2022, primarily due to increased net increases to policy benefit reserves offset by lower benefit payments to policyholders and beneficiaries.

Premium income, annuity considerations and fund deposits

Selected premium income, annuity considerations and fund deposits information is presented below for the six months ended June 30, 2022 and 2021:

	Six months Ended June 30,		$ Change	% Change
	2022	2021		
	($ in Millions)			
Premium income, annuity considerations and fund deposits:				
Whole life	$ 2,364	$ 2,152	$ 212	9.9%
Disability	285	275	10	3.6%
Term, universal, and variable life	74	87	(13)	(14.9%)
Group	2,353	2,252	101	4.5%
Reinsurance	1	-	1	N/A
Total	$ 5,077	$ 4,766	$ 311	6.5%

For the six months ended June 30, 2022, premium income as compared to the six months ended June 30, 2021 increased $311 million, primarily due to an increase in whole life premium income of $212 million due to continued growth of inforce business and increased group premium income of $101 million as a result of higher sales of group dental and vision, disability, and supplemental health products.

Net Investment Income

For the six months ended June 30, 2022, net investment income, including interest maintenance reserve ("IMR") amortization decreased $46 million as compared to the six months ended June 30, 2021, primarily due to a decrease of $48 million in private equity income, a $5 million decrease in bond and mortgage prepayment fees and a $1 million decrease in policy loan income offset by an $8 million increase in long term bond income and a $2 million increase on cash, cash equivalents and short-term investment income.

Other income

Other income decreased $124 million in the six months ended June 30, 2022 as compared to the six months ended June 30, 2021 primarily due to transfers of the related investment income or returns for the inter-company reinsurance under which The Guardian Insurance & Annuity Company, Inc. ("GIAC") cedes its Variable Life products to Guardian.

Benefit payments to policyholders and beneficiaries

Benefit payments to policyholders and beneficiaries decreased $155 million in the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The decrease was due to the impact of the Canada Life reinsurance treaty which resulted in ceding approximately 50% of the Group life claims. Higher utilization driven disability claims were offset by lower surrender benefits and withdrawals.

Net increase to policy benefit reserves

Net increase to policy benefit reserves increased $402 million in the six months ended June 30, 2022 as compared to the six months ended June 30, 2021. The policyholders' reserves increased primarily due to the change in reserves attributed to the natural growth of inforce Individual Life business, higher annualized premium and volume along with lower terminations in Group Benefits, and higher claim reserves in Individual Disability.

Commissions and operating expenses

Commissions and operating expenses decreased $12 million in the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily due to increased commissions and general insurance expenses offset by lower reserve adjustment on reinsurance assumed.

Guardian Federal Income Tax Expense

Federal income tax expense on operations decreased $32 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily driven by a decrease in ordinary taxable income.

Net Realized Capital Gains (Losses) After Tax and Transfers to IMR

Net realized capital gains (losses) after taxes and transfers to IMR were comprised of the following:

	As of June 30,		
	2022	**2021**	**$ Change**
Total net realized capital gains (losses) after taxes and transfers to IMR			
Bonds	$ (169)	$ (29)	$ (140)
Common stocks—unaffiliated	(3)	-	(3)
Derivatives and other invested assets	(55)	(24)	(31)
Net realized capital losses before deferral to the IMR	(227)	(53)	(174)
Capital gains tax benefit (expense)	24	(9)	33
Transfer from IMR	127	25	102
Total net realized capital (losses) after taxes and transfers (to)/from IMR	$ (76)	$ (37)	$ (39)

The book values of investments are written down when a decline in value is considered to be other-than-temporary. For the six months ended June 30, 2022, Guardian recognized $29 million of impairment losses, a decrease of $3 million from the impairment losses recognized for the six months ended June 30, 2021. The decrease was primarily the result of a decrease of $8 million of private equity investment related impairments offset by an increase of $4 million and $1 million in impairments of fixed income bonds and solar tax credit investments, respectively, in the first half of 2022 as compared to the first half of 2021. Guardian employs a systematic methodology to evaluate other-than-temporary impairments. The methodology to evaluate declines in value utilizes a quantitative and qualitative process that attempts to evaluate available evidence concerning the declines in a disciplined manner. Of the $29 million of other-than-temporary impairments, $4 million were related to fixed income bonds, $7 million to private equity and $18 million related to solar tax credits investments.

Realized capital losses after tax and transfers from IMR do not reflect the changes in Asset Value Reserve (“AVR”) and other investment reserves, which are recorded as a change in surplus.

Bonds: Net realized capital losses after IMR increased $38 million in the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily driven by increased bond sales during depressed market conditions in the first six months of 2022 as compared to the first six months of 2021. There were $4 million of other-than-temporary impairments in the bond portfolio during the six months ended June 30, 2022 and no other-than-temporary impairments during the six months ended June 30, 2021.

Common stocks – unaffiliated: Common stocks – unaffiliated had realized (losses) of ($3) million for the six months ended June 30, 2022 as compared to realized gains of $0 million for the six months ended June 30, 2021 primarily driven by sales in the normal course of business.

Derivatives, other invested assets and other: Derivative instruments, other invested assets and other had realized losses of $55 million for the six months ended June 30, 2022 as compared to realized losses of $24 million for the six months ended June 30, 2021. There were $25 million in other-than-temporary impairments during the six months ended June 30, 2022 in this category as compared to $33 million during the six months ended June 30, 2021. Realized losses on futures contracts totaled $29 million during the six months ended June 30, 2022 and compared to realized gain of $2 million during the six months ended June 30, 2021. In addition, foreign exchange rate adjustment realized gains totaled $3 million during the six months ended June 30, 2022 as compared to $8 million realized gains in the six months ended June 30, 2021. Credit default swap and other realized losses totaled $4 million in the six months ended June 30, 2022 as compared to $1 million realized losses in the six months ended June 30, 2021.

For the six months ended June 30, 2022, $127 million of prior gains were transferred out of the IMR primarily from losses on sales of bonds in the normal course of business. For the first six months ended June 30, 2021, $25 million of prior gains were transferred out of the IMR due to losses on bond sales during the six months ended June 30, 2021. Gains/losses deferred to the IMR are amortized into income over the estimated life of the investment sold.

Financial Position –As of June 30, 2022 Compared to December 31, 2021

The following table sets forth Guardian's assets, liabilities, and surplus. The information for June 30, 2022 is derived from the unaudited Second Quarter 2022 Financial Information and the December 31, 2021 information is derived from the 2021 Audited Statutory Financial Statements.

	As of June 30, 2022	As of December 31, 2021
	($ in Millions)	
Balance Sheet Data:		
Total admitted assets	$ 74,063	$ 72,127
Total liabilities	63,380	63,538
Total surplus	8,683	8,589

Assets

Total assets as of June 30, 2022 increased $1,936 million, or 2.7%, as compared to December 31, 2021. The major component of the growth in assets was invested assets and deferred premiums, agents' balances and installments, higher funds held or deposited with reinsured companies and higher current federal and foreign income tax recoverable partially offset by lower due and accrued investment income and other assets.

Total invested assets as of June 30, 2022 increased by $1,436 million, or 2.2%, as compared to December 31, 2021, driven mostly by increases in bonds and other invested assets, mortgage loans and policy loans partially offset by decreased cash, cash equivalents and short term investments.

Deferred premiums, agents' balances and installments as of June 30, 2022 increased $429 million, or 37.2%, as compared to December 31, 2021. The increase was a result of deferred premiums and loadings on deferred premiums are largest in the first quarter of the year and decrease throughout the year.

Total funds held by or deposited with reinsured companies as of June 30, 2022 increased $98 million, or 2.9%, as compared to December 31, 2021, due to increased interest credited activity and net business activity on funds held or deposited with reinsured companies.

Liabilities

Total liabilities as of June 30, 2022 increased $1,842 million, or 2.9%, as compared to December 31, 2021, primarily due to increased reserves for policy benefits and increased AVR partially offset by decreased general expenses due and accrued and lower IMR.

The increase in reserves for policy benefits of $2,018 million as of June 30, 2022 as compared to December 31, 2021 is primarily due to higher Individual Life, Individual Disability and Group Benefits reserves. Individual Life and Individual Disability reserves increased due to natural growth. The increase in Group Benefits reserves is due to the New York specific statutory requirement that a full year's reserves be established in the beginning of the policy year. The reserves are largest in the first quarter of the year and decrease throughout the year.

AVR increased $108 million, or 7.5%, as of June 30, 2022 as compared to December 31, 2021, primarily due to realized gains in the other invested assets component and the basic contribution required in the AVR formula. The mortgage loan AVR component increased $2 million, or 3.9%, as of June 30, 2022 as compared to December 31, 2021, primarily due to the basic contribution required by the AVR formula. As of June 30, 2022, $576 million is reserved for bonds, preferred stock, short-term investments and derivatives, up $47 million from December 31, 2021, $58 million is reserved for mortgage loans up $2 million from December 31, 2021, $75 million is reserved for common stock, down $9 million from December 31, 2021, and $843 million is reserved for real estate and other invested assets, up $68 million from December 31, 2021.

Surplus

Surplus increased $94 million from $8,589 million as of December 31, 2021 to $8,683 million as of June 30, 2022. The increase in surplus was primarily due to net statutory earnings of $10 million, change in unrealized investment gains of $127 million, net deferred income tax of $34 million and a change in prepaid pension funded status of $29 million, partially offset by the change in AVR of $108 million.

The text under the heading "Liquidity and Capital Resources" in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 85 of the Offering Memorandum is hereby deleted in its entirety and replaced by the following:

Liquidity and Capital Resources

Liquidity

Guardian manages its liquidity position by matching its exposure to cash demands with adequate sources of cash and other liquid assets. Guardian's principal sources of liquidity are operating cash flows and holdings of cash, cash equivalents and other readily marketable assets. Historically, Guardian has consistently experienced net positive cash flows from operations. Guardian's primary cash flow sources include investment income, principal repayments on invested assets and life insurance premiums.

Guardian utilizes what it believes to be sophisticated asset/liability analysis techniques in the management of the investments supporting its liabilities. Additionally, Guardian tests the adequacy of the projected cash flows provided by assets to meet all of its future policyholder and other obligations. Guardian performs these studies using stress tests regarding future credit and other asset losses, market interest rate fluctuations, claim losses and other considerations. The result provides a view of the adequacy of the underlying assets, reserves, and capital. Guardian analyzes a variety of scenarios modeling potential demands on liquidity, taking into account the provisions of policies and contracts in force, its cash flow position, and the volume of cash and readily marketable securities in its portfolio. Guardian attempts to proactively manage its liquidity position on an ongoing basis to meet cash needs while minimizing adverse impacts on investment returns.

In most scenarios that Guardian has tested, operating cash flow is sufficient to satisfy its obligations. Guardian believes that even in extreme scenarios tested, obligations can be met in the modeled stress tests through operating cash flows and the sale of some of Guardian's liquid assets. These stress test scenarios assume no new business that would result in immediate positive cash flow. In addition, if Guardian was in a stress situation, some uses of cash could be suspended, including new investments in illiquid instruments. However, given the inherent limitations and underlying assumptions of quantitative modeling, there can be no assurances of Guardian's ability to maintain sufficient liquidity under actual liquidity needs.

FHLB Membership

Guardian became a member of the Federal Home Loan Bank of New York ("FHLBNY") in February 2018. Membership provides Guardian with access to FHLBNY's financial services, including the ability to obtain collateralized loans and to issue collateralized funding agreements.

Guardian's capacity to borrow from the FHLBNY is limited to 5% of its statutory net admitted assets, excluding separate account assets, under New York state insurance law. Based on Guardian's net admitted assets as of June 30, 2022, Guardian's borrowing capacity is more than \$3.7 billion. FHLBNY borrowings and funding agreements must be collateralized by qualifying mortgage-related assets or U.S. Treasury securities, the fair value of which must be maintained at specified levels relative to outstanding borrowings and dependent on collateral type. As of June 30, 2022, Guardian had approximately \$580 million of outstanding borrowings from the FHLBNY.

Liquidity Risks

Liquidity risk is the risk that Guardian will not have access to sufficient funds to meet its liabilities when due. Guardian believes that its product mix contributes to its strong liquidity position. Guardian's blocks of variable life insurance and variable annuity ("VA") contracts limit its liquidity risk because the customer bears most of the investment risk for these types of products. A primary liquidity concern for Guardian is the risk of early contract owner and policyholder life insurance policy loans, surrenders and withdrawals. Guardian closely evaluates and manages this risk. As a matter of policy, virtually all of Guardian's life insurance and annuity products contain surrender charges for varying durations, reducing the risk that customers will seek surrenders and withdrawals or life insurance policy loans during the periods when surrender charges are in place. Surrender charges help Guardian to better plan the maturities of its invested assets by reducing the risk that future outflows will exceed anticipated levels.

Guardian's principal sources of liquidity to meet unexpected cash outflows are its portfolio of liquid assets and its net operating cash flow. Liquid assets include cash, cash equivalents, short-term investments and other readily marketable public securities. Furthermore, Guardian monitors and manages cash flows over a one-year horizon in order to attempt to maximize investment returns relative to client obligations and to reduce the number, length of time and severity of asset and liability cash flow mismatches.

Dividends from Subsidiaries

Guardian has not historically relied on dividends from its subsidiaries to meet its operating cash flow requirements. Dividend payments from insurance subsidiaries are generally subject to certain restrictions imposed by statutory authorities. Additionally, dividend payments from other subsidiaries are limited to their retained earnings.

For Guardian's life insurance subsidiaries, including Berkshire Life Insurance Company of America ("BLICOA") and GIAC, substantially all of the statutory aggregate surplus of approximately $816 million as of December 31, 2021 is subject to dividend restrictions. Under the laws of Delaware and Massachusetts, the domiciliary states of GIAC and BLICOA, respectively, dividends in excess of unassigned funds require regulatory approval. In addition, BLICOA and GIAC must seek regulatory approval prior to paying a dividend whose fair market value together with other dividends within the preceding twelve months exceeds the greater of (i) 10% of the insurer's policyholder surplus as of the last day of December next preceding or (ii) the net gain from operations of the insurer for the twelve-month period ending the last day of December next preceding. Guardian's life insurance subsidiaries, including BLICOA and GIAC, can make dividend payments up to $248 million in 2021 without obtaining prior approval from their respective state insurance departments. Guardian's individual disability income insurance and retirement products and services lines of business are written by BLICOA and GIAC, respectively, and Guardian is, accordingly, only able to receive income generated by these lines of business through dividends received from these companies. For the six months ended June 30, 2022 and 2021, Guardian received an aggregate of $38 million and $90 million, respectively, in cash dividends from its subsidiaries. These cash dividends were declared and accrued for in the prior year end, except for $0.4 million which was received in the first six months of 2022. Guardian can make no assurance regarding the timing or amount of dividends, if any, that may be paid by these subsidiaries to Guardian in the future. Guardian Investor Services LLC ("GIS") and First Commonwealth, Inc. ("FCW") are not subject to dividend restrictions imposed by statutory authorities but may pay dividends up to but not exceeding any accumulated earnings. As of December 31, 2021, FCW had accumulated earnings of $257 million and would be able to pay a dividend up to $257 million in 2022.

Capital Resources

The National Association of Insurance Commissioners ("NAIC") has a Risk Based Capital ("RBC") model to compare total adjusted capital with a standard design in order to reflect an insurance company's risk profile. RBC is calculated at year end for regulatory purposes, and Guardian estimates RBC on an interim basis. Although Guardian believes that there is no single appropriate means of measuring capital needs, Guardian feels that the NAIC approach to RBC measurement is reasonable and conservative, and Guardian manages its capital position with significant attention to maintaining adequate total adjusted capital relative to RBC. Guardian's total adjusted capital was well in excess of all RBC standards as of December 31, 2021, 2020, and 2019. Guardian believes that it enjoys a strong capital position in light of its risks and that it is well-positioned to meet policyholder and other obligations.

The section entitled "Capitalization of Guardian" on page 42 of the Offering Memorandum is hereby deleted in its entirety and replaced by the following:

CAPITALIZATION OF GUARDIAN

As a mutual insurance company, Guardian has no capital stock and no shareholders. Guardian's participating policyholders generally have certain rights to receive policyholder dividends declared by the Board of Directors. Such declarations are at the full discretion of the Board of Directors. These policyholders also have certain rights to vote in the election of directors as provided by the laws of the State of New York. They and certain other policyholders may have rights to receive distributions in a proceeding for the rehabilitation, liquidation, conservation or dissolution of Guardian.

Guardian's balance sheet includes its surplus and an AVR. The amount by which the admitted assets of Guardian exceed its liabilities is referred to as surplus. The AVR stabilizes surplus from fluctuations in the value of the investment portfolio (other than fluctuations in the value of certain fixed income investments due to interest rate changes) of Guardian.

The following table sets forth the actual capitalization of Guardian as of June 30, 2022, prepared in accordance with Statutory Accounting Practices ("SAP"). The AVR is included in the following table even though such reserve is shown as a liability on Guardian's balance sheet. This treatment is consistent with the general view of the insurance industry and SAP. In addition, such reserve is included as part of total adjusted capital for risk-based capital purposes.

	June 30, 2022
Debt:	**$ in millions**
Short-Term Debt	$ -
Medium Term Debt	-
Long-Term Debt	-
Total Debt	-
AVR	1,552
Surplus:	
Surplus Notes	1,499
Policyholders' Surplus	7,184
Total Surplus	$ 8,683
Surplus and AVR	$ 10,235

The section entitled "Financial and Accounting Matters" beginning on page 68 of the Offering Memorandum is hereby deleted in its entirety and replaced with the following:

FINANCIAL AND ACCOUNTING MATTERS

The financial information included herein has been prepared in conformity with the statutory accounting practices prescribed by the New York State Department of Financial Services ("NYSDFS").

Summary of Principal Differences Between SAP and GAAP

SAP is different in some respects from financial statements prepared in accordance with GAAP. The more significant differences between SAP and GAAP are that, under SAP, (1) costs related to acquiring business, principally commissions and certain policy issue expenses, are charged to income in the year incurred; (2) life insurance and annuity reserves are based on statutory mortality and interest requirements, without consideration of withdrawals and company experience; (3) life insurance enterprises are required to establish a formula-based asset valuation reserve ("AVR") by a direct charge to surplus to offset potential investment losses; (4) realized gains and losses resulting from changes in interest rates on fixed income investments are deferred in the interest maintenance reserve ("IMR") and amortized into investment income over the remaining life of the investment sold; (5) bonds are carried principally at amortized cost; (6) certain reinsurance transactions are accounted for as reinsurance for statutory purposes and as financing transactions under GAAP, and assets and liabilities are reported net of reinsurance for statutory purposes and gross of reinsurance for GAAP; (7) certain "non-admitted assets" (furniture and office equipment, leasehold improvements, capitalized internally developed non-operating system software and prepaid pension costs) must be excluded under statutory reporting through a charge to surplus; (8) investments in common stock of Guardian's wholly-owned and majority owned subsidiaries are accounted for using the equity method, where earnings of such subsidiaries are recognized in surplus, that is, only when dividends are distributed is income recognized; (9) gross deferred tax assets and changes in deferred tax assets ("DTAs") and liabilities ("DTLs"), except those relating to changes in unrealized gains and losses, are recognized as a separate component of surplus. Deferred tax assets not meeting certain criteria are non-admitted; (10) investments in Other invested assets, where the Company has a controlling financial interest, are accounted for using the equity method for statutory purposes and consolidated under GAAP; and (11) if in the aggregate, Guardian has a net negative cash balance, it is reported as a negative asset for statutory purposes and recorded as a liability under GAAP.

Investment Reserves

In compliance with SAP, Guardian maintains both an AVR and an IMR. The AVR is intended to stabilize policyholders' surplus against market fluctuations in the value of equities and credit related declines in the value of bonds, mortgage loans, public equity, private equity and real estate investments. The level of the AVR is based on both the type of investment and its credit rating. In addition, the reserves required for similar investments, for example, fixed maturity securities, differ according to the credit ratings of the investments, which are based upon ratings established periodically by the Securities Valuation Office of the NAIC ("SVO"). Guardian, in keeping with the New York Insurance Law and SAP, includes the reserve when determining its total adjusted capital for risk-based capital purposes. Changes in the AVR are recorded directly to surplus. The IMR defers net after-tax realized capital gains (losses) which result from changes in the overall level of interest rates for fixed income investments and amortizes these net capital gains (losses) into income over the remaining stated life of the investments sold. Guardian uses the group method of calculating the IMR. The IMR is not treated under SAP as part of the total adjusted capital for risk-based capital purposes. Net realized after-tax capital losses of $127 million and $25 million as of June 30, 2022 and 2021, respectively, were transferred out of the IMR. Amortization of the IMR into net investment income amounted to $30 million for the six months ended June 30, 2022, and $29 million for the six months ended June 30, 2021.

Realized investment gains and losses are reported in income based upon specific identification of securities sold. Realized losses include valuation adjustments for other-than-temporary declines in investments. Unrealized investment gains and losses on financial instruments carried at fair value represent changes in the reported fair value and are recorded directly to surplus.

Policyholder Dividends and Other Experience Credits

Guardian determines the amount of dividends payable to eligible participating policyholders. These dividends have the effect of reducing the cost of insurance to policyholders and should be distinguished from the dividends paid on shares of capital stock by other types of business corporations or by stock life insurance companies. Policies on which such dividends may be payable are referred to as eligible participating policies; policies on which such dividends are not payable are referred to as non-participating policies. However, for some participating policies where no dividends are anticipated to be paid and for nonparticipating policies, adjustments may be made to non-guaranteed premiums, policy credits and charges to reflect changes to actual mortality, investment results and expenses.

Divisible surplus in excess of the amount Guardian's Board of Directors determines to be necessary to meet its policy obligations (reserves) and contingencies (such as worsening mortality or economic conditions) and to operate and grow its business is distributed in the form of dividends on Guardian's eligible participating policies. The amount and allocation of that distribution is at the discretion of the Board of Directors. The determination of the dividend scale is made after review of actual experience and reflects the traditional three-factor approach, considering dividend interest rate, mortality and expense. Guardian's Board of Directors receives the dividend scale report and recommendation from Guardian's Chief Actuary at its regular November Board meeting. The Board has an opportunity to review the report, ask questions of the Chief Actuary, and request additional information. It is the Board's responsibility to approve the following year's dividend scale. Once Board approval is received, Guardian implements the scale for the following year and all policy illustrations reflect the new scale.

Reserves for Policy Benefits

SAP prescribes methods for valuing obligations under in-force policies and contracts. Those valuations are reflected in the "Reserves for policy benefits" line of the audited statutory financial statements. Changes in reserves for policy benefits are generally charged against earnings in the income statement. Statutes, regulations and actuarial professional standards require Guardian to analyze the sufficiency of these reserves, using various interest rate scenarios in the context of statutory accounting practices on an annual basis.

Separate Accounts

Guardian does not sell products which require separate account assets or liabilities. Any such products are sold by GIAC. Separate account assets and liabilities represent segregated funds administered and invested by GIAC for the benefit of individual and group variable annuity, variable life, and other insurance used by policyholders to meet specific insurance and investment objectives. Separate account assets consist principally of marketable securities reported at fair value and are not available to satisfy liabilities that arise from any other business of GIAC. GIAC receives administrative and investment advisory fees from these accounts.

Separate accounts reflect two categories of risk assumption: non-guaranteed separate accounts, for which the policyholder assumes the investment risk; and guaranteed separate accounts, for which GIAC contractually guarantees either a minimum return or minimum account value to the policyholder. Premium income, benefits and expenses of the separate accounts are included in GIAC's Statutory Statements of Income. Investment income and realized and unrealized capital gains and losses on the assets of separate accounts accrue to policyholders and, accordingly, are not recorded in the Statutory Statements of Income.

GIAC may transfer investments from the general account to seed separate accounts. Investments transferred to separate accounts are transferred at fair market value on the date the transaction occurs. Gains related to the transfer are deferred to the extent that GIAC maintains a proportionate interest in the separate account. The deferred gain is recognized as GIAC's ownership decreases or when the separate account sells the underlying asset during the normal course of business. Losses associated with these transfers are recognized immediately.

Accounting for Employee Benefit Plans

Guardian sponsors non-contributory defined benefit pension plans covering eligible employees as defined by the terms of the plan. These include tax-qualified plans, as well as nonqualified plans that provide benefits to certain participants in excess of ERISA limits for qualified plans. Guardian's policy is to fund the obligations of qualified plans in accordance with ERISA requirements.

In addition to pension benefits, Guardian provides certain health care, dental and life insurance benefits ("post-retirement benefits") for retired employees. Substantially all employees may become eligible for these benefits if they reach retirement age while working for Guardian.

In accordance with NAIC SAP, the costs associated with these required benefits are expensed over the period that the participant provides services to Guardian, including recognition of assets and liabilities based on the funded status of the related plans. Pension assets are then non-admitted and thereby excluded from surplus.

Critical Accounting Policies

The preparation of statutory financial statements requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statutory financial statements, and the reported amounts of revenues and expenses during those reporting periods. The most significant estimates include those used in determining the carrying values of investments and derivatives, the amount of investment valuation reserves on mortgage loans, other-than-temporary impairments and reserves for policy benefits. Future events, including but not limited to changes in the levels of mortality, morbidity, interest rates, persistency, asset valuations and asset defaults, could cause actual results to differ from the estimates used in the statutory financial statements. Although some variability is inherent in these estimates, management believes the amounts presented are appropriate.

For a complete discussion of accounting policies and practices, see the notes to the Annual Statutory Financial Statements included in the Offering Memorandum.

Carrying Values of Investments and Derivatives. Investments are valued in accordance with methods prescribed by the SVO. Guardian obtains the fair value of financial instruments held in its portfolio from a number of sources, which are measured at fair value, as described in the Statutory Financial Statements. These sources include published market quotes for active market exchange traded instruments, Second-party pricing vendors, investment banks which are lead market makers in certain markets and broker quotes. Guardian also uses internal valuation models that use market observable inputs when available and Guardian derived inputs when external inputs are not available or deemed to be inaccurate.

Bonds are stated principally at amortized cost with bond premiums and discounts amortized using the scientific interest method. Those bonds which are rated 6 by the NAIC are reported at the lower of amortized cost or fair value. Mortgage-backed bonds are carried at amortized cost using the interest method considering anticipated prepayments at the date of purchase. Significant changes in future anticipated cash flows from the original purchase assumptions are accounted for using the retrospective adjustment method with Public Securities Association standard prepayment rates. Guardian has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from issuers or broker-dealers through information services or internal estimates and are believed to be consistent with current interest rates and the economic environment.

Preferred stocks which are rated 4, 5 or 6 by the SVO are stated at the lower of cost or fair value.

Common stocks of unaffiliated companies are stated at fair value, which is based on quoted market prices. For common stocks without quoted market prices, fair value is estimated using independent pricing services or internally developed pricing models. Investments in subsidiaries and affiliates are included in common stocks and are valued at equity in the underlying net assets. Undistributed earnings or losses of subsidiaries and unrealized appreciation or depreciation on common stocks are reflected as unrealized capital gains and losses directly in surplus.

Mortgage loans are valued at amortized cost. Valuation reserves are established for potential declines in the value of the mortgage loans. Fair value is determined based upon the present value of the scheduled future cash flows of each loan based on the average term to maturity discounted at the appropriate U.S. Treasury rate, adjusted for the current market spread for a similar quality mortgage.

Real estate, which Guardian has the intent to hold for the production of income, and real estate occupied by Guardian are carried at cost, less any valuation adjustment, encumbrances and accumulated depreciation of buildings and other improvements using a straight line method over the estimated useful life of the improvements. Depreciation expense is included in net investment income.

Derivative financial instruments for hedged assets and liabilities, which include those used in the equity hedging program, are carried at estimated fair value, which is based primarily upon quotations obtained from independent sources. Changes in the fair value of these open hedge positions are recorded as unrealized capital gains and losses in surplus. Gains and losses realized on the termination, closing, expiration or assignment of contracts are recorded as realized capital gains and losses. Amounts receivable and payable are accrued.

Investment Valuation Reserves on Mortgage Loans. When, based upon current information and events, it is probable that Guardian will be unable to collect all amounts of interest and principal due according to the contractual terms of the mortgage loan agreement, a valuation allowance is established for the excess of the carrying value of the mortgage loan over its fair value. Collectability and estimated recoveries are assessed on a loan-by-loan basis considering all events and conditions relevant to the loan. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revisions as more information becomes available, as changes occur in the market or as negotiations with the borrowing entity evolve. Changes to the valuation allowance are recorded as unrealized capital losses in surplus.

Other-than-Temporary Impairments. The carrying values of bonds, mortgage-backed and asset-backed securities are written down to fair value when a decline in value is considered to be other-than-temporary. Guardian considers the following factors in the evaluation of whether a non-interest related decline in value is other-than-temporary: (a) the financial condition and near-term prospects of the issuer; (b) the likelihood that Guardian will be able to collect all amounts due according to the contractual terms of a debt security in effect at the date of acquisition; (c) Guardian's ability and intent to hold the investment for a period of time sufficient to allow for an anticipated recovery in value; and (d) the period and degree to which the market value has been below cost. Guardian considers the following factors in the evaluation of whether an interest related decline in value is other-than-temporary: (a) Guardian's near term intent to sell; (b) Guardian's contractual and regulatory obligations; and (c) Guardian's ability to hold the investment until anticipated recovery of the cost of the investment. Guardian conducts a semi-annual management review of all bonds including those in default, not-in-good standing or valued below 80% of cost. Guardian also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes in value. If the impairment is other-than-temporary, a direct write-down is recognized in realized capital losses and a new cost basis is established.

The cost basis of common stocks is adjusted for impairments deemed to be other-than-temporary. Guardian considers the following factors in the evaluation of whether a decline in value is other-than-temporary: (a) the financial condition and near-term prospects of the issuer; (b) Guardian's ability and intent to hold the investment for a period of time sufficient to allow for an anticipated recovery in value; and (c) the period and degree to which the market value has been below cost. Guardian conducts a semi-annual management review of issuers whose common stock is not-in-good standing or valued below 80% of cost. Guardian also considers other qualitative and quantitative factors in determining the existence of other-than-temporary impairments including, but not limited to, unrealized loss trend analysis and significant short-term changes. If the impairment is other-than-temporary, a direct write-down to fair value is recognized in realized capital losses and a new cost basis is established.

For mortgage loans, when an event occurs resulting in an impairment that is other-than-temporary, a direct write-down is recognized in realized capital losses and a new cost basis is established. An impairment is deemed other-than-temporary when foreclosure proceedings or other procedures leading to the acquisition of the collateral are initiated, the acquisition of the collateral is probable and a reasonable estimate of the collateral value has been determined.

For real estate, depreciated cost is adjusted for impairments whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable, with the impairment being included in realized capital losses.

For partnerships and limited liability companies, when it appears probable that Guardian will be unable to recover the outstanding net capital contributed (cost) of an investment, or there is evidence indicating an inability of the investee to sustain earnings to justify the cost of the investment, an other-than-temporary impairment is recognized in realized capital losses for the excess of the cost over the estimated fair value of the investment. The estimated fair value is determined by assessing the value of the partnership's or limited liability company's underlying assets, cash flow, current financial condition and other market factors. Distributions not deemed to be a return of capital are recorded in net investment income when received provided there are undistributed earnings in the partnerships or limited liability companies.

Reserves for policy benefits. Policyholders' reserves provide amounts adequate to discharge estimated future obligations in excess of estimated future premium on policies in-force. The reserves are established using actuarial methods based on mortality and morbidity experience tables and valuation interest rates prescribed by the NYSDFS. Actual future experience will differ from assumptions used to determine these reserves.

Reserves for life insurance contracts are developed using accepted actuarial methods computed principally on the Net Level Premium Method, the New Jersey Reserve Method and the Commissioners' Reserve Valuation Method bases using the American Experience and the 1941, 1958, 1980 and 2001 Commissioners' Standard Ordinary mortality tables with assumed interest rates. Reserve methods, mortality tables and assumed interest rates vary with issue year generations of contracts. Reserves for disability riders associated with life contracts are calculated using morbidity rates from the 1952 Period 2 Intercompany Disability Table.

Individual disability income insurance policy reserves are generally calculated using the two-year preliminary term, net level premium and fixed net premium methods and actuarially accepted morbidity tables, using the 1964 Commissioners' Disability Table, the 1985 Commissioners' Individual Disability Table A and 2013 IDIVT with assumed interest rates in accordance with applicable statutes and regulations.

Disabled life claim reserves are generally calculated using actuarially accepted methodologies and actuarially accepted morbidity tables, using 1985 Commissioners' Individual Disability Tables A and C modified with factors to generate reserves that are more conservative, with assumed interest rates in accordance with applicable statutes and regulations.

Unpaid claims and claim expense reserves are related to disability and long-term care claims with long-tail payouts. Unpaid disability claim liabilities are projected based on the most recent disability payment paid prior to the valuation date. Claim expense reserves are based on an analysis of the unit expenses related to the processing and examination of new and ongoing claims. Interest accrued on reserves is calculated by applying NAIC prescribed interest rates to the average reserves by incurral year.

Tabular interest, tabular less actual reserves released and tabular cost for all life and annuity contracts and supplementary contracts involving life contingencies are determined in accordance with NAIC Annual Statement Instructions. Traditional life and term products use a formula that applies a weighted-average interest rate determined from a seriatim valuation file to the mean average reserves. Universal life, variable life, group life insurance, annuity and supplemental contracts use a formula which applies a weighted-average credited rate to the mean account value.

Guardian waives deduction of deferred fractional premium at death and returns any portion of the final premium beyond the date of death. Reserves are computed using continuous functions to reflect these practices. The larger of legally computed reserves and cash surrender values on a policy-by-policy basis are held as liabilities.

The same reserve methods applied to standard policies are used for the substandard reserve calculations that are based on a substandard mortality rate (a multiple of standard reserve tables).

Reserves for group life waiver and long-term disability ("LTD") reported claims are determined on a seriatim basis. Life waiver of premium reserves are determined using the 1970 Inter-company Group Life Disability Table for claimants disabled prior to 2009 and the 2005 Group Term Life Waiver Table for claimants disabled on or after January 1, 2009; interest rates are 4.0% for claims incurred in 2012 or earlier, 3.5% for claims incurred from 2013 to 2020 and 3% for claims incurred 2021 or later. LTD reserves are determined using the 2012 Group Long Term Disability Valuation Table, 1987 Commissioners' Group Disability Table and Table 95a; interest rates vary by the year the claim was incurred, typically ranging from 2.0% to 5.0%. Group short-term disability, vision and dental claims incurred but not yet reported reserves are estimated based on Guardian's historical experience. Group reserves include reasonable allowances for potential adverse deviation.

The section entitled "Selected Historical Statutory Financial Information of Guardian" on page 74 of the Offering Memorandum is hereby deleted in its entirety and replaced with the following:

SELECTED HISTORICAL STATUTORY FINANCIAL INFORMATION OF GUARDIAN

The table presented below sets forth selected financial information for Guardian which has been compiled on an unconsolidated basis and determined in accordance with SAP. For a description of the accounting principles applicable to this financial information and certain differences between SAP and GAAP, see "Financial and Accounting Matters—Summary of Principal Differences Between SAP and GAAP." Prospective investors should read the table below in conjunction with "Financial and Accounting Matters," "Summary of Certain Second Quarter Financial Information" and Guardian's statutory financial statements. The selected financial information for Guardian as of and for each of the years ended December 31, 2021, 2020 and 2019 has been derived from the annual audited statutory financial statements. The selected financial information for Guardian as of and for the six months ended June 30, 2022 and 2021 has been derived from the quarterly unaudited statutory financial information.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results may differ from estimates. The results for past accounting periods are not necessarily indicative of the results to be expected for any future accounting period.

The following table sets forth Guardian's Statements of Income Data and Balance Sheet Data.

	As of or for the six months ended June 30,		As of or for the year ended December 31,		
	2022	**2021**	**2021**	**2020**	**2019**
			(in millions)		
Condensed Financial Information					
Statements of Income Data:					
Total revenue	$ 6,352	$ 6,210	$ 12,539	$ 11,681	$ 11,472
Dividends to policyholders	574	523	1,114	1,036	968
Gain from operations before federal income taxes	94	238	371	393	498
Net (loss) income	10	161	223	147	549
Balance Sheet Data:					
Total admitted assets	$ 74,063	$ 69,967	$ 72,127	$ 68,045	$ 62,205
Total liabilities	$ 65,380	$ 61,820	$ 63,538	$ 60,285	$ 54,589
Surplus:					
Surplus notes	$ 1,499	$ 1,498	$ 1,498	$ 1,497	$ 1,199
Policyholders' Surplus	7,184	6,649	7,091	6,263	6,417
Total Surplus	8,683	8,147	8,589	7,760	7,616
AVR	1,552	1,358	1,444	1,132	1,071
Total surplus and AVR	$ 10,235	$ 9,505	$ 10,033	$ 8,892	$ 8,687

The following is added to the section entitled "Directors and Executive Officers of Guardian" immediately prior to the heading "Directors' Biographical Information" on page 107 of the Offering Memorandum:

Recent Developments

Christopher B. Smith, Executive Vice President, Group Benefits, will be leaving Guardian on September 30, 2022. Jonathan Mayhew will assume the role of Executive Vice President, Group Benefits on October 3, 2022.

ANNEX 1

6 4 2 4 6 2 0 2 2 2 0 1 0 0 1 0 2

LIFE, ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2022

OF THE CONDITION AND AFFAIRS OF THE

GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

NAIC Group Code 0429 (Current) 0429 (Prior) NAIC Company Code 64246 Employer's ID Number 13-5123390

Organized under the Laws of New York, State of Domicile or Port of Entry NY

Country of Domicile US

Licensed as business type: Life, Accident and Health [X] Fraternal Benefit Societies [ ]

Incorporated/Organized 04/10/1860 Commenced Business 07/16/1860

Statutory Home Office 10 Hudson Yards (Street and Number), New York, NY, US 10001 (City or Town, State, Country and Zip Code)

Main Administrative Office 10 Hudson Yards (Street and Number)

New York, NY, US 10001 (City or Town, State, Country and Zip Code), 212-598-8000 (Area Code) (Telephone Number)

Mail Address 10 Hudson Yards (Street and Number or P.O. Box), New York, NY, US 10001 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10 Hudson Yards (Street and Number)

New York, NY, US 10001 (City or Town, State, Country and Zip Code), 212-598-8829 (Area Code) (Telephone Number)

Internet Website Address www.GuardianLife.com

Statutory Statement Contact Haydn Phillip Padmore (Name), 212-598-8829 (Area Code) (Telephone Number)

Haydn_Padmore@glic.com (E-mail Address), (FAX Number)

OFFICERS

Chief Executive Officer and President	Andrew John McMahon	Associate General Counsel, Corporate Secretary	Harris Oliner
Corporate Controller	John Hunter Flannigan	Chief Legal Officer	Kermitt Jerome Brooks

OTHER

Michael Nicholas Ferik, Head of Individual Markets	Stacey Weinsheimer Hoin, Chief Human Resources Officer	Jean LaTorre, Chief Investment Officer
Kevin Molloy, Chief Financial Officer	Walter Robert Skinner, Corporate Treasurer	Michael Slipowitz, Corporate Chief Actuary
Christopher Brian Smith, Head of Group Benefits		

DIRECTORS OR TRUSTEES

John Joseph Brennan	Lloyd Eugene Campbell	Nancy Elizabeth Cooper
Deborah Leigh Duncan	William Craig Freda	Christopher Thomas Jenny
Andrew John McMahon	Eileen Katherine Murray	Gary Adam Norcross
Karen Bretherick Peetz	Vivek Sankaran	

State of NEW YORK
County of WESTCHESTER SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

E-SIGNED by Andrew McMahon on 2022-07-16 11:22:40 GMT	E-SIGNED by Kermitt Brooks on 2022-07-15 21:26:14 GMT	
Andrew John McMahon Chief Executive Officer and President	Kermitt Jerome Brooks Chief Legal Officer	John Hunter Flannigan Corporate Controller

Subscribed and sworn to before me this 14 day of July 2022

Juanita J. Johnson

a. Is this an original filing? .... Yes [X] No [ ]

b. If no,

1. State the amendment number..........
2. Date filed ....
3. Number of pages attached.............

Juanita J. Johnson
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01JO6128035
Westchester County
Commission Expires June 06 2025

ASSETS

		Current Statement Date			4
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds	50,522,467,931		50,522,467,931	50,111,955,025
2.	Stocks:				
	2.1 Preferred stocks				
	2.2 Common stocks	1,315,846,675	6,463,288	1,309,383,387	1,307,924,997
3.	Mortgage loans on real estate:				
	3.1 First liens	5,387,252,146		5,387,252,146	5,329,797,620
	3.2 Other than first liens				
4.	Real estate:				
	4.1 Properties occupied by the company (less $ .... encumbrances)				
	4.2 Properties held for the production of income (less $ 322,587,362 encumbrances)	282,181,074		282,181,074	289,755,272
	4.3 Properties held for sale (less $ .... encumbrances)				
5.	Cash ($ (3,072,437)), cash equivalents ($ 3,200,000) and short-term investments ($ 640,808,310)	640,935,873		640,935,873	790,591,671
6.	Contract loans (including $ .... premium notes)	3,820,733,013	1,446,515	3,819,286,498	3,765,370,955
7.	Derivatives	158,089,925		158,089,925	42,481,522
8.	Other invested assets	5,350,433,792	1,759,219	5,348,674,573	4,395,866,691
9.	Receivables for securities	11,221,156		11,221,156	9,986,690
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	67,489,161,586	9,669,022	67,479,492,564	66,043,730,442
13.	Title plants less $ .... charged off (for Title insurers only)				
14.	Investment income due and accrued	454,697,519		454,697,519	483,747,818
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	164,655,027	26,593,194	138,061,834	154,872,277
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)	1,443,495,979		1,443,495,979	997,948,441
	15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ ....)				
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	81,387,110	20,549	81,366,561	97,415,986
	16.2 Funds held by or deposited with reinsured companies	3,484,732,694		3,484,732,694	3,386,698,343
	16.3 Other amounts receivable under reinsurance contracts	37,481,099		37,481,099	39,983,792
17.	Amounts receivable relating to uninsured plans	66,539,428	683,124	65,856,304	58,451,259
18.1	Current federal and foreign income tax recoverable and interest thereon	70,380,903		70,380,903	32,799,531
18.2	Net deferred tax asset	698,599,824		698,599,823	683,211,026
19.	Guaranty funds receivable or on deposit	5,224,169		5,224,169	6,632,668
20.	Electronic data processing equipment and software	46,458,085	42,681,649	3,776,435	4,987,287
21.	Furniture and equipment, including health care delivery assets ($ ....)	9,492,711	9,492,711		
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	33,056,278		33,056,278	34,523,931
24.	Health care ($ ....) and other amounts receivable	20,174,619	20,174,619		
25.	Aggregate write-ins for other than invested assets	117,306,833	50,495,238	66,811,595	102,282,082
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	74,222,843,863	159,810,106	74,063,033,757	72,127,284,885
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	74,222,843,863	159,810,106	74,063,033,757	72,127,284,885
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)				
2501.	Miscellaneous receivables	71,137,063	12,653,365	58,483,698	98,204,295
2502.	State tax credits	6,406,625		6,406,625	2,700,000
2503.	Suspense accounts	1,762,845		1,762,845	1,220,530
2598.	Summary of remaining write-ins for Line 25 from overflow page	38,000,300	37,841,873	158,427	157,258
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	117,306,833	50,495,238	66,811,595	102,282,082

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Aggregate reserve for life contracts $ 48,893,224,685 less $ .... included in Line 6.3 (including $ .... Modco Reserve)	48,893,224,685	47,030,513,643
2.	Aggregate reserve for accident and health contracts (including $ .... Modco Reserve)	4,898,438,515	4,764,705,757
3.	Liability for deposit-type contracts (including $ .... Modco Reserve)	4,429,237,609	4,466,595,533
4.	Contract claims:		
	4.1 Life	405,232,530	474,946,264
	4.2 Accident and health	314,272,912	303,931,539
5.	Policyholders' dividends/refunds to members $ (24,983,513) and coupons $ .... due and unpaid	(24,983,513)	(41,726,508)
6.	Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year - estimated amounts:		
	6.1 Policyholders' dividends and refunds to members apportioned for payment (including $ .... Modco)	1,174,161,443	1,130,539,181
	6.2 Policyholders' dividends and refunds to members not yet apportioned (including $ .... Modco)		
	6.3 Coupons and similar benefits (including $ .... Modco)		
7.	Amount provisionally held for deferred dividend policies not included in Line 6		
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less $ (24,298,239) discount; including $ 101,093,534 accident and health premiums	385,504,979	380,807,871
9.	Contract liabilities not included elsewhere:		
	9.1 Surrender values on canceled contracts		
	9.2 Provision for experience rating refunds, including the liability of $ .... accident and health experience rating refunds of which $ .... is for medical loss ratio rebate per the Public Health Service Act	978,968	
	9.3 Other amounts payable on reinsurance, including $ 45,970 assumed and $ 16,499,663 ceded	16,545,633	20,274,963
	9.4 Interest Maintenance Reserve	623,009,088	779,403,073
10.	Commissions to agents due or accrued-life and annuity contracts $ 32,064,124 , accident and health $ 80,223,494 and deposit-type contract funds $	112,287,619	150,812,269
11.	Commissions and expense allowances payable on reinsurance assumed	522,395	287,173
12.	General expenses due or accrued	1,175,286,020	1,349,925,446
13.	Transfers to Separate Accounts due or accrued (net) (including $ .... accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes	22,104,139	30,912,963
15.1	Current federal and foreign income taxes, including $ .... on realized capital gains (losses)		
15.2	Net deferred tax liability		
16.	Unearned investment income	108,970,163	105,968,052
17.	Amounts withheld or retained by reporting entity as agent or trustee	40,342,999	35,259,847
18.	Amounts held for agents' account, including $ 38,018 agents' credit balances	38,018	59,161
19.	Remittances and items not allocated	113,544,810	94,020,646
20.	Net adjustment in assets and liabilities due to foreign exchange rates		
21.	Liability for benefits for employees and agents if not included above	564,889,731	633,494,173
22.	Borrowed money $ .... and interest thereon $		
23.	Dividends to stockholders declared and unpaid		
24.	Miscellaneous liabilities:		
	24.01 Asset valuation reserve	1,552,261,401	1,443,918,390
	24.02 Reinsurance in unauthorized and certified ($ ....) companies		
	24.03 Funds held under reinsurance treaties with unauthorized and certified ($ ....) reinsurers		
	24.04 Payable to parent, subsidiaries and affiliates	4,703,642	11,910,600
	24.05 Drafts outstanding		
	24.06 Liability for amounts held under uninsured plans	3,858,631	4,396,314
	24.07 Funds held under coinsurance	160,779,194	145,260,447
	24.08 Derivatives	3,979,935	44,323,754
	24.09 Payable for securities	323,124,176	60,858,730
	24.10 Payable for securities lending		
	24.11 Capital notes $ .... and interest thereon $		
25.	Aggregate write-ins for liabilities	77,803,049	116,934,886
26.	Total liabilities excluding Separate Accounts business (Lines 1 to 25)	65,380,118,771	63,538,334,168
27.	From Separate Accounts Statement		
28.	Total liabilities (Lines 26 and 27)	65,380,118,771	63,538,334,168
29.	Common capital stock		
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds		
32.	Surplus notes	1,498,971,178	1,498,359,480
33.	Gross paid in and contributed surplus		
34.	Aggregate write-ins for special surplus funds	4,006,732	4,006,732
35.	Unassigned funds (surplus)	7,179,937,076	7,086,584,505
36.	Less treasury stock, at cost:		
	36.1 .... shares common (value included in Line 29 $ ....)		
	36.2 .... shares preferred (value included in Line 30 $ ....)		
37.	Surplus (Total Lines 31+32+33+34+35-36) (including $ .... in Separate Accounts Statement)	8,682,914,986	8,588,950,717
38.	Totals of Lines 29, 30 and 37	8,682,914,986	8,588,950,717
39.	Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	74,063,033,757	72,127,284,885
	DETAILS OF WRITE-INS		
2501.	Miscellaneous liabilities	51,072,930	47,963,863
2502.	Deferred gains on real estate	13,165,427	13,165,427
2503.	Paid family leave risk adjustment	6,000,000	800,000
2598.	Summary of remaining write-ins for Line 25 from overflow page	7,564,692	55,005,596
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	77,803,049	116,934,886
3101.			
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page		
3199.	Totals (Lines 3101 through 3103 plus 3198)(Line 31 above)		
3401.	Contingency reserves for aviation reinsurance	3,000,000	3,000,000
3402.	Permanent surplus (Arkansas requirements)	1,000,000	1,000,000
3403.	Contingency reserves for deposit administration	6,732	6,732
3498.	Summary of remaining write-ins for Line 34 from overflow page		
3499.	Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	4,006,732	4,006,732

SUMMARY OF OPERATIONS

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Premiums and annuity considerations for life and accident and health contracts	5,077,251,119	4,766,059,111	9,452,918,155
2.	Considerations for supplementary contracts with life contingencies	42,473	1,645,404	2,384,642
3.	Net investment income	1,191,411,315	1,237,347,451	2,704,313,266
4.	Amortization of Interest Maintenance Reserve (IMR)	29,600,140	29,466,393	68,125,358
5.	Separate Accounts net gain from operations excluding unrealized gains or losses			
6.	Commissions and expense allowances on reinsurance ceded	30,606,901	31,968,766	63,019,396
7.	Reserve adjustments on reinsurance ceded			
8.	Miscellaneous Income:			
	8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
	8.2 Charges and fees for deposit-type contracts			
	8.3 Aggregate write-ins for miscellaneous income	23,834,040	143,876,737	256,309,775
9.	Totals (Lines 1 to 8.3)	6,352,745,988	6,210,363,861	12,547,070,592
10.	Death benefits	624,054,079	780,616,115	1,570,391,652
11.	Matured endowments (excluding guaranteed annual pure endowments)	863,143	474,797	1,197,169
12.	Annuity benefits	1,085,385	2,441,091	3,474,723
13.	Disability benefits and benefits under accident and health contracts	1,331,614,611	1,236,589,521	2,497,438,388
14.	Coupons, guaranteed annual pure endowments and similar benefits			
15.	Surrender benefits and withdrawals for life contracts	596,729,775	687,730,162	1,279,820,314
16.	Group conversions	414,573	413,751	832,863
17.	Interest and adjustments on contract or deposit-type contract funds	48,835,399	46,937,705	94,567,871
18.	Payments on supplementary contracts with life contingencies	730,895	1,329,099	2,190,999
19.	Increase in aggregate reserves for life and accident and health contracts	1,996,443,800	1,594,332,258	2,825,959,398
20.	Totals (Lines 10 to 19)	4,600,771,662	4,350,864,499	8,275,873,377
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	350,095,117	327,825,790	657,405,852
22.	Commissions and expense allowances on reinsurance assumed	121,282,681	107,157,319	239,089,918
23.	General insurance expenses and fraternal expenses	776,163,705	712,100,551	1,584,506,862
24.	Insurance taxes, licenses and fees, excluding federal income taxes	131,484,094	111,201,023	227,123,357
25.	Increase in loading on deferred and uncollected premiums	(227,898,051)	(204,425,993)	12,958,126
26.	Net transfers to or (from) Separate Accounts net of reinsurance			
27.	Aggregate write-ins for deductions	(67,658,618)	44,458,084	64,725,502
28.	Totals (Lines 20 to 27)	5,684,240,589	5,449,181,272	11,061,682,993
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	668,505,399	761,182,589	1,485,387,599
30.	Dividends to policyholders and refunds to members	574,131,462	522,621,303	1,114,381,108
31.	Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30)	94,373,937	238,561,286	371,006,491
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)	7,670,076	40,144,190	9,234,369
33.	Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	86,703,861	198,417,096	361,772,122
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $ 9,901,293 (excluding taxes of $ (33,704,693) transferred to the IMR)	(76,206,157)	(37,376,309)	(138,605,692)
35.	Net income (Line 33 plus Line 34)	10,497,704	161,040,787	223,166,430
	CAPITAL AND SURPLUS ACCOUNT			
36.	Capital and surplus, December 31, prior year	8,588,950,717	7,759,742,001	7,759,742,001
37.	Net income (Line 35)	10,497,704	161,040,787	223,166,430
38.	Change in net unrealized capital gains (losses) less capital gains tax of $ 51,001,867	250,050,153	358,336,125	735,840,143
39.	Change in net unrealized foreign exchange capital gain (loss)	(123,376,265)	(16,939,181)	(60,197,744)
40.	Change in net deferred income tax	33,594,968	29,753,264	54,528,990
41.	Change in nonadmitted assets	1,119,936	42,906,066	38,252,915
42.	Change in liability for reinsurance in unauthorized and certified companies			
43.	Change in reserve on account of change in valuation basis, (increase) or decrease			
44.	Change in asset valuation reserve	(108,343,011)	(225,320,200)	(311,622,340)
45.	Change in treasury stock			
46.	Surplus (contributed to) withdrawn from Separate Accounts during period			
47.	Other changes in surplus in Separate Accounts Statement			
48.	Change in surplus notes	611,698	1,153,487	1,223,395
49.	Cumulative effect of changes in accounting principles			
50.	Capital changes:			
	50.1 Paid in			
	50.2 Transferred from surplus (Stock Dividend)			
	50.3 Transferred to surplus			
51.	Surplus adjustment:			
	51.1 Paid in			
	51.2 Transferred to capital (Stock Dividend)			
	51.3 Transferred from capital			
	51.4 Change in surplus as a result of reinsurance			
52.	Dividends to stockholders			
53.	Aggregate write-ins for gains and losses in surplus	29,809,086	36,548,921	148,016,926
54.	Net change in capital and surplus for the year (Lines 37 through 53)	93,964,269	387,479,270	829,208,715
55.	Capital and surplus, as of statement date (Lines 36 + 54)	8,682,914,986	8,147,221,271	8,588,950,717
	DETAILS OF WRITE-INS			
08.301.	Interest on funds withheld assumed	84,231,334	81,039,244	163,077,433
08.302.	Service fees	4,912,072	3,791,569	8,343,282
08.303.	Miscellaneous income	3,002,948	4,374,406	8,745,668
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	(68,312,315)	54,671,517	76,143,391
08.399.	Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	23,834,040	143,876,737	256,309,775
2701.	Paid family leave risk adjustment	5,200,000		1,220,055
2702.	Interest expense on funds held ceded	4,244,377	2,725,113	5,225,886
2703.	Other miscellaneous expenses	1,956,119	5,693,874	10,692,182
2798.	Summary of remaining write-ins for Line 27 from overflow page	(79,059,115)	36,039,098	47,587,379
2799.	Totals (Lines 2701 through 2703 plus 2798)(Line 27 above)	(67,658,618)	44,458,084	64,725,502
5301.	Change in pension funded status	29,809,086	36,548,921	148,016,926
5302.				
5303.				
5398.	Summary of remaining write-ins for Line 53 from overflow page			
5399.	Totals (Lines 5301 through 5303 plus 5398)(Line 53 above)	29,809,086	36,548,921	148,016,926

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	Cash from Operations			
1.	Premiums collected net of reinsurance	4,886,892,227	4,587,070,676	9,467,873,621
2.	Net investment income	1,259,016,587	1,335,804,711	2,789,912,344
3.	Miscellaneous income	70,891,286	20,393,683	32,320,411
4.	Total (Lines 1 to 3)	6,216,800,101	5,943,269,070	12,290,106,375
5.	Benefit and loss related payments	2,648,626,332	2,817,347,827	5,479,153,635
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	1,637,591,173	1,442,958,444	2,725,575,848
8.	Dividends paid to policyholders	513,766,205	471,562,654	1,040,708,305
9.	Federal and foreign income taxes paid (recovered) net of $ (23,803,400) tax on capital gains (losses)	21,448,048	(23,407,159)	2,409,950
10.	Total (Lines 5 through 9)	4,821,431,759	4,708,461,766	9,247,847,737
11.	Net cash from operations (Line 4 minus Line 10)	1,395,368,342	1,234,807,304	3,042,258,638
	Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	4,094,666,112	3,460,527,279	10,403,056,704
	12.2 Stocks	40,366,124	45,814,217	131,874,933
	12.3 Mortgage loans	354,703,217	202,839,896	707,962,725
	12.4 Real estate	14,818	409,732	229,928
	12.5 Other invested assets	80,448,107	145,129,725	307,777,735
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(16,820)	14,946	15,391
	12.7 Miscellaneous proceeds	195,706,053	43,998,321	58,758,504
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,765,887,610	3,898,734,115	11,609,675,920
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	4,853,386,025	3,999,911,164	12,499,162,844
	13.2 Stocks	9,721,494	45,188,319	118,981,067
	13.3 Mortgage loans	412,157,751	509,461,211	1,222,787,123
	13.4 Real estate	2,005,875	2,863,174	27,807,561
	13.5 Other invested assets	964,520,024	268,510,934	587,822,182
	13.6 Miscellaneous applications			
	13.7 Total investments acquired (Lines 13.1 to 13.6)	6,241,791,169	4,825,934,801	14,456,560,777
14.	Net increase (or decrease) in contract loans and premium notes	54,013,289	(34,428,345)	(43,943,596)
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,529,916,849)	(892,772,341)	(2,802,941,262)
	Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes	611,698	1,153,487	1,223,396
	16.2 Capital and paid in surplus, less treasury stock			
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	(37,357,924)	(117,823,607)	(115,350,483)
	16.5 Dividends to stockholders			
	16.6 Other cash provided (applied)	21,638,935	130,837,316	243,825,293
17.	Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(15,107,291)	14,167,196	129,698,206
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(149,655,798)	356,202,159	369,015,581
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	790,591,671	421,576,090	421,576,090
	19.2 End of period (Line 18 plus Line 19.1)	640,935,873	777,778,249	790,591,671

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001. Bonds to Bonds Exchange	332,377,907	601,785,500	770,085,750

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1.	Industrial life			
2.	Ordinary life insurance	2,544,553,401	2,345,674,155	4,900,604,121
3.	Ordinary individual annuities	3,296,614	2,953,224	12,220,302
4.	Credit life (group and individual)			
5.	Group life insurance	546,166,836	504,015,610	706,433,104
6.	Group annuities			
7.	A & H - group	1,940,820,769	1,729,423,051	3,536,476,052
8.	A & H - credit (group and individual)			
9.	A & H - other	89,791,748	90,311,298	182,330,622
10.	Aggregate of all other lines of business			
11.	Subtotal (Lines 1 through 10)	5,124,629,368	4,672,377,340	9,338,064,199
12.	Fraternal (Fraternal Benefit Societies Only)			
13.	Subtotal (Lines 11 through 12)	5,124,629,368	4,672,377,340	9,338,064,199
14.	Deposit-type contracts	983,420,676	801,250,589	1,560,267,548
15.	Total (Lines 13 and 14)	6,108,050,044	5,473,627,929	10,898,331,747
	DETAILS OF WRITE-INS			
1001.				
1002.				
1003.				
1098.	Summary of remaining write-ins for Line 10 from overflow page			
1099.	Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

NOTE 1 Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of The Guardian Life Insurance Company of America (the "Company") are presented on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services (the "Department").

The Department recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company ("New York SAP"). The National Association of Insurance Commissioners' ("NAIC") promulgates the Accounting Practices and Procedures Manual ("NAIC SAP"), which includes accounting guidelines referred to as Statements of Statutory Accounting Principles ("SSAP's"). The Department adopted NAIC SAP with certain modifications, through the passage of Regulation 172, effective January 1, 2001, as amended. There were two material differences between the Company's capital, surplus and net income (loss) calculated in accordance with New York SAP and NAIC SAP for the period ended June 30, 2022 and December 31, 2021.

	SSAP #	F/S Page	F/S Line #	2022	2021
NET INCOME					
(1) The Guardian Life Insurance Company of America state basis (Page 4, Line 35, Columns 1 & 2)	SSAP #1	4	35	$ 10,497,704	$ 223,166,430
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
Impact on deferred premiums		4		$ (8,702,650)	$ (6,197,520)
Impact on admitted uneared premiums/allowances		4		$ 3,994,861	$ 3,429,138
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	SSAP #1	4	35	$ 15,205,493	$ 225,934,812
SURPLUS					
(5) State basis (Page 3, Line 38, Columns 1 & 2)	SSAP #1	3	38	$ 8,682,914,986	$ 8,588,950,717
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: Impact on deferred premiums		3		$ 129,967,479	$ 138,670,129
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP: Impact on admitted unearned premiums/allowances		3		$ (53,914,249)	$ (57,909,110)
(8) NAIC SAP (5-6-7=8)	SSAP #1	3	38	$ 8,606,861,756	$ 8,508,189,698

B. Use of Estimates in the Preparation of the Financial Statements
No Changes

C. Accounting Policy
Not Applicable

D. Going Concern
Not Applicable

NOTE 2 Accounting Changes and Corrections of Errors
No changes

NOTE 3 Business Combinations and Goodwill

A. Statutory Purchase Method
No changes

B. Statutory Merger
No changes

C. Assumption Reinsurance
No changes

D. Impairment Loss
No changes

E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill
No changes

NOTE 4 Discontinued Operations
Not applicable.

NOTE 5 Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans
No Changes.

B. Debt Restructuring
No Changes.

C. Reverse Mortgages
No Changes.

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from issuers or broker-dealers through information services or internal estimates and are consistent with current interest rates and the economic environment. The Company uses BVAL pricing service or broker dealer surveys in determining the market value of its loan backed securities.

(2) Not Applicable.

(3) Not Applicable.

NOTES TO FINANCIAL STATEMENTS

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a) The aggregate amount of unrealized losses:	
1. Less than 12 Months	$ 169,856,307
2. 12 Months or Longer	$ 27,518,805
b)The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	$ 2,041,673,143
2. 12 Months or Longer	$ 196,975,481

(5) In reaching the conclusion that these impairments are not other-than-temporary, management considered many factors including: duration and severity of impairment, cash flow, investment sector stability, credit worthiness, financial condition of issuer, and intent and ability to hold to allow for recovery in value.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions
Not Applicable.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not Applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not Applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale
Not Applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Not Applicable.

J. Real Estate
Not Applicable.

K. Low Income Housing tax Credits (LIHTC)
Not Applicable.

L. Restricted Assets
Not Applicable.

M. Working Capital Finance Investments
Not Applicable.

N. Offsetting and Netting of Assets and Liabilities

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(1) Assets			
Currency Swaps	$ 155,866,679		$ 155,866,679
Index Participation feature	$ 1,294,962		$ 1,294,962

* For derivative assets and derivative liabilities, the amount offset shall agree to Schedule DB, Part D, Section 1

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(2) Liabilities			
Currency Swaps	$ 2,112,243		$ 2,112,243

* For derivative assets and derivative liabilities, the amount offset shall agree to Schedule DB, Part D, Section 1

O. 5GI Securities
Not Applicable.

P. Short Sales
Not Applicable.

Q. Prepayment Penalty and Acceleration Fees

	General Account	Separate Account
1. Number of CUSIPs	$ 30	
2. Aggregate Amount of Investment Income	$ 7,765,648	

R. Reporting Entity's Share of Cash Pool by Asset Type
Not Applicable.

NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies
No Changes.

NOTE 7 Investment Income
No Changes.

NOTE 8 Derivative Instruments
No Changes.

NOTE 9 Income Taxes
No Changes.

NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
No Changes.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 Debt

A. Not Applicale.

B. FHLB (Federal Home Loan Bank) Agreements

(1) On February 13, 2018, the Company became a member of the Federal Home Loan Bank of New York. Through its membership, the Company has conducted business activity with the FHLBNY. It is part of the Company's strategy to utilize these funds as a source to improve spread lending liquidity and as a source of backup liquidity. New York State Department of Financial Services permits Guardian Life to pledge collateral to the FHLBNY in an amount of up to 5% of its year-end statutory net admitted assets, excluding separate account assets. Based on Guardian Life's statutory net admitted assets the 5% limitation equates to a maximum borrowing capacity of $3,606,364,244 as of December 31, 2021 and $3,703,151,688 as of June 30, 2022.

(2) FHLB Capital Stock

a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Separate Accounts
1. Current Year			
(a) Membership Stock - Class A	$ -		
(b) Membership Stock - Class B	$ 9,885,800	$ 9,885,800	
(c) Activity Stock	$ 26,100,000	$ 26,100,000	
(d) Excess Stock	$ -		
(e) Aggregate Total (a+b+c+d)	$ 35,985,800	$ 35,985,800	$ -
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	$ 3,703,151,688	XXX	XXX
2. Prior Year-end			
(a) Membership Stock - Class A	$ -		
(b) Membership Stock - Class B	$ 9,063,400	$ 9,063,400	$ -
(c) Activity Stock	$ 25,515,000	$ 25,515,000	$ -
(d) Excess Stock	$ -		
(e) Aggregate Total (a+b+c+d)	$ 34,578,400	$ 34,578,400	$ -
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	$ 3,606,364,244	XXX	XXX

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)
11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1	2	Eligible for Redemption			
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
Membership Stock						
1. Class A	$ -					
2. Class B	$ 9,885,800	$ 9,885,800				

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)
11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	$ 756,953,964	$ 775,705,827	$ 580,000,000
2. Current Year General Account Total Collateral Pledged	$ 756,953,964	$ 775,705,827	$ 580,000,000
3. Current Year Separate Accounts Total Collateral Pledged			
4. Prior Year-end Total General and Separate Accounts Total Collateral Pledged	$ 780,504,528	$ 743,639,887	$ 567,000,000

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)
11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)
11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)
11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Maximum Collateral Pledged (Lines 2+3)	$ 756,953,964	$ 775,705,827	$ 580,000,000
2. Current Year General Account Maximum Collateral Pledged	$ 756,953,964	$ 775,705,827	$ 580,000,000
3. Current Year Separate Accounts Maximum Collateral Pledged			
4. Prior Year-end Total General and Separate Accounts Maximum Collateral Pledged	$ 872,174,589	$ 829,791,852	$ 641,150,000

NOTES TO FINANCIAL STATEMENTS

(4) Borrowing from FHLB

a. Amount as of Reporting Date

	1 Total 2+3	2 General Account	3 Separate Accounts	4 Funding Agreements Reserves Established
1. Current Year				
(a) Debt	$ -			XXX
(b) Funding Agreements	$ 580,000,000	$ 580,000,000		
(c) Other	$ -			XXX
(d) Aggregate Total (a+b+c)	$ 580,000,000	$ 580,000,000	$ -	$ -
2. Prior Year end				
(a) Debt	$ -			XXX
(b) Funding Agreements	$ 567,000,000	$ 567,000,000	$ -	$ -
(c) Other	$ -			XXX
(d) Aggregate Total (a+b+c)	$ 567,000,000	$ 567,000,000	$ -	$ -

b. Maximum Amount During Reporting Period (Current Year)

	1 Total 2+3	2 General Account	3 Separate Accounts
1. Debt	$ -		
2. Funding Agreements	$ 580,000,000	$ 580,000,000	
3. Other	$ -		
4. Aggregate Total (1+2+3)	$ 580,000,000	$ 580,000,000	$ -

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

NOTE 12 Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

(1) - (3) No Changes

	Pension Benefits 2022	Pension Benefits 2021	Postretirement Benefits 2022	Postretirement Benefits 2021	Special or Contractual Benefits Per SSAP No. 11 2022	Special or Contractual Benefits Per SSAP No. 11 2021
(4) Components of net periodic benefit cost						
a. Service cost	$ 23,549,409	$ 51,996,725	$ 1,456,594	$ 3,305,870		$ -
b. Interest cost	$ 47,666,951	$ 91,196,752	$ 2,918,431	$ 5,496,754		$ -
c. Expected return on plan assets	$ (81,587,132)	$(171,563,271)	$ (4,630,376)	$ (9,693,811)		$ -
d. Transition asset or obligation						
e. Gains and losses	$ 31,367,665	$ 80,502,885	$ 1,801,992	$ 5,066,496		$ -
f. Prior service cost or credit		$ 6,804	$ (3,360,571)	$ (10,460,165)		$ -
g. Gain or loss recognized due to a settlement or curtailment						
h. Total net periodic benefit cost	$ 20,996,893	$ 52,139,895	$ (1,813,930)	$ (6,284,856)	$ -	$ -

(5) - (21) No Changes

B-I No Changes

NOTE 13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

(A) - (M) No Changes.

NOTE 14 Liabilities, Contingencies and Assessments

No Changes.

NOTE 15 Leases

No Changes.

NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No Changes.

NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

No Changes.

B. Transfer and Servicing of Financial Assets

No Changes.

C. Wash Sales

No Changes.

NOTES TO FINANCIAL STATEMENTS

NOTE 18 Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans:
No Changes.

B. ASC Plans:
No Changes.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract:
No Changes.

NOTE 19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
No Changes.

NOTE 20 Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds Industrial and Misc		$ 35,482,015			$ 35,482,015
Common Stock Industrial and Misc		$ 372,805	$ 36,307,660	$ 32,379,671	$ 69,060,136
Derivative Assets					
Index Participation Feature			$ 1,294,962		$ 1,294,962
Total assets at fair value/NAV	$ -	$ 35,854,820	$ 37,602,622	$ 32,379,671	$ 105,837,113

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
b. Liabilities at fair value					
Total liabilities at fair value	$ -	$ -	$ -	$ -	$ -

(2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy

Description	Ending Balance as of Prior Quarter End	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance for Current Quarter End
a. Assets										
Common Stock - Industrial & Miscellaneous (Unaffiliated)	$ 32,560,260					$ 3,747,400				$ 36,307,660
Derivative Assets Index Participation Feature	$ 4,771,358	$ 47,800	$(4,754,111)			$ 1,556,990		$ (327,074)		$ 1,294,963
Total Assets	$ 37,331,618	$ 47,800	$(4,754,111)	$ -	$ -	$ 5,304,390	$ -	$ (327,074)	$ -	$ 37,602,623

(3) Transfers into and out of Level 3 are due to changes in Market Value of the investments held at this level during the reporting period.

(4) The Company obtains the fair value of financial instruments held in its portfolio from various sources. These sources include published market quotes for active market exchange traded instruments, third party pricing vendors, investment banks which are lead market makers in certain markets, broker quotes and the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate.

Bonds:

Estimated fair values for bonds, other than private placement securities, are based on values provided by a third party pricing vendor using primarily observable market inputs. Observable inputs include benchmark yields, reported trades, market dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data.

Common Stock:

Estimated fair value for unaffiliated common stock is determined using a quoted market price where available. When the Company cannot obtain a quoted market price directly, it relies on values provided by a third party pricing vendor, or values determined by estimates and assumptions based on internally derived information. The pricing vendor values these securities using observable market inputs, including reported trades, market dealer quotes, bids, offers and reference data. The fair value of common stock was $69,060,135 at June 30, 2022. $0 was valued based on quoted market prices from an active market for that identical investment and $372,805 was valued based on quotes from third party pricing vendors for identical investments in markets that are not actively traded, or for similar investments that are actively traded and model derived valuations whose inputs are observable or whose significant value drivers are observable. Common stocks with an aggregate fair value of $36,307,660 were determined by using estimates and assumptions based on internally derived information. Common stocks with an aggregate fair value of $32,379,671 were determined by using Net Asset Value.

Mortgage Loans:

The estimated fair value of the mortgage loan portfolio is derived primarily using a loan value matrix using significant unobservable inputs. The inputs used in the matrix include (1) the weighted average cash flow and average term to maturity for each individual loan; (2) a base spread over the U.S. Treasury rate and (3) an internally computed credit rating that is used to derive the appropriate credit spread. At June 30, 2022, there were no mortgage loans carried at fair value.

Surplus Notes:

Estimated fair values for surplus notes are based on values provided by a third party pricing vendor using primarily observable market inputs. Observable inputs include benchmark yields, reported trades, market dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data.

NOTES TO FINANCIAL STATEMENTS

Real Estate:

Real estate properties that are designated as held for sale are carried on the balance sheet at the lower of their depreciated cost basis adjusted for any previous impairment write-downs or fair value less cost to sell. At June 30, 2022, the Company had no property in the held for sale category. The fair value of this property is based on what management believes to be a market price based on a bid received at auction from a third party.

Derivatives:

Derivative instruments are valued through the use of quoted market prices for exchange-traded derivatives (Level 1), third party pricing model and a third party pricing service for over-the-counter ("OTC") traded derivatives (Level 2) and by using internally developed estimates and assumptions when no quoted market price or third party vendor price is available.

(5) Not Applicable.

B. Not Applicable.

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	$ 45,579,485,299	$ 50,522,467,931	$ 1,178,506,070	$ 39,343,290,729	$ 5,057,688,501		
Common Stock	$ 69,060,136	$ 69,060,136		$ 372,805	$ 36,307,660	$ 32,379,671	
Mortgage Loans	$ 5,130,949,000	$ 5,387,252,141			$ 5,130,949,000		
Surplus Notes	$ 601,727,475	$ 688,985,433		$ 601,727,475			
Currency Swaps	$ 222,231,343	$ 155,866,679			$ 222,231,343		
Index Participation Feature	$ 1,294,962	$ 1,294,962			$ 1,294,962		
Liabilities	$ 1,978,204	$ 2,112,244			$ 1,978,204		

D. Not Applicable.

E. The Mutual funds at NAV are priced by dividing the daily NAV by the number of shares outstanding. As a result, the shares will never be sold for below NAV.

NOTE 21 Other Items

A. Unusual or Infrequent Items
No Changes.

B. Troubled Debt Restructuring: Debtors
No Changes.

C. Other Disclosures
No Changes.

D. Business Interruption Insurance Recoveries
No Changes.

E. State Transferable and Non-transferable Tax Credits
No Changes.

F. Subprime Mortgage Related Risk Exposure
No Changes.

G. Retained Assets
No Changes.

H. Insurance-Linked Securities (ILS) Contracts
No Changes.

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

No Changes.

NOTE 22 Events Subsequent
No Changes.

NOTE 23 Reinsurance
No Changes.

NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Disclose the method used by the reporting entity to estimate accrued retrospective premium adjustments.

Not applicable.

B. Disclose whether accrued retrospective premium are ecorded through written premium or as an adjustment to earned premium.

Not applicable.

C. Disclose the amount of net premiums written that are subject to retrospective rating fearures, as well as the corresponding percentage to total net premiums written.

Not applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act.
Not applicable.

E. Risk Sharing Provisions of the Affordable Care Act
Not applicable.

NOTES TO FINANCIAL STATEMENTS

NOTE 25 Change in Incurred Losses and Loss Adjustment Expenses

Activity in the liability for unpaid accident & health claim reserves is summarized as follows:

	06/30/2022	12/31/2021
Balance of Unpaid A&H Claims and Claim Reserves, net of Reinsurance at January 1	$ 4,548,885,222	$ 4,410,443,099
Incurred related to:		
Current year	$ 1,576,867,401	$ 2,808,596,856
Prior Year	(169,099,675)	(232,445,134)
Total Incurred	$ 1,407,767,726	$ 2,576,151,721
Paid related to:		
Current year	$ 867,862,979	$ 1,787,356,798
Prior year	440,764,163	650,352,800
Total Paid	$ 1,308,627,142	$ 2,437,709,598
Balance of Unpaid A&H Claims and Claim Reserves, net of Reinsurance	$ 4,648,025,806	$ 4,548,885,222

NOTE 26 Intercompany Pooling Arrangements

No Changes.

NOTE 27 Structured Settlements

No Changes.

NOTE 28 Health Care Receivables

No Changes.

NOTE 29 Participating Policies

No Changes.

NOTE 30 Premium Deficiency Reserves

No Changes.

NOTE 31 Reserves for Life Contracts and Annuity Contracts

No Changes.

NOTE 32 Analysis of Annuity Actuarial Reserves and Deposit Type Contract Liabilities by Withdrawal Characteristics

No Changes.

NOTE 33 Analysis of Life Actuarial Reserves by Withdrawal Characteristics

No Changes.

NOTE 34 Premium & Annuity Considerations Deferred and Uncollected

No Changes.

NOTE 35 Separate Accounts

No Changes.

NOTE 36 Loss/Claim Adjustment Expenses

No Changes.

ANNEX 2

Report of Independent Auditors

To the Board of Directors of The Guardian Life Insurance Company of America

Opinions

We have audited the accompanying statutory basis financial statements of The Guardian Life Insurance Company of America (the "Company"), which comprise the statutory basis balance sheets as of December 31, 2021, 2020 and 2019, and the related statutory basis statements of operations, of changes in capital and surplus, and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the balance sheets of the Company as of December 31, 2021, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2021, 2020 and 2019, or the results of its operations or its cash flows for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America are material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the New York State Department of Financial Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose ofexpressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

pwc

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental Schedule 1 - Selected Financial Data, Investment Risk Interrogatories, and Summary Investments Schedule (collectively referred to as the "supplemental schedules") of the Company as of December 31, 2021 and 2020 and for the years then ended are presented to comply with the National Association of Insurance Commissioners' Annual Statement Instructions and Accounting Practices and Procedures Manual and for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

February 25, 2022

The Guardian Life Insurance Company of America
Statutory Basis Balance Sheets
(In Millions)

	As of December 31, 2021	As of December 31, 2020
Admitted Assets		
Bonds	$ 50,112	$ 47,972
Common stocks	1,308	1,317
Mortgage loans	5,330	4,816
Real estate (net of encumbrances: 2021 - $319; 2020 - $291)	290	280
Policy loans	3,765	3,810
Other invested assets	4,438	3,407
Receivable for securities	10	75
Cash, cash equivalents and short-term investments	791	422
Total invested assets	66,044	62,099
Due and accrued investment income	484	518
Premiums deferred and uncollected	1,153	1,157
Current federal and foreign income tax recoverable and interest thereon	33	111
Net deferred tax asset	683	728
Reinsurance recoverable from affiliate	3,381	3,176
Other assets	349	256
Total admitted assets	$ 72,127	$ 68,045
Liabilities		
Reserves for policy benefits	$ 51,774	$ 48,948
Policyholder dividends payable and other contract liabilities	6,734	6,691
Interest maintenance reserve	779	703
General expenses due or accrued	1,350	1,364
Asset valuation reserve	1,444	1,132
Other liabilities	1,457	1,447
Total liabilities	63,538	60,285
Policyholder's surplus		
Policyholders' surplus	7,091	6,263
Surplus notes	1,498	1,497
Total Policyholder's surplus	8,589	7,760
Total liabilities and policyholders' surplus	$ 72,127	$ 68,045

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America
Statutory Basis Statements of Operations
(In Millions)

	For the Years Ended December 31,	
	2021	**2020**
Revenues		
Premiums, annuity considerations and fund deposits	$ 9,445	$ 8,951
Net investment income	2,704	2,368
Other income	390	362
Total revenues	12,539	11,681
Benefits and Expenses		
Benefit payments to policyholders and beneficiaries	5,347	5,154
Net increase to policy benefit reserves	2,826	2,354
Commissions and operating expenses	2,881	2,744
Total benefits and expenses	11,054	10,252
Income from operations before policyholder dividends and taxes	1,485	1,429
Policyholder dividends	(1,114)	(1,036)
Income from operations before taxes and realized capital losses	371	393
Income tax (expense)/benefit	(9)	100
Income from operations before net realized capital losses	362	493
Net realized capital losses	(139)	(346)
Net income	$ 223	$ 147

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America
Statutory Basis Statements of Changes in Policyholders' Surplus
(In Millions)

	For the Years Ended December 31,	
	2021	2020
Beginning of year balance	$ 7,760	$ 7,616
Adjustments to surplus:		
Net income	223	147
Change in net unrealized capital gains, net of tax	676	(111)
Change in reserve on account of change in valuation basis	-	(62)
Change in asset valuation reserve	(312)	(61)
Change in surplus notes	1	298
Change in net deferred taxes	55	79
Change in non-admitted assets	38	(48)
Change in pension funded status	148	(97)
Other changes, net	-	(1)
Net adjustments to unassigned surplus	829	144
End of year balance	$ 8,589	$ 7,760

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America
Statutory Basis Statements of Cash Flows
(In Millions)

	For the Years Ended December 31, 2021	2020
Cash flows from operating activities:		
Premiums and other income received	$ 9,468	$ 8,916
Investment income	2,790	2,347
Other income	32	89
Benefits and loss related payments	(5,479)	(5,064)
Commissions, expenses and taxes paid	(2,728)	(2,440)
Dividends paid	(1,041)	(974)
Other, net	244	(124)
Net cash provided by operating activities	3,286	2,750
Cash flows from investing activities:		
Proceeds from investments sold or matured:		
Bonds	10,403	11,769
Common stocks	132	720
Mortgage loans	708	408
Real estate	-	99
Other investments	367	376
Proceeds from investments sold or matured	11,610	13,372
Cost of investments acquired:		
Bonds	12,499	17,342
Common stocks	119	513
Mortgage loans	1,223	345
Real estate	28	9
Other investments	588	880
Cost of investments acquired	14,457	19,089
Net increase in policy loans, net of repayments	(44)	10
Net cash used in investing activities	(2,803)	(5,727)
Cash from financing and miscellaneous activities:		
Cash provided:		
Surplus note	1	298
Net deposits on deposit-type contracts and other insurance liabilities	(115)	2,323
Net cash provided by financing and miscellaneous activities	(114)	2,621
Net increase(decrease) in cash, cash equivalents, short-term invesments	369	(356)
Cash, cash equivalents and short-term investments, beginning of year	422	778
Cash, cash equivalents and short-term investments, end of year	$ 791	$ 422

Non-cash Transactions		
Exchange or Conversion of bonds	$ 770	$ 1,313
Donated securities - Surplus Note Investment	30	5
Total Non-cash Transactions	$ 800	$ 1,318

See notes to statutory basis financial statements.

NOTE 1 – ORGANIZATION

The Guardian Life Insurance Company of America ("Guardian" or the "Company") provides financial services to customers throughout the United States. The Company provides a full range of insurance, investment, securities brokerage and other financial products and services including individual life and disability insurance, group life and health insurance, annuities, pension and retirement related investments along with asset management and administration services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:
The accompanying statutory basis financial statements have been prepared on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services (the "Department"), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). Insurance companies domiciled in New York are required to prepare statutory basis financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP"), subject to certain deviations prescribed or permitted by the Department.

The Department recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company ("New York SAP"). The NAIC promulgates the NAIC SAP, which include accounting guidelines referred to as Statements of Statutory Accounting Principles ("SSAPs"). The Department adopted NAIC SAP with certain modifications, through the passage of Regulation 172, effective January 1, 2001, as amended.

A reconciliation of the Company's Net Income and Surplus at December 31, 2021 and 2020 between NAIC SAP and practices prescribed by the State of New York is shown below:

	2021	2020
Statutory Net Income, New York basis	$ 223	$ 147
State Prescribed Practices:		
Deferred premiums asset impact (1)	(6)	(8)
Admission of unearned reinsurance premium asset (2)	3	3
Statutory Net Income, NAIC SAP basis	$ 220	$ 142

	2021	2020
Statutory Surplus, New York basis	$ 8,589	$ 7,760
State Prescribed Practices:		
Deferred premiums asset impact (1)	139	145
Admission of unearned reinsurance premium asset (2)	(58)	(61)
Statutory Surplus, NAIC SAP basis	$ 8,670	$ 7,844

1) Department Circular Letter No. 11
2) Department Regulation 172

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial statements prepared on a New York SAP basis vary from financial statements prepared in accordance with GAAP primarily because on a statutory basis: 1) costs related to acquiring business, principally commissions and certain policy issue expenses, are charged to income in the year incurred; 2) life insurance and annuity reserves are based on statutory mortality and interest requirements, without consideration of withdrawals and company experience; 3) life insurance enterprises are required to establish a formula-based asset valuation reserve (“AVR”) by a direct charge to surplus to offset potential investment losses; 4) realized gains and losses resulting from changes in interest rates on fixed income investments are deferred in the interest maintenance reserve (“IMR”) and amortized into investment income over the remaining life of the investment sold; 5) bonds are carried principally at amortized cost; 6) certain reinsurance transactions are accounted for as reinsurance for statutory purposes and as financing transactions under GAAP, and assets and liabilities are reported net of reinsurance for statutory purposes and gross of reinsurance for GAAP; 7) certain “non-admitted assets” (furniture and office equipment, leasehold improvements, capitalized internally developed non-operating system software, and prepaid pension costs) must be excluded under statutory reporting through a charge to surplus; 8) investments in common stock of the Company’s wholly-owned and majority owned subsidiaries are accounted for using the equity method, where earnings of such subsidiaries are recognized in surplus, that is, only when dividends are distributed is income recognized; 9) gross deferred tax assets and changes in deferred tax assets (“DTAs”) and liabilities (“DTLs”), except those relating to changes in unrealized gains and losses, are recognized as a separate component of surplus. Deferred tax assets not meeting certain criteria are non-admitted; 10) investments in Other invested assets, where the Company has a controlling financial interest, are accounted for using the equity method for statutory purposes and consolidated under GAAP; and 11) if in the aggregate, the Company has a net negative cash balance, it is reported as a negative asset for statutory purposes and recorded as a liability under GAAP. The effect on the financial statements of the Company from the differences between New York SAP and GAAP are material and disclosed in Note 19.

Use of Estimates:
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As a provider of life insurance products, the Company’s operating results in any given period depend on estimates of policy reserves required to provide for future policyholder benefits. The development of policy reserves for insurance and investment contracts requires management to make estimates and assumptions regarding mortality, lapse, expense and investment experience. Such estimates are primarily based on historical experience and, in many cases, state insurance laws that require specific mortality, morbidity, and investment assumptions to be used by the Company and may preclude the use of lapse and expense assumptions. Actual future results could differ from these estimates. Management monitors actual experience, and where circumstances warrant, revises its assumptions and the related reserve estimates. The Company regularly invests in mortgage loans, mortgage-backed securities and other securities subject to prepayment and/or call risk. Significant changes in prevailing interest rates and/or geographic conditions may adversely affect the timing and amount of cash flows on such investments, as well as their related values. In addition, the amortization of market premium and accretion of market discount for mortgage-backed securities is based on historical experience and estimates of future payment experience underlying mortgage loans. Actual prepayment timing could differ from original estimates resulting in adjustments to asset values and amortization or accretion recorded in future periods.

Admitted Assets:
Assets are stated at "admitted asset" values, which are values required by or permitted to be reported to the Department in accordance with its rules and regulations. Certain assets designated as "non-admitted assets" (approximately $161 million and $199 million at December 31, 2021 and December 31, 2020, respectively), consisting principally of deferred tax assets, leasehold improvements, electronic data processing equipment and computer software, and prepaid pension costs are charged directly to unassigned surplus.

Investments:
See Note 3 and Note 4 regarding the accounting policy, reported statement value and estimated fair value of the Company’s investment in bonds, common stocks, mortgage loans, real estate and derivatives.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Short-Term Investments and Restricted Cash:
Cash includes amounts on deposit with banks. Cash equivalents are stated at amortized cost and consist of investments having maturities of three months or less at time of purchase. Certain short-term investments are stated at amortized cost and consist primarily of investments having maturities greater than three months from date of purchase, but less than one year to maturity. Fair values for such investments approximate carrying value, because of the relatively short period of time between their origination and expected maturity and collectability.

The Company had no restricted cash and no restricted cash equivalents as of December 31, 2021 and 2020.

Policy Loans:
Policy loans are stated at unpaid principal balance, have no defined maturity date and reduce the amount payable at death or at surrender of the contract.

Other Invested Assets:
Other invested assets consist primarily of joint ventures, limited liability companies (LLCs), including subsidiaries, and other forms of partnerships. These investments are valued at the Company's share of equity in the partnerships' LLC or joint ventures' net assets. All distributions are recorded as income or return of capital based on information received from the partnerships. The change in equity is recorded as unrealized gains (losses) on the Company's books and recorded directly to surplus. Other invested assets also include investments in surplus notes which are carried at amortized cost.

Other Assets:
Other assets consist primarily of receivables from subsidiaries (see Note 11), receivables related to reinsurance ceded (see Note 9), amounts receivable relating to Administrative Services Only ("ASO") uninsured plans, premium tax offsets, and electronic data processing equipment.

Investment Reserves:
In compliance with statutory requirements, the Company maintains the AVR and the IMR. The AVR is intended to stabilize policyholders' surplus against market fluctuations in the value of equities and credit related declines in the value of bonds, mortgage loans and equity investments. Changes in the AVR are recorded directly to surplus. The IMR defers net after-tax realized capital gains (losses) which result from changes in the overall level of interest rates for fixed income investments and amortizes these net capital gains (losses) into income over the remaining stated life of the investments sold. The Company uses the group method of calculating the IMR.

Insurance Revenue and Expense Recognition:
Life premiums are recognized as income when due under the policy provisions. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Benefit payments to policyholders and beneficiaries include death benefits, disability benefits, matured endowments and surrender benefits and are charged to expense when incurred.

Reserves for Policy Benefits:
See Note 5 regarding the methods and assumptions used to establish the Company's reserves for future insurance policy benefits.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Expenses Due or Accrued:
General expenses due or accrued consist primarily of liabilities for defined benefit pension plans, certain health care, dental and life insurance benefits for retired employees ("post retirement benefits") and accrued home office expenses.

Other Liabilities:
Other liabilities consist primarily of liabilities for employees and agents, commissions payable, unearned investment income, amounts withheld or retained by the company as agent or trustee, miscellaneous reinsurance liabilities, assessments, and tax reserves liabilities.

Federal Income Taxes:
The provision for federal income taxes is based on income from operations currently taxable. Realized gains and losses are reported net of the applicable federal income taxes. Deferred federal income tax assets are admitted to the extent they can be realized within three years subject to a 15% limitation of capital and surplus with increases or decreases reflected as adjustments to surplus (See Note 8). The Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. The amount of the contingency reserve is management's best estimate of the amount of the original tax benefit that could be reversed upon audit, unless the best estimate is greater than 50% of the original tax benefit, in which case the reserve is equal to the entire tax benefit.

Dividends to Policyholders:
The liability for dividends to policyholders principally consists of dividends expected-to-be paid during the subsequent year and are determined by means of formulas that reflect the relative contribution of each group of policies to the results of operations. Policyholder dividends are approved annually by the Board of Directors.

Other Contract Liabilities
Other contract liabilities include liabilities for deposit type contracts such as funding agreements (see Note 5), claims in the course of settlement, claims incurred but not reported, and premiums received in advance.

Benefit Plans:
See Note 7 regarding the Company's employee benefit plans.

Reinsurance:
The Company enters into reinsurance agreements in the normal course of its insurance business to reduce overall risk (see Note 9 for reinsurance ceded and Note 10 for reinsurance assumed). The Company remains liable for reinsurance ceded if the reinsurer fails to meet its obligation on the business it has assumed. The Company evaluates the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. The Company does not have any reinsurance agreements that contain risk-limiting features that are subject to disclosure under SSAP 61R Life, Deposit-Type and Accident and Health Reinsurance.

Net Investment Income and Capital Gains:
Net investment income includes interest and dividends received or accrued on investments. It also includes amortization of any purchase premium or accretion of any discount using the interest method, adjusted retrospectively or prospectively for any change in estimated yield to maturity. Investment income due and accrued that is deemed uncollectible is charged against net investment income in the period such determination is made. Net investment income is reduced by investment management expenses, interest expense on the Company's outstanding surplus notes and real estate depreciation.

Realized investment gains and losses are reported in income based upon specific identification of the assets sold. Realized losses include valuation adjustments for other-than-temporary declines in investments. Unrealized investment gains and losses on financial instruments carried at fair value represent changes in the reported fair value and are recorded directly to surplus.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assessments:

Under state insurance guaranty fund laws, insurers doing business in a state can be assessed, up to prescribed limits, for certain obligations of insolvent insurance companies to policyholders and claimants. Amounts assessed to each company are typically related to its proportion of business written in each state. The Company's policy is to accrue assessments when the entity for which the insolvency relates has met its state of domicile's statutory definition of insolvency, the amount of the loss is reasonably estimable and the related premium upon which the assessment is based is written. In most states, the definition is met with a declaration of financial insolvency by a court of competent jurisdiction. In certain states there must also be a final order of liquidation.

On March 1, 2017, the Commonwealth Court of Pennsylvania entered into an order of liquidation for Penn Treaty Network America Insurance Company, and its subsidiary American Network Insurance Company ("Penn Treaty"), providers of long-term care insurance. As a result of the liquidation, the Company used the most current cost estimate provided by the National Organization of Life and Health Guaranty Associations (NOLHGA) to determine the estimated fund assessments and premium tax offsets.

As of December 31, 2021 and December 31, 2020, the liability balance, included in other liabilities, for assessments was $3 million and $3 million (undiscounted of $3 million and $3.2 million) offset by a discounted premium tax offset of $7 million and $9 million (undiscounted of $9 million and $12 million) using a discount rate of 3.5% as of December 31, 2021 and December 31, 2020, respectively. The Company expects the majority of the remainder of the assessments to be paid out as claims arise and the Company expects the majority of the premium tax offsets to be utilized over the next 2 years.

The below table provide additional information on the Penn Treaty fund assessment liability and premium tax offset recoverables:

	Liability			Recoverables		
Name of the Insolvency	**Number of Jurisdictions**	**Range of Years**	**Weighted average number of years**	**Number of Jurisdictions**	**Range of Years**	**Weighted average number of years**
Penn Treaty	50	1 - 3 years	2 years	40	1 - 20 years	6-7 years

NOTE 3 – INVESTMENTS

Investments are valued in accordance with methods prescribed by the Securities Valuation Office of the NAIC ("SVO"). The Company obtains the fair value of financial instruments held in its portfolio that are either carried at fair value on the face of the financial statements or disclosed in the notes to the financial statements at fair value, from a number of sources. These sources include published market quotes for active market exchange traded instruments, third party pricing vendors, investment banks which are lead market makers in certain markets, broker quotes and the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate. Unrealized gains and losses on investments carried at fair value are recorded directly in unassigned surplus. The investment portfolio is reviewed for investments that may have experienced a decline in value considered to be other-than-temporary. The Company considers several factors in determining whether other-than-temporary declines exist: duration and extent to which the fair value of the security has been less than cost; financial condition of the issuer; the near term prospects for recovery of the fair value of a security; discounted estimated future cash flows; and the intent and ability of the Company to hold the security to allow for an anticipated recovery in value. Impairments that are considered other-than-temporary are included in net realized capital losses.

The Company's investment portfolio includes securities with a 5GI NAIC designation. There were no securities that had a 5GI NAIC designation with an aggregated book adjusted carrying value and aggregate fair value as of December 31, 2021 and December 31, 2020.

Valuation methods for the various types of investments held are as follows:

Bonds - Bonds are stated principally at amortized cost with bond premiums and discounts amortized using the scientific interest method. Those bonds which are rated 6 by the NAIC are reported at the lower of amortized cost or fair value. SVO Identified Funds (Bond Exchange Traded Funds ("ETFs")) are carried at fair value. Mortgage-backed bonds are carried at amortized cost using the interest method considering anticipated prepayments at the date of purchase. Significant changes in future anticipated cash flows from the original purchase assumptions are accounted for using the retrospective and prospective adjustment method utilizing the Public Securities Association standard prepayment rates. There were eighty four securities that were sold, redeemed or disposed of as the result of a call or tender offer with an aggregate amount of $76 million in investment income from prepayment penalties and acceleration fees as of December 31, 2021. There were thirty three securities that were sold, redeemed or disposed of as a result of a call or tender offer with an aggregate amount of $8 million in investment income from prepayment penalties and acceleration fees as of December 31, 2020.

Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from issuers or broker-dealers through information services or internal estimates and are consistent with current interest rates and the economic environment. There were thirty four securities that were sold, redeemed or disposed of as a result of a call or tender offer with an aggregate amount of $655 million and $30 million in investment income from prepayment penalties as of December 31, 2021. There were twenty three securities that were sold, redeemed or disposed of as a result of a call or tender offer with an aggregate amount of $362 million and $14 million in investment income from prepayment penalties as of December 31, 2020.

The Company changes from the retrospective method to the prospective method when an other-than-temporary impairment has been recorded on a structured loan-backed security.

Common stocks - Common stocks of unaffiliated companies are stated at fair value, which is based on quoted market price. For common stocks without quoted market prices, fair value is estimated using independent pricing services or internally developed pricing models. Investments in subsidiaries are included in common stocks and are valued at equity in the underlying net assets. Undistributed earnings or losses of subsidiaries and unrealized appreciation or depreciation on common stocks are reflected as unrealized capital gains and losses directly in surplus.

Foreign Currency Translation - All of the Company's insurance operations are conducted in the United States of America on a U.S. dollar-denominated basis. The Company does make bond, equity and other investments that are denominated in foreign currencies or issued by entities doing business in other countries. Investments denominated in a foreign currency are translated to U.S. dollars at each reporting date using then-current market foreign exchange rates. Translation gains or losses relating to fluctuations in market exchange rates are reported as a change in unrealized capital gains and losses until the related investment security is sold or matures, at which time a realized capital gain or loss is reported. Transactions denominated in a foreign currency, such as receipt of foreign-denominated interest or dividends, are translated to U.S. dollars based on the actual exchange rate at the time of the transaction.

NOTE 3 – INVESTMENTS (CONTINUED)

The amortized cost basis and estimated fair value of bonds and the cost basis and estimated fair value of common stocks at December 31, 2021 and December 31, 2020 is as follows:

	Amortized Cost/ Cost*	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
December 31, 2021		(In millions)		
U.S. Government	$ 1,365	$ 76	$ (25)	$ 1,416
All other Government	279	-	(1)	278
States, Territories, and Possessions	184	59	-	243
U.S. Political Subdivisions	103	23	-	126
U.S. Special Revenue	1,121	269	-	1,390
Industrial and Miscellaneous	47,041	3,916	(309)	50,648
Hybrid	23	2	-	25
Total Bonds	$ 50,116	$ 4,345	$ (335)	$ 54,126
Common stocks - unaffiliated	$ 111	2	(2)	$ 111
Investment in subsidiaries	1,538	24	(365)	1,197
Total Common Stocks	$ 1,649	$ 26	$ (367)	$ 1,308

* Includes unrealized FX adjustments. NAIC 6 bonds are carried at lower of cost or fair value which is $4 million below amortized cost at December 31, 2021.

	Amortized Cost/ Cost*	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
December 31, 2020		(In millions)		
U.S. Government	$ 1,658	$ 111	$ (10)	$ 1,759
All other Government	155	-	-	155
States, Territories, and Possessions	225	75	-	300
U.S. Political Subdivisions	173	34	-	207
U.S. Special Revenue	1,469	335	-	1,804
Industrial and Miscellaneous	44,282	5,945	(97)	50,130
Hybrid	5	2	-	7
Total Bonds	$ 47,967	$ 6,502	$ (107)	$ 54,362
Common stocks - unaffiliated	$ 110	4	(2)	$ 112
Investment in subsidiaries	1,553	31	(379)	1,205
Total Common Stocks	$ 1,663	$ 35	$ (381)	$ 1,317

*Includes unrealized FX adjustments. Bond ETFs are carried at fair value which is $6 million above amortized cost and NAIC 6 bonds are carried at lower of cost or fair value which is $1 million below amortized cost at December 31, 2020.

NOTE 3 – INVESTMENTS (CONTINUED)

The Company invests in high quality securities that are diversified by asset class, issuer and industry. At December 31, 2021 approximately 2.7% of the portfolio is invested in securities issued or backed by the United States Government or its agencies. No other single issuer accounts for more than 1.0% of the portfolio at December 31, 2021.

The amortized cost and estimated fair value of debt securities at December 31, 2021 by contractual maturity are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations.

	2021	
	Amortized Cost	Estimated Fair Value
	(In millions)	
Due in one year or less	$ 1,148	$ 1,157
Due after one year through five years	7,865	8,131
Due after five years through ten years	11,427	11,860
Due after ten years	22,612	25,393
Sinking fund bonds, mortgage backed securities and asset backed securities	7,064	7,585
Total	$ 50,116	$ 54,126

In addition to the information disclosed above, short-term investments with a carrying value of $67 million are due in one year or less. Carrying value approximates fair value for these investments.

The net change in unrealized capital gains (losses) included in surplus for year ended December 31, 2021 and 2020 is summarized as follows:

	2021	2020
	(In millions)	
Changes in net unrealized capital gains (losses) attributable to:		
Bonds (NAIC 6 rated)	$ (2)	$ (1)
Private Equity	689	72
Common stocks unaffiliated	(2)	(50)
Common stocks affiliated	7	(105)
Foreign currency translation, net of currency swaps	-	6
Other	125	(25)
Total change in net unrealized capital (losses) gains	817	(103)
Tax benefit	(141)	(8)
Total change in net unrealized gains, net of tax	$ 676	$ (111)

Proceeds from sales of bonds amounted to $7,221 million and $9,909 million for the years ended December 31, 2021 and 2020, respectively. Gross gains of $325 million and $717 million and gross losses of $141 million and $253 million were realized on sales of bonds for the years ended December 31, 2021 and 2020, respectively. These amounts are pre-tax and pre-IMR. Bond sales, maturities and all other cash dispositions amounted to $10,403 million and $11,769 million for the years ended December 31, 2021 and 2020, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

Proceeds from sales of investments in common stock amounted to $132 million and $720 million for the years ended December 31, 2021 and 2020, respectively. Gross gains of $3 million and $32 million and gross losses of $4 million and $74 million were realized on sales of common stock for the years ended December 31, 2021 and 2020, respectively. These amounts are pre-tax.

There were no bond modifications treated as troubled debt restructuring during 2021. During 2020 the Company had one private placement bond modification that was recorded as troubled debt restructuring. The Company recorded a $6 million realized loss. The carrying value of the bond was $28 million on December 31, 2020.

Unrealized Losses:
The Company's investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2021 and December 31, 2020 are shown below:

December 31, 2021	Less than 12 Months		12 Months or More		Total	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government	$ 587	$ (4)	$ 179	$ (21)	$ 766	$ (25)
All other Government	261	(1)	-	-	261	(1)
Industrial and Miscellaneous	10,918	(258)	868	(51)	11,786	(309)
Total Bonds	$ 11,766	$ (263)	$ 1,047	$ (72)	$ 12,813	$ (335)
Common stocks - unaffiliated	4	-	32	(2)	36	(2)
Total temporarily impaired securities	$ 11,770	$ (263)	$ 1,079	$ (74)	$ 12,849	$ (337)

NOTE 3 – INVESTMENTS (CONTINUED)

December 31, 2020 (In millions)	**Less than 12 Months** Fair Value	Unrealized Losses	**12 Months or More** Fair Value	Unrealized Losses	**Total** Fair Value	Unrealized Losses
U.S. Government	$ 506	$ (10)	$ 1	$ -	$ 507	$ (10)
All other Government	97	-	-	-	97	-
Industrial and Miscellaneous	2,378	(72)	619	(25)	2,997	(97)
Total Bonds	$ 2,981	$ (82)	$ 620	$ (25)	$ 3,601	$ (107)
Common stocks - unaffiliated	-	-	33	(2)	33	(2)
Total temporarily impaired securities	$ 2,981	$ (82)	$ 653	$ (27)	$ 3,634	$ (109)

The Company's investment portfolio includes individual securities that are in an unrealized loss position and have not been recognized as other-than-temporary impairments. There were four hundred and seventeen securities in an unrealized loss position for greater than 12 months with a book value of $1,153 million and a fair value of $1,079 million as of December 31, 2021. There were three hundred and ninety four securities in an unrealized loss position for greater than 12 months with a book value of $680 million and a fair value of $653 million as of December 31, 2020.

In reaching the conclusion that these impairments are not other-than-temporary, management considered many factors including: duration and severity of impairment, discounted cash flow analysis, investment sector stability, creditworthiness, financial condition of issuer, and intent and ability to hold to allow for recovery in value.

NOTE 3 – INVESTMENTS (CONTINUED)

Mortgage Loans:
Mortgage loans are carried at amortized cost. Valuation reserves are established for potential declines in the value of the mortgage loans. As of December 31, 2021 and December 31, 2020 there were no valuation reserves established for any of the Company's mortgage loans. Other-than-temporary impairments on loans are charged to net realized capital losses and are not adjusted for subsequent recoveries in value. There were no other-than-temporary impairments on mortgage loans for the years ended December 31, 2021 and 2020, respectively.

The Company's $5,330 million and $4,816 million of investments in mortgage loans on real estate on December 31, 2021 and December 31, 2020 consist of loans collateralized by commercial real estate properties. Of these amounts $2,910 million and $2,692 million were mortgage loans in which the Company was a participant at December 31, 2021 and December 31, 2020. The Company had no co-lender loan exposure as of December 31, 2021 and $50 million as of December 31, 2020, respectively. The largest concentrations of commercial real estate mortgage loans are for properties located in California and Texas ($1,295 million or 24.30% and $672 million or 12.61%) at December 31, 2021. The largest concentrations of commercial real estate mortgage loans are for properties located in California and Texas ($1,136 million or 23.59% and $603 million or 12.53%) at December 31, 2020. The Company estimates the fair value of mortgage loans on real estate to be $5,516 million and $5,078 million at December 31, 2021 and December 31, 2020, respectively and are classified as Level 3 as discussed in Note 4. Fair value was determined based upon the present value of the scheduled future cash flows of each loan based on the average term to maturity discounted at the appropriate U.S. Treasury rate, adjusted for the current market spread for a similar quality mortgage. Mortgage quality is determined by the loan's Loan to Value ratio, Debt Service Coverage ratio, location and property type. The minimum and maximum range of lending rates on new mortgage loans were between 3.30% and 4.50% originated during 2021. The maximum percentage of any single mortgage loan to the value of the security for loans that originated in 2021 was 74% at origination date.

Management monitors its mortgage loan portfolio on an ongoing basis for events or circumstances that could indicate that it will not receive all of its contractually due principal and interest payments in accordance with the loan agreements. In May and November of each year, the entire portfolio is screened based on debt service coverage, loan to value ratio, delinquency over 90 days and if there are indications that balloon payments due at maturity will not be made to determine if any other than temporary impairments might need to be recorded.

Interest received on impaired loans that were previously modified in a troubled debt restructuring is either applied against the principal or reported as revenue according to management's judgment as to the collectability of principal. There were no mortgages with interest more than 180 days past due at December 31, 2021 or December 31, 2020, respectively.

There were no restructured mortgage loans as of December 31, 2021 or December 31, 2020.

There were no taxes, assessments, or any amounts advanced not included in the mortgage loan total as of December 31, 2021 and 2020.

NOTE 3 – INVESTMENTS (CONTINUED)

The following table set forth the credit quality indicators as of December 31, 2021 and December 31, 2020, based upon the recorded investment gross of allowance for credit losses.

Mortgage Loans
(In millions)

	Debt Service Coverage Ratio - December 31, 2021						
	Greater than 2.0X	1.8X to 2.0X	1.5X to <1.8X	1.2X to <1.5X	1.0X to <1.2X	Less than 1.0X	Grand Total
Loan-to-Value Ratio							
0% - 49.99%	$ 1,002	$ 60	$ 42	$ 96	$ -	$ -	$ 1,200
50% - 59.99%	1,736	110	234	28	-	-	2,108
60% - 69.99%	1,032	282	222	265	102	-	1,903
70% - 79.99%	-	60	59	-	-	-	119
80% - 89.99%	-	-	-	-	-	-	-
90% - 100%	-	-	-	-	-	-	-
Greater than 100%	-	-	-	-	-	-	-
Total	**$ 3,770**	**$ 512**	**$ 557**	**$ 389**	**$ 102**	**$ -**	**$ 5,330**

Mortgage Loans
(In millions)

	Debt Service Coverage Ratio - December 31, 2020						
	Greater than 2.0X	1.8X to 2.0X	1.5X to <1.8X	1.2X to <1.5X	1.0X to <1.2X	Less than 1.0X	Grand Total
Loan-to-Value Ratio							
0% - 49.99%	$ 1,419	$ 91	$ 21	$ 87	$ 19	$ -	$ 1,637
50% - 59.99%	1,324	228	239	73	10	-	1,874
60% - 69.99%	813	216	136	133	7	-	1,305
70% - 79.99%	-	-	-	-	-	-	-
80% - 89.99%	-	-	-	-	-	-	-
90% - 100%	-	-	-	-	-	-	-
Greater than 100%	-	-	-	-	-	-	-
Total	**$ 3,556**	**$ 535**	**$ 396**	**$ 293**	**$ 36**	**$ -**	**$ 4,816**

NOTE 3 – INVESTMENTS (CONTINUED)

Real Estate:
Real estate investments are reported in the financial statements at cost, less any valuation adjustment, encumbrances and accumulated depreciation of buildings and other improvements using a straight line method over a 40 year period for the buildings and the estimated useful life of the improvements. An investment in real estate is considered impaired when the projected undiscounted net cash flow from the investment is less than depreciated cost. When the Company determines that an investment in real estate is impaired, a valuation adjustment is recorded to reduce the carrying value to estimated fair value, after encumbrances, based on appraisal of the property. The valuation adjustment is included in realized capital losses.

The Company had accumulated depreciation totaling $140 million and $122 million at December 31, 2021 and December 31, 2020, respectively. The Company recorded depreciation expense of $18 million for 2021 and $20 million for 2020. There was two properties with carrying value of $64 million, above its combined fair value of $56 million at December 31, 2021. There were four properties with a combined carrying value of $70 million, above their combined fair value of $56 million at December 31, 2020. There were no other-than-temporary impairments taken on real estate in 2021 and 2020.

The Company continually monitors its investment portfolios for performance, credit issues and risk exposures. By using a variety of measurements and credit analysis derived from both internal and external sources, the Company tracks the risk exposure the portfolios have to market events such as credit deterioration in the sub-prime and other below prime mortgage market. Sub-prime investments can include high loan to value pools, and pools where the borrowers have very impaired credit but the average loan to value is low. The Company has minimal exposure and recorded no impairments in 2021 or 2020 on its sub-prime or other below prime mortgage-backed security holdings. The Company does hold $583 million and $490 million of Non-Agency Residential Mortgage-backed securities (“RMBS”) with sub-prime exposure and other below-prime mortgage exposure, representing 0.88% and 0.79% of the Company’s invested assets, as of December 31, 2021 and 2020, respectively.

Subprime:
The Company continually monitors its investment portfolios for performance, credit issues and risk exposures. By using a variety of measurements and credit analysis derived from both internal and external sources, the Company tracks the risk exposure the portfolios have to market events such as credit deterioration in the sub-prime and other below prime mortgage market. Sub-prime investments can include high loan to value pools, and pools where the borrowers have very impaired credit but the average loan to value is low. The Company has minimal exposure and recorded no impairments in 2021 or 2020 on its sub-prime or other below prime mortgage-backed security holdings. The Company does hold $583 million and $490 million of Non-Agency Residential Mortgage-backed securities (“RMBS”) with sub-prime exposure and other below-prime mortgage exposure, representing 0.88% and 0.79% of the Company’s invested assets, as of December 31, 2021 and 2020, respectively.

Restricted Assets and Special Deposits:
The Company had admitted restricted assets of $832 million and $887 million at December 31, 2021 and 2020, respectively. Of these amounts, there were deposits with states as required by certain insurance laws of $4 million in 2021 and $4 million in 2020 and pledged as collateral for futures trading of $49 million and $43 million in 2021 and 2020, respectively. These amounts are included in Bonds in the Statutory Basis Balance Sheets. There were $35 million and $33 million of the Federal Home Loan Bank of New York (“FHLBNY”) stock purchased by the Company in 2021 and 2020, respectively which are classified as restricted general account investments within “Common stocks”. Also, as of December 31, 2021 and December 31 2020, respectively the Company pledged mortgage loans with a carrying value of $744 million and $807 million that support outstanding funding agreements with the FHLBNY. Total admitted restricted assets were 1.15% and 1.30% of the Company’s total admitted assets at December 31, 2021 and 2020, respectively. There were no non-admitted restricted assets in 2021 or 2020.

Investment in Subsidiaries:
Investments in subsidiaries are accounted for using the equity method. Under the equity method, insurance subsidiaries are recorded at their underlying audited statutory surplus. Non-insurance subsidiaries are recorded at their underlying audited GAAP equity. Undistributed earnings or losses of subsidiaries are reflected as unrealized capital gains and losses directly in surplus. Dividends or distributions received from subsidiaries are recognized in net investment income when declared to the extent they are not in excess of undistributed accumulated earnings.

NOTE 3 – INVESTMENTS (CONTINUED)

Investment in affiliated limited liability subsidiaries are included in Other invested assets while investment in all other subsidiaries are included in Common stocks on the Statutory Basis Balance Sheets and totaled $1,952 million and $1,843 million at December 31, 2021 and December 31, 2020, respectively.

The Company's major subsidiaries are as follows:

Guardian Insurance and Annuity Company ("GIAC") is a stock life insurance company organized primarily for the sale of variable deferred annuities, fixed deferred and immediate annuity contracts, and variable life insurance policies.

Berkshire Life Insurance Company of America ("BLICOA") is a stock life company whose primary business is the sale and administration of disability insurance business.

Park Avenue Life Insurance Company ("PALIC") primary business is the administration of life insurance business (principally term and universal life products). Although PALIC is licensed in 48 states and the District of Columbia, it does not currently write new business.

First Commonwealth, Inc. ("FCW") provides dental, vision and hearing care coverage for government and commercial customers. During 2021, the Company entered a strategic partnership with Cressey & Company LP to accelerate the growth of Avesis, a FCW subsidiary. In conjunction with this partnership, Cressey obtained a minority stake in Avesis.

Guardian Investor Services ("GIS") is a wholly-owned non-insurance limited liability company that provides investment advisory services and related services to the mutual funds, variable investment trusts, private investment unit trust, institutional and other clients through Park Avenue Institutional Advisers ("PAIA"), wholly-owned subsidiary of GIS. GIS provides absence management services to organizations and also holds investments in real estate operating entities and joint ventures, residual interests in collateralized loan obligation securities and investments in early stage companies. During 2020, GIS recorded a loss on an affiliated entity of $151 million.

NOTE 3 – INVESTMENTS (CONTINUED)

Selected financial information for the Company's significant subsidiaries is highlighted below:

		2021		2020
		(In millions)		
GIAC (Statutory basis)				
Total assets	$	14,208	$	14,237
Total liabilities		13,659		13,710
Net loss	$	(83)	$	(100)
BLICOA (Statutory basis)				
Total assets	$	4,681	$	4,411
Total liabilities		4,460		4,198
Net (loss)/income	$	(4)	$	15
PALIC (Statutory basis)				
Total assets	$	199	$	215
Total liabilities		153		162
Net income	$	5	$	5
FCW (GAAP basis)				
Total assets	$	659	$	637
Total liabilities		203		191
Net income	$	39	$	83
GIS (GAAP basis)				
Total assets	$	3,780	$	2,968
Total liabilities		3,066		2,362
Net income/(loss)	$	119	$	(184)

NOTE 3 – INVESTMENTS (CONTINUED)

Investment in Subsidiaries
The following table provides additional information on non-insurance subsidiaries.

December 31, 2021

Description of SCA Investment (Per SSAP No 97)	% of SCA Ownership	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of Filing to NAIC	Type of NAIC Filing (Sub-1, Sub-2, or Resubmission of Disallowed Filing)	NAIC Response Received (yes/no)	NAIC Valuation (Amount)	NAIC Disallowed Entity's Valuation Method, Resubmission Required (yes/no)	Code
					(In millions)					
Managed Dental Care of California	100%	$ 4	$ -	$ 4	12/31/2020	Sub-2	Y	$ 3	no	I
First Commonwealth	100%	373	-	373	12/31/2020	Sub-2	Y	446	no	I
Innovative Underwriters	100%	7	7	-	n/a	Sub-2	n/a	-	n/a	I
Guardian Investors Services, LLC	100%	688	-	688	n/a	n/a	n/a	-	n/a	I
Park Avenue Securities, LLC	100%	67	-	67	n/a	n/a	n/a	-	n/a	I
Aggregate Total		**$1,139**	**$ 7**	**$ 1,132**				**$ 449**		

December 31, 2020

Description of SCA Investment (Per SSAP No 97)	% of SCA Ownership	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of Filing to NAIC	Type of NAIC Filing (Sub-1, Sub-2, or Resubmission of Disallowed Filing)	NAIC Response Received (yes/no)	NAIC Valuation (Amount)	NAIC Disallowed Entity's Valuation Method, Resubmission Required (yes/no)	Code
					(In millions)					
Managed Dental Care of California	100%	$ 3	$ -	$ 3	12/31/2019	Sub-2	Y	$ 3	no	I
First Commonwealth	100%	406	-	406	12/31/2019	Sub-2	Y	452	no	I
Innovative Underwriters	100%	7	7	-	-	Sub-2	n/a	-	n/a	I
Guardian Investors Services, LLC	100%	594	-	594	-	n/a	n/a	-	n/a	I
Park Avenue Securities, LLC	100%	44	-	44	-	n/a	n/a	-	n/a	I
Aggregate Total		**$1,054**	**$ 7**	**$ 1,047**				**$ 455**		

NOTE 3 – INVESTMENTS (CONTINUED)

NET INVESTMENT INCOME

Net investment income, including accrual of discounts and amortization of premiums, arose from the following sources for the years ended December 31, 2021 and December 31, 2020:

		2021		2020
		(In millions)		
Bonds	$	1,903	$	1,751
Unaffiliated common stocks		5		8
Affiliated common stocks		43		97
Mortgage loans		227		204
Real estate		63		61
Policy loans		271		277
Cash, Cash Equivalent and Short-Term Investments		1		6
Private Equity		400		166
Other		32		31
Gross investment income		2,945		2,601
Less investment expenses		(241)		(233)
Net investment income	$	2,704	$	2,368

NET REALIZED CAPITAL (LOSSES) GAINS

Net realized capital losses were derived from the following sources for the years ended December 31, 2021 and December 31, 2020:

		2021		2020
		(In millions)		
Bonds	$	158	$	447
Common stocks (unaffiliated & affiliated)		(1)		(43)
Real estate		-		9
Other invested assets		(86)		(287)
Derivatives and hedging losses gains		6		15
Other		-		(1)
Total net realized capital gains		77		140
Capital gains tax (expense)		(71)		(115)
Transfer (to) IMR (net of tax)		(145)		(371)
Net realized capital losses	$	(139)	$	(346)

The net realized capital loss amount above includes other-than-temporary impairment losses of $129 million and $323 million for the years ended December 31, 2021 and December 31, 2020, respectively. Of the $129 million for 2021, $27 million relates to impairments that reduced surplus which were driven primarily by $27 million in bonds. The remaining $102 million relates primarily to $64 million in investment tax credit investments and $38 million for private equities. Of the $323 million for 2020, $16 million relates to impairments that reduce surplus which were driven primarily by $16 million in bonds. The remaining $307 million relates primarily to $141 million in investment tax credit investments, $126 million in an affiliated entity and $40 million for private equities.

NOTE 3 – INVESTMENTS (CONTINUED)

Derivative Financial Instruments:

The Company enters into derivative transactions in order to mitigate ("hedge") certain risks pertaining to its assets, liabilities and surplus from fluctuations in interest rates, foreign currency exchange rates and market volatility. Derivatives are either exchange traded or contracted over-the-counter. The majority of the Company's over-the-counter derivatives are bilateral contracts between the Company and a single counterparty. The Company's remaining over-the-counter derivatives are cleared and settled through central clearing counterparties.

Derivatives that are designated as hedges for accounting purposes and meet the qualifications for hedge accounting are reported on a basis consistent with the asset or liability being hedged (i.e. at amortized cost). Derivatives that are used to mitigate risk but are not designated as hedges for accounting purposes or do not meet the qualifications for hedge accounting treatment are reported at fair value.

To qualify for hedge accounting the hedge relationship must be designated and formally documented at inception. This documentation details the risk management objective and strategy for the hedge, the derivative used in the hedge, the asset or liability being hedged, and the methodology for assessing hedge effectiveness. The hedge must also be "highly effective" with an assessment of its effectiveness performed both at inception and on an ongoing basis over the life of the hedge.

Derivative transactions expose the Company to the risk that the counterparty may not be able to fulfill its obligations under the terms set forth in the contract. The Company manages this counterparty risk by entering into transactions with counterparties that maintain a minimum credit rating, by performing ongoing review of a counterparties' credit standing, by adhering to established limits for credit exposure to any single counterparty and requiring collateral posting subject to thresholds and minimum transfer amounts in accordance with counterparty agreements to support credit risk associated with counterparty exposures which further reduces the Company's exposure to default by the counterparty. The Company is required to establish a margin account for all of its futures contracts. All of the futures contracts that the Company has entered into are exchange traded. Margin payments are required for futures contract and contract gains or losses are settled daily in cash, therefore the futures contracts are carried at zero value on the Company's balance sheets. The contract amount of futures contracts represents the extent of the Company's involvement, but not future cash requirements, as open positions are typically closed out prior to the delivery date of the contract. The Company does not offset the statement values for derivatives executed with the same counterparty, even if a master netting arrangement is in place. The Company also does not offset the right to claim collateral against the obligation to return such collateral.

The Company has no embedded credit derivatives that expose it to the possibility of being required to make future payments and does not have any derivative contracts with financing premiums.

Hedging – Designated As Hedging Instruments

The Company designates and accounts for its foreign currency swaps as cash flow hedges and certain equity index futures, treasury futures and S&P equity options as fair value hedges.

Foreign currency swaps are used to mitigate the foreign exchange risk for investments in specifically identified private placement bonds denominated in foreign currencies over a period of up to 15 years. Foreign currency swaps obligate the Company and a counterparty to exchange the foreign currency denominated interest and principal payments receivable on foreign denominated bonds for U.S. dollar payments based on currency exchange rates specified at the inception of the transaction. Foreign exchange gains or losses on these contracts are reported as a change in unrealized gains or losses until the maturity or sale of the hedged foreign currency bond at which time a realized capital gain or loss is recognized.

Equity index futures are used to mitigate the change in value of the liability the Company has to participants in its deferred compensation plans that allocate their plan account balances to equity funds offered under the plan. Equity index futures obligate the Company to pay or receive from a counterparty a cash amount based on a specified equity market index at a predefine price as of a future date applied to the notional amount of the contracts. The change in the fair value of the futures contracts is recorded in current period earnings as income or expense which offsets the operating gain or loss from the change in value of its deferred compensation liability. If the hedge is deemed to be ineffective for any period of time, the change in the fair value of the futures contracts for that time period is recorded in surplus as an unrealized gain or loss.

NOTE 3 – INVESTMENTS (CONTINUED)

Treasury futures are used to mitigate the portion of the change in fair value related to a change in interest rates on specifically identified assets acquired by the Company and held in its general account to support the Funding Agreements ("FA") and the specifically identified portion of a liability incurred by the Company pertaining to FA that are issued by the Company to back Medium Term Notes ("MTN") issued by a special purpose entity.

The Company enters into short positions (sells) treasury futures contracts prior to the issuance of the FA-MTN in order to lock-in the interest rate component of the return of the designated assets at their date of acquisition. When the FA-MTN is issued the Company enters into long position (purchases) treasury futures contracts in order to mitigate the change in the fair value of the designated net liability due to the effects of interest rate changes. The change in the fair value of the futures contracts is recorded in current period earnings as income or expense which offsets the operating gain or loss incurred by the Company on the change in value of its FA liability.

Treasury futures obligate the Company to take or receive delivery of certain Treasury Bonds at a specified price at a future date.

S&P equity options are used by the Company as a risk management strategy to reduce the projected dividend liability exposure on its Index Participation Feature ("IPF") which is a rider on certain whole life contracts. The Company uses a combination of short positions (sell) and long positions (purchases) of over-the-counter European call options on the S&P 500 index with expiration of one year to mitigate the dividend liability exposure based on the future return on S&P 500 index for the annual period of the monthly segment being hedged between the guaranteed floor rate and the cap rate on the participating balances. The change in the fair value of the options contracts is recorded in current period earnings as income or expense which offsets the operating gain or loss incurred by the Company on the change in the amount of the dividend liability.

Hedging – Not Designated As Hedging Instruments

The Company enters into other derivative transactions that mitigate economic risks but are not designated as a hedge for accounting purposes or do not qualify for hedge accounting treatment. These derivative instruments are reported at fair value on the balance sheet as either other invested assets or other liabilities. Changes in the fair value of these instruments are reported as a change in unrealized capital gains or losses until the maturity or termination of the contract, at which time a realized capital gain or loss is recorded.

Treasury futures are used to mitigate the key rate duration mismatch between the designated segment of the general account asset portfolio and the custom composite benchmarks for that segment designed to incorporate certain interest rate characteristics of the liabilities that those assets support. Treasury futures obligate the Company to take or receive delivery of certain Treasury Bonds at a specified price at a future date.

Equity index futures are used to mitigate market fluctuations of the Company's portfolio of unaffiliated common stock and other mark to market assets and to minimize the volatility associated with certain liabilities. Equity index futures obligate the Company to pay or receive from a counterparty a cash amount based on a specified equity market index at a predefine price as of a future date applied to the notional amount of the contracts.

NOTE 3 – INVESTMENTS (CONTINUED)

Credit default swaps index ("CDX") are used to reduce the credit risk exposure on a specified portfolio of corporate bonds. The Company purchases CDX contracts in which it receives payments if there is a credit event on one or more of the specified securities contained in the index. These payments would be used to offset any credit losses recorded on the portfolio of bonds being hedged.

Replications
The Company purchased treasury futures as part of a replication transaction used to manage interest rate exposure. Statutory accounting guidance requires a cash instrument (high quality bond) with the same par value as the notional amount of the derivative and at least the same duration as the treasury futures to be held by the Company in order to cover the change in value of the treasury futures. The combining of the treasury futures and the cash instrument creates the replication (synthetic bond). If the replicated asset and cash instrument are carried at amortized cost so is the derivative. Otherwise, the derivative is carried at fair value. Synthetic bonds had an amortized cost of $6,959 million and $1,824 million at December 31, 2021 and December 31, 2020, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

The following tables provide additional information regarding derivatives that are designated as hedging instruments and those that are not designated as hedging instruments:

December 31, 2021	Notional Amount	Statement Value Assets	Statement Value Liabilities	Change in Unrealized Capital Gains (Losses)	Net Realized Capital Gains (Losses)	Net Investment Income	Gain/(loss) from Operations
				(in millions)			
Derivatives designated as hedging instruments:							
Foreign currency swaps	$ 1,787	$ 36	$ 43	$ 76	$ (1)	$ -	$ -
Equity index futures	291	-	-	-	-	-	51
Treasury futures	1,615	-	-	-	-	-	-
S&P equity options	123	6	-	-	-	-	4
Derivatives not designated as hedging instruments:							
Treasury futures	1,510	-	-	(7)	3	-	-
Equity index futures	-	-	-	-	-	-	-
Credit default swap index	-	-	-	-	4	-	-
Total derivatives	$ 5,326	$ 42	$ 43	$ 69	$ 6	$ -	$ 55

December 31, 2020	Notional Amount	Statement Value Assets	Statement Value Liabilities	Change in Unrealized Capital Gains (Losses)	Net Realized Capital Gains (Losses)	Net Investment Income	Gain/(loss) from Operations
				(in millions)			
Derivatives designated as hedging instruments:							
Foreign currency swaps	$ 1,484	$ 14	$ 97	$ (90)	$ (1)	$ -	$ -
Equity index futures	243	-	-	-	-	-	32
Treasury futures	1,304	-	-	-	4	-	-
S&P equity options	48	2	-	-	-	-	1
Derivatives not designated as hedging instruments:							
Treasury futures	1,040	-	-	3	1	-	-
Equity index futures	-	-	-	-	(3)	-	-
Credit default swap index	-	-	-	-	13	-	-
Total derivatives	$ 4,119	$ 16	$ 97	$ (87)	$ 14	$ -	$ 33

Repurchase Agreements:
The Company periodically enters into repurchase agreements whereby securities will be resold at a predefined price. There were no repurchase agreements as of December 31, 2021 and December 31, 2020, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

Reverse Repurchase Agreements:

The Company periodically enters into reverse repurchase arrangements whereby certain securities are loaned, primarily with major brokerage firms. The Company's policy requires a minimum of 95% of the fair value of the loaned securities as collateral, calculated on a daily basis, in the form of either cash or securities. Collateral assets received and related liabilities due counterparties are included in the Statutory Basis Balance Sheets as "Other Liabilities". There were no open reverse repurchase agreements on December 31, 2021 or December 31, 2020.

Securities Lending

There were no securities on loan at December 31, 2021 or December 31, 2020.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Statutory guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's view of market assumptions based on internally developed data in the absence of observable market information. The guidance requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs when determining the fair value of an asset or liability. The statement classifies all assets and liabilities carried or disclosed at fair value in one of the following three categories:

Level 1 – inputs are quoted market prices available in active markets for identical assets or liabilities on the reporting date.

Level 2 – inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – inputs are unobservable where there is little or no market activity for the asset or liability and the Company makes estimates and assumptions based on internally derived information.

The estimated fair values presented below have been determined using available information and valuation methodologies. The estimated fair value for financial instruments held by the Company was determined by management after considering the following sources of information: published market quotes for active exchange traded instruments, third party pricing vendors, quotes from investment banks that are lead market makers in certain markets, independent broker quotations, or the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate. Considerable judgment is applied in interpreting data to develop the estimates of fair value. Accordingly, such amounts are management's estimate of the value that would be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies from period to period based on available information and market conditions could have a material effect on the estimated fair values.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables summarize the Company's financial instruments carrying amount and estimated fair value/Net Asset Value ("NAV") hierarchy levels for the period ending December 31, 2021 and December 31, 2020:

	December 31, 2021					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Bonds	$ 1,415	$ 48,221	$ 4,490	$ 54,126	$ -	$ 50,112
Common Stock (unaffiliated)	-	-	35	35	76	111
Mortgage Loans	-	-	5,516	5,516	-	5,330
Policy Loans	-	-	3,765	3,765	-	3,765
Derivative instruments	-	-	36	36	-	42
Surplus Notes investments	-	826	-	826	-	689
Receivable for securities	-	-	10	10	-	10
Cash, cash equivalents and short-term investments	-	791	-	791	-	791
Due and accrued investment income	-	484	-	484	-	484
Total Assets	$ 1,415	$ 50,322	$ 13,852	$ 65,589	$ 76	$ 61,334
Liabilities						
Deposit type contracts	$ -	$ 4,060	$ -	$ 4,060	$ -	$ 4,177
Derivative instruments	-	-	44	44	-	43
Total Liabilities	$ -	$ 4,060	$ 44	$ 4,104	$ -	$ 4,220

	December 31, 2020					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Bonds	$ 1,757	$ 48,133	$ 4,472	$ 54,362	$ -	$ 47,972
Common Stock (unaffiliated)	-	-	34	34	78	112
Mortgage Loans	-	-	5,078	5,078	-	4,816
Policy Loans	-	-	3,810	3,810	-	3,810
Derivative instruments	-	-	26	26	-	16
Surplus Notes investments	-	881	-	881	-	717
Receivable for securities	-	75	-	75	-	75
Cash, cash equivalents and short-term investments	-	403	19	422	-	422
Due and accrued investment income	-	518	-	518	-	518
Total Assets	$ 1,757	$ 50,010	$ 13,439	$ 65,206	$ 78	$ 58,458
Liabilities						
Deposit type contracts	$ -	$ 4,345	$ -	$ 4,345	$ -	$ 4,275
Derivative instruments	-	-	60	60	-	97
Total Liabilities	$ -	$ 4,345	$ 60	$ 4,405	$ -	$ 4,372

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Bonds and common stocks:
Estimated fair values for bonds, other than private placement securities and common stock are valued based on quoted prices from active markets when available (Level 1).

When the Company cannot obtain a quoted market price directly it relies on values provided by a third party pricing vendor. This is the pricing source for the majority of the Company's marketable securities. Prices received from a third party vendor are generally considered to be Level 2.

Pricing vendors utilize pricing models developed for individual asset classes which incorporate available market data. These market inputs include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data which include market research publications. The pricing vendor may obtain broker quotes for securities when sufficient information is not available to fully evaluate a security. For broker-quoted only securities, quotes from market makers or broker-dealers are obtained from sources recognized to be market participants.

Portfolio managers review the values assigned by the pricing vendor for reasonableness. In doing so, they compare the prices received from the pricing vendor to prices of similar securities, price ranges in that asset class or industry or prices from internally generated position reports. If there is a discrepancy with the price received from the vendor, the portfolio manager may communicate this difference to the pricing vendor and present the vendor with additional market data regarding that security in order to ensure the pricing vendor has sufficient information needed to accurately price the security. The pricing vendor will then independently validate and evaluate that data and determine if a price change is warranted.

In the rare instance when a portfolio manager finds a difference in his or her assessment of fair value and the vendor price, after performing the preceding procedures, the portfolio manager may request replacement of the vendor price by a supportable value that is believed to be more representative of the security price. Any replacement of the vendor price is subject to an internal approval process.

The fair values of private placement bonds are determined by using an internal pricing model or for a small amount of securities, assigned individual broker prices. There were one hundred and forty one private placement bonds that were individually priced. These assigned individual prices are usually obtained from an external broker ("hand priced") and are considered to be Level 3.

The significant inputs used for the internal pricing model consist of (i) a broker supplied price matrix, (ii) treasury rates and (iii) credit ratings from certain nationally recognized securities rating organizations ("NRSRO") ("external ratings") or a credit rating assigned internally by the Company's Private Placement Investment Management Group ("internal ratings").

Private placement bonds with an applicable external credit rating of BB or above, for which the corresponding matrix price is used, are classified as Level 2. A private placement bond with an applicable external credit rating of below BB is classified as Level 3 due to the limited amount of market data available for these securities.

Bonds are carried at amortized cost unless they are rated 6 by the NAIC SVO in which case they are reported at the lower of amortized cost or fair value. There were four bonds rated 6 by the NAIC SVO and carried at fair value of $6 million on December 31, 2021 and there were two bonds rated 6 by the NAIC SVO and carried at fair value of $3 million on December 31, 2020. In addition, there were no Bond ETFs carried at fair value on December 31, 2021. There was one Bond ETFs carried at fair value of $215 million on December 31, 2020.

Unaffiliated common stocks are reported at fair value.

Mortgage Loans
The estimated fair value of the mortgage loan portfolio is derived primarily using a loan value matrix using significant unobservable inputs. The inputs used in the matrix include (1) the weighted average cash flow and average term to maturity for each individual loan; (2) a base spread over the U.S. Treasury rate and (3) an internally computed credit rating that is used to derive the appropriate credit spread. Mortgage loans were carried at amortized cost on December 31, 2021 and December 31, 2020 and are classified as Level 3.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Policy Loans
See Note 2 for information regarding policy loans, for which the Company considers the unpaid principal balance to approximate fair value and are classified as Level 3.

Derivatives:
Derivative instruments are valued through the use of quoted market prices for exchange-traded derivatives (Level 1), third party pricing model and a third party pricing service for over-the-counter ("OTC") traded derivatives (Level 2) and by using internally developed estimates and assumptions when no quoted market price or third party vendor price is available (Level 3).

The third party pricing model used to determine fair value, when quoted market values are not available, is based on market standard valuation methodologies and inputs that are assumed to be consistent with what market participants would use when pricing the instruments. The significant inputs to the pricing models for most over-the-counter derivatives are inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Significant observable inputs include: interest rates, foreign currency exchange rates, interest rate curves, credit curves and volatility.

The methodology used by the third party pricing service for derivative investments is the same as that described above under the bonds and common stocks section.

Surplus Note Investments
The Company invests in surplus note issuances of other mutual insurance companies. These bond-like instruments are classified as Level 2 financial instruments and are valued based on prices obtained from independent pricing services or internally developed pricing models using observable inputs. Typical market-observable inputs include benchmark yields, reported trades, issuer spreads, bids, offers, benchmark securities, estimated cash flows and prepayment speeds.

Receivables for securities
These receivables are amounts due from financial institutions for securities that were sold by the Company but the proceeds from the sale have not yet been received by the Company. Due to the short-term of the period in which the Company expects to receive these amounts it considers the carrying value of these balances to approximate fair value and are classified as Level 2.

Cash, cash equivalents and short-term investments
See Note 2 for information regarding cash, cash equivalents and short-term investments include cash deposit balances, short-term commercial paper, and other highly liquid debt instruments. Cash amounts are classified as level 1. All remaining cash equivalents and short-term investments are classified as Level 2 except for the outstanding balance on the line of credit with a subsidiary which is classified as Level 3.

Due and accrued investment income
Due and accrued investment income is either investment income earned and legally due to be paid to the Company as of the reporting date or investment income earned as of the reporting date but not legally due to be paid to the Company until after the reporting date. The Company expects to receive these amounts shortly after they become due and is required to non-admit any balance that is over 90 days past due or charge it against income in the period that it is deemed uncollectible. Therefore, the Company considers these amounts short-term in nature and that the carrying value approximates fair value. This amount is classified as Level 2.

Deposit type contracts
Deposit type contracts are made up of funding agreements backing medium term notes for which fair values are based on market prices for the notes when available. For funding agreements with no available market price, fair values are estimated using discounted cash flow calculations based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued. For all other deposit funds, the fair value is estimated to be equal to the account value since they can be withdrawn at any time and without prior notice.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables summarize the Company's financial instruments carried at fair value by their fair value/NAV hierarchy levels for the period ending December 31, 2021 and December 31, 2020:

	December 31, 2021					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Bonds	-	6	-	6	-	6
Derivative Instruments	-		6	6		6
Common Stock	-	-	35	35	76	111
Total Assets	$ -	$ 6	$ 41	$ 47	$ 76	$ 123
Liabilities						
Derivative instruments	$ -	$ -	$ 50	$ 50	$	$ 50
Total Liabilities	$ -	$ -	$ 50	$ 50	$ -	$ 50

	December 31, 2020					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Bonds	-	218	-	218	-	218
Derivative Instruments	-		2	2		2
Common Stock	-	-	34	34	78	112
Total Assets	$ -	$ 218	$ 36	$ 254	$ 78	$ 332
Liabilities						
Derivative instruments	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table summarizes changes to the Company's financial instruments carried at fair value and classified as level 3 in the fair value hierarchy for the year ended December 31, 2021 and December 31, 2020.

	As of December 31, 2021			
Level 3 Roll Forward	Bonds	Common Stock (unaffiliated)	Derivative Instruments	Total
	(In Millions)			
Fair Value , beginning of period	$ -	$ 34	$ 2	$ 36
Total gains or (losses) (realized or unrealized):				
Included in net income	-	-	-	-
Included in surplus	-	-	3	3
Purchases, sales, issuances, and settlements:				
Purchases	-	12	4	16
Sales	-	(11)	(3)	(14)
Issuances	-	-	-	-
Settlements	-	-	-	-
Transfers into Level 3	-	-	-	-
Transfers out of Level 3	-	-	-	-
Fair value, end of period	$ -	$ 35	$ 6	$ 41

During 2021, there were no transfers into or out of Level 3.

	As of December 31, 2020			
Level 3 Roll Forward	Bonds	Common Stock (unaffiliated)	Derivative Instruments	Total
	(In Millions)			
Fair Value , beginning of period	$ -	$ 13	$ 2	$ 15
Total gains or (losses) (realized or unrealized):				
Included in net income	-	-	-	-
Included in surplus	-	-	-	-
Purchases, sales, issuances, and settlements:				
Purchases	-	28	2	30
Sales	-	-	(2)	(2)
Issuances	-	(7)	-	(7)
Settlements	-	-		-
Transfers into Level 3		-		-
Transfers out of Level 3	-	-		-
Fair value, end of period	$ -	$ 34	$ 2	36

During 2020, there were no transfers into or out of Level 3.

NOTE 5 – RESERVES FOR POLICY BENEFITS

Reserves for policy benefits represent the estimated net present value of future policy benefits, less future policy premiums, established using actuarial methods based on mortality and morbidity experience tables and valuation interest rates prescribed by the Department. Actual future experience will generally differ from assumptions used to determine these reserves.

Reserves for future policy benefits on life insurance issued in 1988 and later are calculated principally on the New Jersey Reserve Method or the Commissioners Reserve Valuation Method using the 1980 Commissioners' Standard Ordinary ("CSO"), the 2001 CSO, and the 2017 CSO mortality tables. Reserves for term policies and riders issued in 2019 and later, and Universal Life with Secondary Guarantees issued in 2020 and later use the valuation methods specified in Valuation Manual ("VM") -20. Reserves on life policies issued before 1988 are calculated principally on the Net Level Premium Reserve Method using the American Experience, 1941, 1958 and 1980 CSO mortality tables. Annuity contract reserves are principally calculated using the 1983 Group Mortality table and the various Individual Annuity mortality tables. Assumed interest rates principally range from 2.5% to 5.5 % for direct business.

The reserves for Group Life Waiver and Long Term Disability ("LTD") reported claims are determined on a seriatim basis. Life waiver of premium reserves are determined primarily using the 1970 Inter-company Group Life Disability Table for claims incurred on or before December 31, 2008 and the 2005 Group Term Life Waiver Reserve Valuation Table for claims incurred on or after January 1, 2009. The interest rate is 4.0% for claims incurred on or before December 31, 2012, 3.5% for claims incurred between January 1, 2013 and December 31, 2020, and 3.0% for claims incurred on or after January 1, 2021. Long term disability reserves are determined using the 2012 Group Long Term Disability Valuation Table for claims incurred on or after January 1, 2017 and Table 95a for claims incurred on or before December 31, 2016 for the first 24 months after disablement, and the 1987 Commissioners' Group Disability Table for greater than 24 months of disablement. The interest rates range from 2.0% to 5.0%, depending on the year of incurral. Short Term Disability ("STD"), Dental, and Medical claims incurred but not yet reported ("IBNR") reserves are estimated based on the Company's historical experience. Dental and Medical reserves include reasonable allowances for potential adverse deviation.

The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium paid beyond the date of death. The larger of legally computed reserves and cash surrender values on a policy-by-policy basis are held as liabilities. Plans, except for second-to-die plans, charge additional premiums for substandard lives based upon actual issue age. Second-to-die plans develop substandard reserves using the rated up age. Mean reserves are based on appropriate multiples of standard rates of mortality. As of December 31, 2021, the Company had $12 billion of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of New York. The reserves to cover the above insurance totaled $44 million. The Tabular Interest, the Tabular Less Actual Reserve Released and the Tabular Cost have been determined by formula. For the determination of Tabular Interest on funds not involving life for each valuation rate of interest, the tabular interest is calculated as the product of such valuation rate of interest times the average of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

At December 31, 2021 and December 31, 2020 the withdrawal characteristics of the Company's annuity reserves and deposit type contract liabilities without life or disability contingencies were as follows:

	As of December 31, 2021				
	General Account	Separate Account with Guarantees	Separate Account Non Guaranteed	Total	% of Total
A. Individual Annuities:					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ -	$ -	$ -	$ -	0.0%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ -	$ -	$ -	$ -	0.0%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ 165	$ -	$ -	$ 165	91.7%
(2) Not subject to discretionary withdrawal	$ 15	$ -	$ -	$ 15	8.3%
(3) Total (gross: direct + assumed)	$ 180	$ -	$ -	$ 180	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 180	$ -	$ -	$ 180	100.0%
(6) Amount included in A(1)b above that will move to A(1)e for the first time whin the year after the statement date	$ 180	$ -	$ -	$ 180	
B. Group Annuities:					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ -	$ -	$ -	$ -	0.0%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ -	$ -	$ -	$ -	0.0%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ -	$ -	$ -	$ -	0.0%
(2) Not subject to discretionary withdrawal	$ 7	$ -	$ -	$ 7	100.0%
(3) Total (gross: direct + assumed)	$ 7	$ -	$ -	$ 7	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 7	$ -	$ -	$ 7	100.0%
(6) Amount included in B(1)b above that will move to B(1)e for the first time whin the year after the statement date	$ 7	$ -	$ -	$ 7	
C. Deposit-Type Contracts (no life contingencies):					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ 9	$ -	$ -	$ 9	0.2%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ 9	$ -	$ -	$ 9	0.2%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ 480	$ -	$ -	$ 480	10.7%
(2) Not subject to discretionary withdrawal	$ 3,978	$ -	$ -	$ 3,978	89.1%
(3) Total (gross: direct + assumed)	$ 4,467	$ -	$ -	$ 4,467	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 4,467	$ -	$ -	$ 4,467	100.0%
(6) Amount included in C(1)b above that will move to C(1)e for the first time whin the year after the statement date	$ 4,467	$ -	$ -	$ 4,467	
Total annuity actuarial reserves and deposit liabilities:	$ 4,654	$ -	$ -	$ 4,654	
Reconcilliation of total annuity actuarial reserves and deposit liabilities:					
Life and Accident & Health Annual Statement	$ 4,654	$ -	$ -	$ 4,654	
Separate Accounts Annual Statement	-	-	-	-	
Total annuity actuarial reserves and deposit liabilities:	$ 4,654	$ -	$ -	$ 4,654	

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

	As of December 31, 2020				
	General Account	Separate Account with Guarantees	Separate Account Non Guaranteed	Total	% of Total
A. Individual Annuities:					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ -	$ -	$ -	$ -	0.0%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	0.0%
d. Total with market value adjustment or at fair value (Total of a through c)	$ -	$ -	$ -	$ -	0.0%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ 169	$ -	$ -	$ 169	92.3%
(2) Not subject to discretionary withdrawal	$ 14	$ -	$ -	$ 14	7.7%
(3) Total (gross: direct + assumed)	$ 183	$ -	$ -	$ 183	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 183	$ -	$ -	$ 183	100.0%
(6) Amount included in A(1)b above that will move to A(1)e for the first time whin the year after the statement date	$ 183	$ -	$ -	$ 183	
B. Group Annuities:					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ -	$ -	$ -	$ -	0.0%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ -	$ -	$ -	$ -	0.0%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ -	$ -	$ -	$ -	0.0%
(2) Not subject to discretionary withdrawal	$ 8	$ -	$ -	$ 8	100.0%
(3) Total (gross: direct + assumed)	$ 8	$ -	$ -	$ 8	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 8	$ -	$ -	$ 8	100.0%
(6) Amount included in B(1)b above that will move to B(1)e for the first time whin the year after the statement date	$ 8	$ -	$ -	$ 8	
C. Deposit-Type Contracts (no life contingencies):					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ 10	$ -	$ -	$ 10	0.2%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ 10	$ -	$ -	$ 10	0.2%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ 460	$ -	$ -	$ 460	10.0%
(2) Not subject to discretionary withdrawal	$ 4,112	$ -	$ -	$ 4,112	89.7%
(3) Total (gross: direct + assumed)	$ 4,582	$ -	$ -	$ 4,582	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 4,582	$ -	$ -	$ 4,582	100.0%
(6) Amount included in C(1)b above that will move to C(1)e for the first time whin the year after the statement date	$ 4,582	$ -	$ -	$ 4,582	
Total annuity actuarial reserves and deposit liabilities:	$ 4,773	$ -	$ -	$ 4,773	
Reconcilliation of total annuity actuarial reserves and deposit liabilities:					
Life and Accident & Health Annual Statement	$ 4,773	$ -	$ -	$ 4,773	
Separate Accounts Annual Statement	-	-	-	-	
Total annuity actuarial reserves and deposit liabilities:	$ 4,773	$ -	$ -	$ 4,773	

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

At December 31, 2021 and December 31, 2020 the withdrawal characteristics of the Company's life actuarial reserves were as follows:

	As of December 31, 2021		
		General Account	
	Account Value	Cash Value	Reserve
A. Subject to discretionary withdrawal, surrender values, or policy loans:			
(1) Term Policies with Cash Value	$ -	$ -	$ -
(2) Universal Life	1,119	1,094	1,125
(3) Universal Life with Secondary Guarantees	117	86	358
(4) Indexed Universal Life	-	-	-
(5) Indexed Universal Life with Secondary Guarantees	-	-	-
(6) Indexed Life	-	-	-
(7) Other Permanent Cash Value Life Insurance	-	42,309	43,548
(8) Variable Life	-	-	6
(9) Variable Universal Life	-	-	-
(10) Miscellaneous Reserves	-	-	-
B. Not subject to discretionary withdrawal or no cash values:			
(1) Term Policies without Cash Value	-	-	1,681
(2) Accidental Death Benefits	-	-	5
(3) Disability - Active Lives	-	-	169
(4) Disability - Disabled Lives	-	-	406
(5) Miscellaneous Reserves	-	-	763
C. Total (gross: direct + assumed)	1,236	43,489	48,061
D. Reinsurance ceded	-	-	1,217
E. Total (net) (C) - (D)	$ 1,236	$ 43,489	$ 46,844

	As of December 31, 2020		
		General Account	
	Account Value	Cash Value	Reserve
A. Subject to discretionary withdrawal, surrender values, or policy loans:			
(1) Term Policies with Cash Value	$ -	$ -	$ -
(2) Universal Life	1,082	1,053	1,089
(3) Universal Life with Secondary Guarantees	104	75	325
(4) Indexed Universal Life	-	-	-
(5) Indexed Universal Life with Secondary Guarantees	-	-	-
(6) Indexed Life	-	-	-
(7) Other Permanent Cash Value Life Insurance	-	39,649	40,958
(8) Variable Life	-	-	-
(9) Variable Universal Life	-	-	10
(10) Miscellaneous Reserves	-	-	-
B. Not subject to discretionary withdrawal or no cash values:			
(1) Term Policies without Cash Value	-	-	1,674
(2) Accidental Death Benefits	-	-	5
(3) Disability - Active Lives	-	-	163
(4) Disability - Disabled Lives	-	-	416
(5) Miscellaneous Reserves	-	-	715
C. Total (gross: direct + assumed)	1,186	40,777	45,356
D. Reinsurance ceded	-	-	1,212
E. Total (net) (C) - (D)	$ 1,186	$ 40,777	$ 44,144

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

Note Program

Funding agreements are investment contracts whose reserve liabilities are equal to the account value and are established by contract deposits, increased by interest credited and decreased by contract coupon payments and maturities. Contract holders do not have the right to terminate the contract prior to the contractually stated maturity date. Credited interest rates vary by contract and can be fixed or floating. Under the note program, the Company created a special purpose entity ("SPE"), which is an investment vehicle or trust, for the purpose of issuing medium-term notes to investors. Proceeds from the sale of the medium-term notes issued by the SPE are used to purchase funding agreements from the Company. The medium-term notes are secured by the funding agreements with the note issuer granting a security interest in the funding agreement to the indenture trustee for the notes. The payment terms of any particular series of notes are matched by the payment terms of the funding agreement securing the series. The Company has a $5.0 billion Global Medium-Term Note Program. The amounts outstanding were $3.4 billion and $3.6 billion at December 31, 2021 and December 31, 2020, respectively, and are included in the Statutory Basis Balance Sheets as "Policyholder dividends payable and other contract liabilities". During 2021, notes totaling $800 million matured and new notes totaling $600 million were issued.

NOTE 6 – PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

Gross deferred and uncollected life insurance premiums represent premiums due to be received from policy owners through the next policy anniversary date. Net deferred and uncollected life insurance premiums represent only the portion of gross premiums related to mortality charges and interest. Deferred and uncollected life insurance premiums at December 31, 2021 and December 31, 2020 were as follows:

	2021 (In millions)		2020 (In millions)	
Type	**Gross**	**Net**	**Gross**	**Net**
Ordinary new business	$ 78	$ 77	$ 62	$ 62
Ordinary renewal	762	618	751	629
Group life	117	301	181	356
Totals	$ 957	$ 996	$ 994	$ 1,047

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS

Defined Benefit Plans:

The Company sponsors non-contributory defined benefit pension plans covering all eligible employees. These include tax-qualified plans, as well as nonqualified plans that provide benefits to certain participants in excess of ERISA limits for qualified plans. The Company's policy is to fully fund the obligations of qualified plans in accordance with ERISA requirements.

In addition to pension benefits, the Company provides postretirement benefits for retired employees. Substantially all of the employees and representatives may become eligible for these benefits if they reach retirement age while working for the Company.

In accordance with NAIC SAP, the costs associated with these required benefits are expensed over the period that the participant provides services to the Company, including recognition of assets and liabilities based on the funded status of the related plans. Pension assets are then non-admitted and thereby excluded from surplus.

On September 30, 2020, the Company announced the decision to freeze future pension benefit accruals for all Home Office employees who have not reached the Rule of 75 as of December 31, 2020. The Rule of 75 is determined using 75 "points" when combining an employee's age plus years of service as of December 31, 2020. The announcement of the plan change resulted in a plan curtailment as defined in Statement of Statutory Accounting Principle No. 102, Accounting for Pensions, A Replacement of SSAP No. 89 ("SSAP 102"). A curtailment is an event that significantly reduces the expected years of future service or eliminates the future accrual or defined benefits for a significant number of employees. A curtailment was measured as of September 30, 2020, which is the date the changes were communicated to Plan participants, in accordance with the practical expedient described in SSAP 102. The curtailment resulted in a reduction in projected benefit obligations ("PBO") of $84 million which was offset against the Plan's unrecognized losses and recognized as a gain in surplus.

On June 30, 2020, the Company announced the decision to eliminate the post-Medicare HRA subsidy for all Home Office employees that retire after December 31, 2020. The announcement of the plan change resulted in a plan amendment as defined in Statement of Statutory Accounting Principle No. 92, Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14 ("SSAP 92"). The plan was remeasured as of June 30, 2020, which is the month end closest to the date the changes were communicated to Plan participants, in accordance with the practical expedient described in SSAP 92. The amendment resulted in a reduction in PBO of $67 million which offset existing unrecognized prior service costs of $14 million with the remaining $53 million recognized as a new prior service credit and recognized as a gain in surplus.

Components of Net Periodic Benefit Expense

The components of net periodic pension and postretirement benefits expense including the amount of unrecognized items amortized into expense for the years ended December 31 are as follows:

	Pension Benefits		Postretirement Benefits	
	2021	2020	2021	2020
	(In millions)			
Service cost	$ 52	$ 94	$ 3	$ 5
Interest cost	91	101	6	7
Expected return on plan assets	(172)	(169)	(10)	(9)
Amortization of transition amount	-	-	5	5
Amortization of actuarial net loss	81	91	(10)	(9)
Amortization of prior service costs	-	-	-	-
Net periodic expense	$ 52	$ 117	$ (6)	$ (1)

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Changes in the projected benefit obligations and plan assets during the years ended December 31, 2021 and December 31, 2020 were as follows (in millions):

	Pension Benefits		Postretirement Benefits	
Change in benefit obligation	**2021**	**2020**	**2021**	**2020**
Benefit obligation, at beginning of period	$ 3,380	$ 3,002	$ 219	$ 265
Service cost	52	94	3	5
Interest cost	91	101	6	7
Actuarial (gain) loss	(99)	420	(8)	22
Plan amendments	-	-	-	(67)
Curtailments	-	(84)	-	-
Benefits paid	(207)	(153)	(14)	(13)
Benefit obligation, at end of period	$ 3,217	$ 3,380	$ 206	$ 219

	Pension Benefits		Postretirement Benefits	
Change in fair value of plan assets	**2021**	**2020**	**2021**	**2020**
Plan assets, at beginning of period	$ 2,537	$ 2,414	$ 144	$ 134
Actual return on plan assets	135	262	11	21
Employer contributions	17	14	1	2
Benefits paid	(207)	(153)	(14)	(13)
Plan assets, at end of period	$ 2,482	$ 2,537	$ 142	$ 144

	Pension Benefits		Postretirement Benefits	
Funded status	**2021**	**2020**	**2021**	**2020**
Funded status at end of period	$ (735)	$ (843)	$ (63)	$ (75)
Unrecognized prior service costs	-	-	-	(49)
Unrecognized actuarial net loss	931	1,074	-	66
Net amount recognized	$ 196	$ 231	$ (63)	$ (58)

	Pension Benefits		Postretirement Benefits	
Recognized as of December 31	**2021**	**2020**	**2021**	**2020**
Prepaid benefit cost	$ -	$ -	$ -	$ -
Less assets non admitted	-	-	-	-
Accrued liability	(735)	(843)	(63)	(75)
Net amount recognized	$ (735)	$ (843)	$ (63)	$ (75)

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Assumptions

Weighted average assumptions used in calculating the benefit obligations were as follows:

	Pension Benefits		Post Retirement Benefits	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Discount rate	3.05%	2.75%	2.93%	2.58%
Rate of compensation increase	3.00%	3.00%	n/a	n/a

Weighted average assumptions used in calculating the net periodic benefit cost were as follows:

	Pension Benefits For the Years Ended		Post Retirement Benefits For the Years Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Discount rate	2.75%	3.50%	2.58%	3.45%
Rate of compensation increase	3.00%	3.00%	n/a	n/a
Expected return on plan assets	7.00%	7.20%	7.00%	7.20%

Assumed health care cost trend rates were as follows:

	As of December 31,	
	2021	2020
Medical & Prescription Pre - Age 65	6.50%, grading to 4.5% over 10 years	6.75%, grading to 4.5% over 10 years

The accumulated benefit obligations (“ABO”) for the funded and unfunded pension plans were $2,486 million and $541 million, respectively, at December 31, 2021 and $2,631 million and $548 million, respectively, at December 31, 2020. The accumulated post retirement benefit obligation (“APBO”) for the postretirement plans was $206 million at December 31, 2021 and $219 million at December 31, 2020.

For the pension plans with ABO in excess of plan assets, the projected benefit obligations, accumulated benefit obligations, and fair value of plan assets were and $3,217 million, $1,249 million, and $691 million respectively at December 31, 2021 and $3,380 million, $3,178 million, and $2,537 million respectively at December 31, 2020.

With respect to the Company’s pension plans, the actuarially calculated funding amount ranges from the minimum amount the Company would be required to contribute to the maximum amount that would be deductible for tax purposes. Contribution amounts in excess of the minimum amounts are deemed voluntary. Amounts in excess of the maximum amount would be subject to an excise tax and may not be deductible under the Internal Revenue Code. The Company made no voluntary contributions in 2021 or 2020.

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Benefit Payments
The following table discloses the expected benefit payments for the Company's pension and postretirement plans.

	Pension Benefits	Other Benefits
Estimated Future Payments	(In millions)	
2022	184	14
2023	185	14
2024	185	15
2025	188	16
2026 - 2031	1,122	92

Plan Assets
The Company's pension and postretirement plans' asset allocation by major asset class at December 31, 2021 and December 31, 2020, and the target allocation for 2022, are as follows:

	Target Allocation	Percentage of Plan Assets at	
Asset Category	**2022**	**As of December 31, 2021**	**As of December 31, 2020**
U.S. Stocks	0%-50%	27%	16%
International Stocks	0%-10%	4%	4%
Non-convertible Bonds	60%-90%	69%	80%
		100%	100%

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

The investment strategy with respect to the Company's pension plan assets is to preserve capital and to seek investment returns with a goal of fully funding the plan.

The expected rate of return was 7.0 % for the year ended December 31, 2021 and 7.2% for the year ended December 31, 2020. These rates of return are an aggregation of expected returns within each asset category. The return with respect to each asset class considers both historical returns and the future expectations for such returns.

Target allocations of assets are determined with the objective of maximizing returns and minimizing volatility of net assets through adequate asset diversification and partial liability immunization. Adjustments are made to target allocations based on the Company's assessment of the impact of economic factors and market conditions.

The following table summarizes the Master Trust's financial instruments carried at fair value hierarchy levels. The fair values were estimated using the same methodology described in Note 4.

	As of December 31, 2021 (In millions)			
Description	**Level 1**	**Level 2**	**Level 3**	**Estimated Fair Value**
U.S. Stocks	$ -	$ 393	$ -	$ 393
International Stocks		90		90
Non-convertible Bonds	4	1,786	-	1,790
Total	$ 4	$ 2,269	$ -	$ 2,273

	As of December 31, 2020 (In millions)			
Description	**Level 1**	**Level 2**	**Level 3**	**Estimated Fair**
U.S. Stocks	$ -	$ 399	$ -	$ 399
International Stocks		94		94
Non-convertible Bonds	9	1,918	-	1,927
Total	$ 9	$ 2,411	$ -	$ 2,420

There were no financial instruments carried at fair value and classified as Level 3 as of December 31, 2021 and 2020.

Defined Contribution Plans

The Company sponsors defined contribution plans. Home office employees are covered by an investment and profit sharing plan pension plans 401(k)/401(a). Employees can invest up to 3% of their salary matched by an equal amount from the Company. They are also allowed an additional 10% (if not highly paid) of non-matched contributions. In addition, the Company provides a profit sharing allocation in proportion to salary. For home office employees hired on or after January 1, 2018, or home office employees hired before January 1, 2018 that do not meet the Rule of 75 as of December 31, 2020, the Company also makes a non-elective contribution to the Plan based on the age, years of service, and compensation of the participant. Field representatives are covered by a 401(k)/401(a) investment plan in which they can invest up to 3% of their salary matched by an equal amount from the Company. They are also allowed an additional 12% (if not highly paid) of non-matched contributions. The assets for both home office plans and the field representative's plan are held in a trust. Full time agents and general agents are covered by non-contributory plans. The Company contributed $86 million to these plans in 2021 and $35 million in 2020. The Company funds these plans and reflects the funded amounts as a liability.

NOTE 8 – INCOME TAXES

Consolidated Federal Income Tax Return

The Company’s federal income tax return is consolidated with the following entities:

- Guardian Insurance & Annuity Company, Inc.,
- Park Avenue Life Insurance Company,
- Sentinel American Life Insurance Company,
- Family Service Life Insurance Company,
- Managed Dental Care of California,
- Managed Dental Guard of Texas,
- Managed Dental Guard of New Jersey,
- Innovative Underwriters Inc.,
- Berkshire Life Insurance Company of America,
- First Commonwealth, Inc. and its subsidiaries,
- Reed Group Ltd,
- GIS Canada Holdings Corp, and
- Guardian Abbey LLC

The Company files a consolidated federal income tax return as parent, with its subsidiaries. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net capital losses, which it may incur, or to recoup its net operating or capital losses carried forward as an offset to future net income or capital gains subject to federal income taxes.

The Internal Revenue Code limits the amount of non-life insurance losses that may offset life insurance company taxable income. The consolidated income tax liability is allocated among the members of the group pursuant to a tax allocation agreement. In accordance with the tax allocation agreement, each qualifying member of the group computes its tax provision and liability on a separate return basis, but may, where applicable, recognize benefits of net operating losses and capital losses utilized in the consolidated group. Subsidiary tax liabilities/benefits are settled subsequent to the filing of the federal income tax return.

The Company does not anticipate any significant changes to its tax contingencies within the next 12 months.

NOTE 8 – INCOME TAXES (CONTINUED)

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes.

The components of the net deferred tax asset recognized in the Company's Statutory Basis Balance Sheets are as follows:

	December 31, 2021		
	Ordinary	Capital	Total
Gross Deferred Tax Assets	$ 1,646	$ 124	$ 1,770
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	1,646	124	1,770
Deferred Tax Assets Nonadmitted	-	-	-
Subtotal Net Admitted Deferred Tax Asset	1,646	124	1,770
Deferred Tax Liabilities	827	260	1,087
Net Admitted Deferred Tax Asset	$ 819	$ (136)	$ 683

	December 31, 2020		
	Ordinary	Capital	Total
Gross Deferred Tax Assets	$ 1,552	$ 102	$ 1,654
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	1,552	102	1,654
Deferred Tax Assets Nonadmitted	41	-	41
Subtotal Net Admitted Deferred Tax Asset	1,511	102	1,613
Deferred Tax Liabilities	767	118	885
Net Admitted Deferred Tax Asset	$ 744	$ (16)	$ 728

	Change		
	Ordinary	Capital	Total
Gross Deferred Tax Assets	$ 94	$ 22	$ 116
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	94	22	116
Deferred Tax Assets Nonadmitted	(41)	-	(41)
Subtotal Net Admitted Deferred Tax Asset	135	22	157
Deferred Tax Liabilities	60	142	202
Net Admitted Deferred Tax Asset	$ 75	$ (120)	$ (45)

A valuation allowance is recorded if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's management has concluded that the deferred income tax assets are more likely than not to be realized. Therefore, no valuation allowance has been provided.

NOTE 8 – INCOME TAXES (CONTINUED)

Admission calculation components SSAP No. 101 (Paragraph 11)

The Company follows the guidance in Statement of Statutory Accounting Principles No. 101 - Income Taxes, A Replacement of SSAP No. 10R and SSAP No.10 ("SSAP 101"). SSAP 101 included a similar calculation for limitation of gross deferred tax assets as SSAP 10R for insurers that maintain a minimum of 300% of their authorized control level RBC computed without net deferred tax assets. The Company exceeded the 300% minimum RBC requirement at December 31, 2021 and 2020.

	December 31, 2021		
	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss	$ -	$ 90	$ 90
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	682	-	682
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the	682	-	682
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	-	-	-
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and b. above) offset by gross deferred tax liabilities.	963	34	997
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ 1,645	$ 124	$ 1,769

	December 31, 2020		
	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss	$ -	$ 60	$ 60
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	667	-	667
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the	667	-	667
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	-	-	-
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and b. above) offset by gross deferred tax liabilities.	844	42	886
Deferred tax assets admitted as the result of application of SSAP No. 101.Total	$ 1,511	$ 102	$ 1,613

	Change		
	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss	$ -	$ 30	$ 30
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	15	-	15
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the	15	-	15
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	N/A	N/A	-
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax	119	(8)	111
Deferred tax assets admitted as the result of application of SSAP No. 101.Total	$ 134	$ 22	$ 156

	2021	2020
Ratio percentage used to determine recovery period and threshold limitation amount	997%	953%
Amount of adjusted capital and surplus used to determine recovery period and threshold	$ 10,024	$ 8,780

NOTE 8 – INCOME TAXES (CONTINUED)

	December 31, 2021	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	$ 1,646	124
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.0%	5.1%
3. Net Admitted Adjusted Gross DTAs amount	1,646	125
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	5.1%

	December 31, 2020	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	$ 1,552	102
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.0%	3.6%
3. Net Admitted Adjusted Gross DTAs amount	1,511	106
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	3.6%

	Change	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	94	22
2. Percentage of adjusted gross DTAs by tax character attributable to the	0.0%	1.5%
3. Net Admitted Adjusted Gross DTAs amount from	135	19
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	1.5%

Does the Company's tax-planning strategies include the use of reinsurance? Yes ______ No __X__

All DTL were recognized as of December 31, 2021 and December 31, 2020.

Current income taxes incurred consisted of the following major components:

Description		December 31, 2021		December 31, 2020		Change
(In millions)						
Federal income tax (benefit)/expense on operating income	$	21	$	(80)	$	101
Prior year overaccrual		(12)		(20)		8
Contingent tax		-		-		-
Current Federal operations income tax expense /(benefit)	$	9	$	(100)	$	109
Federal income tax expense/(benefit) on capital gains/(losses)	$	75	$	116	$	(41)
Prior year underaccrual		(4)		(1)		(3)
Current Federal capital gain income tax expense/(benefit)	$	71	$	115	$	(44)
Federal and foreign income taxes incurred	$	80	$	15	$	65

NOTE 8 – INCOME TAXES (CONTINUED)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	2021	2020	Change
DTAs Resulting from Book/Income Tax Differences In:		(In millions)	
Ordinary:			
Reserves	$ 679	$ 647	$ 32
Policy acquisition costs	359	297	62
Dividend provision	229	213	16
Liabilities for employees and agents	133	123	10
Pension Accrual	168	193	(25)
Non admitted assets	32	32	-
Leasehold improvement	1	2	(1)
Contract liabilities and unpaid claims	1	-	1
Other	44	45	(1)
Gross ordinary DTA - (admitted and nonadmitted)	$ 1,646	$ 1,552	$ 94
Statutory valuation allowance adjustment - ordinary	-	-	-
Total ordinary DTA - (nonadmitted)	-	41	(41)
Admitted ordinary DTA	1,646	1,511	135
Capital:			
Impaired securities	122	99	23
Other	2	3	(1)
Gross capital DTA - (admitted and nonadmitted)	124	102	22
Total capital DTA - (nonadmitted)	-	-	-
Admitted capital DTA	124	102	22
Total admitted DTA	$ 1,770	$ 1,613	$ 157
DTLs Resulting from Book/Income Tax Differences In:			
Ordinary:			
Deferred and uncollected premiums	$ 242	$ 243	$ (1)
Advanced premium	80	75	5
Reserve transition adjustment (8 Year)	76	96	(20)
Guaranteed dividend	153	141	12
Other invested assets	191	156	35
Reserves 10 year spread	5	6	(1)
Other	80	50	30
Ordinary DTL	$ 827	$ 767	$ 60
Capital:			
Unrealized capital gains	207	65	142
Deferred gain	53	53	-
Capital DTL	260	118	142
Total DTL	$ 1,087	$ 885	$ 202
Net admitted DTA/(DTL)	$ 683	$ 728	$ (45)

The Change in net deferred income taxes is comprised of the following:

	2021	2020	Change
Adjusted gross deferred tax assets	$ 1,770	$ 1,654	$ 116
Total deferred tax liabilities	1,087	885	202
Net deferred tax assets (liabilities)	$ 683	$ 769	$ (86)
Tax effect of net unrealized gains (losses)			141
Change in net deferred income tax			$ 55

Changes in net deferred income tax, including changes attributable to changes in tax rates and changes in tax status, if any, shall be recognized as a separate component of gains and losses in unassigned funds (Surplus).

NOTE 8 – INCOME TAXES (CONTINUED)

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant book to tax adjustments causing this difference were the following:

		December 31, 2021	Effective Tax Rate
		(In millions)	
Net gain from operations after dividends to policyholders and before Federal income tax @21%	$	78	
Net realized capital gains (losses) @21%		(14)	
Provision calculated at statutory rate		64	21.00%
Tax effect of:			
Interest maintenance reserve		16	5.30%
Tax Exempt Interest		(4)	-1.30%
Affiliated Dividends		(9)	-3.00%
Tax Credit		(61)	-20.00%
Return to Provision		(7)	-2.30%
Pension Adjustment		31	10.20%
Other		(5)	-1.60%
Total statutory income tax expense/(benefit)	$	25	8.30%
Federal income taxes incurred		80	26.30%
Change in net deferred income taxes		(55)	(18.00%)
Total statutory income tax expense/(benefit)	$	25	8.30%

Operating Loss and Tax Credit Carryforwards

As of December 31, 2021, the Company does not have any net ordinary loss carryforwards, capital loss carryforwards or tax credit carryforwards.

The following are income taxes incurred in prior years that are available for recoupment in the event of future net losses:

Year		Ordinary		Capital		Total
				(In millions)		
2021	$	-	$	76	$	76
2020		-		110		110
2019		-		98		98
Total	$	-	$	284	$	284

As of December 31, 2021, the Company does not have any deposits admitted pursuant to the Internal Revenue Code Section 6603.

NOTE 9 – REINSURANCE CEDED

In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding business to reinsurers under various modified coinsurance agreements, coinsurance agreements, and combinations thereof, and yearly renewable term agreements. These agreements provide for reinsurance of selected individual life and disability policies and group life and group health contracts. Under the terms of the modified coinsurance agreements, reserves related to the reinsured business and the corresponding assets are held by the Company. The Company retains the primary obligation to the policyholder for reinsured policies. Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, the Company evaluates the financial condition of its reinsurers in order to minimize its exposure to losses from reinsurer insolvencies.

The effects of these ceding agreements on the components of gain from operations in the accompanying statutory basis statements of operations are as follows:

	2021	2020
	(In millions)	
Premiums, annuity considerations and fund deposits	$ (474)	$ (413)
Commissions and expense allowances (other income)	70	84
Total revenues	(404)	(329)
Benefit payments to policyholders and beneficiaries	(496)	(427)
Net reductions to policy benefit reserves	15	(3)
Commissions and operating expenses	-	(2)
Total expenses	(481)	(432)
Net gain on operations from reinsurance ceded	$ 77	$ 103

During 2021, the Company entered into a Yearly Renewal Term (“YRT”) quota share agreement in which it cedes 50%-90% of the mortality risk on Group Life contracts. Under the agreement, the Company cedes premium, claims and net amount at risk. Profits, after a risk charge, are returned to the Company through an experience refund.

NOTE 10 – REINSURANCE ASSUMED

The Company enters into various modified coinsurance agreements, coinsurance agreements, and combinations thereof and yearly renewable term agreements that provide reinsurance on life insurance, annuities, credit life, disability insurance, and credit accident and health business. Under the terms of the various reinsurance treaties, the Company assumed (net of retrocession) approximately $2.6 billion face amount of life insurance at December 31, 2021 and $2.2 billion at December 31, 2020. Under the terms of modified coinsurance agreements, reserves related to the reinsured business and the corresponding assets are held by the ceding company.

The Company has a coinsurance agreement with BLICOA, an affiliated insurance company, entered into in 2013. Under the agreement, the Company assumed 80% of the net individual disability insurance (“IDI”) originally ceded to BLICOA from the Company via the July 1, 2001 coinsurance treaty as well as 80% of the IDI and multi-life (“ML”) business written by BLICOA since the 2001 treaty. The reinsurance is on a funds withheld basis with supporting invested assets remaining in BLICOA.

Also, as part of the terms of the agreement, the Company can request that BLICOA pay an amount equal to the Annual Funds Withheld Increase to the Company. In 2021, the Company did not request that BLICOA pay an amount equal to the Annual Funds Withheld Increase it recorded in 2020. In 2020 the Company did not request that BLICOA pay an amount equal to the Annual Funds Withheld Increase it recorded in 2019.

During 2021, BLICOA’s disability claim reserves were strengthened with adjustments to the Cost of Living Adjustment (“COLA”) assumptions. Under the Company’s coinsurance agreement with BLICOA, this reserve strengthening resulted in an increase of $46 million in reserves which was recorded as a change in estimate through the Statutory Basis Statement of Operations. During 2020, BLICOA’s disability claim reserves were strengthened with adjustments to the claim termination rate assumptions. Under the Company’s coinsurance agreement with BLICOA, this reserve strengthening resulted in an increase of $62 million in reserves which was recorded as a Change in reserve on account of change in valuation basis in the Statutory Basis Statements of Changes in Policyholders’ Surplus.

The Company has an Individual Life YRT reinsurance agreement with GIAC, an affiliated insurance company, entered into in 2011. The agreement covers GIAC’s current form Secondary Guarantee Universal Life and Survivorship Universal Life plans having policy effective dates of January 1, 2011 and later. Reinsurance under the agreement is assumed on an automatic 90% first dollar quota share basis.

NOTE 10 – REINSURANCE ASSUMED (CONTINUED)

The following tables outline the effects of these assumption agreements on the accompanying Statutory Basis Statements of Operations.

Reinsurance Assumed from Affiliates

	2021	2020
	(In millions)	
Premiums, annuity considerations and fund deposits	$ 750	$ 722
Reserve adjustments on reinsurance (other income)	22	20
Total revenues	772	742
Benefit payments to policyholders and beneficiaries	319	317
Net increase to policy benefit reserves	163	160
Commissions and operating expenses	240	238
Total expenses	722	715
Net gain on operations from reinsurance assumed	$ 50	$ 27

Reinsurance Assumed from Non-Affiliates

	2021	2020
	(In millions)	
Premiums, annuity considerations and fund deposits	$ 2	$ 2
Total revenues	2	2
Benefit payments to policyholders and beneficiaries	1	2
Net reductions to policy benefit reserves	(1)	(1)
Commissions and operating expenses	1	1
Total expenses	1	2
Net loss on operations from reinsurance assumed	$ 1	$ -

Total Reinsurance Assumed

	2021	2020
	(In millions)	
Premiums, annuity considerations and fund deposits	$ 752	$ 724
Reserve adjustments on reinsurance (other income)	22	20
Total revenues	774	744
Benefit payments to policyholders and beneficiaries	320	319
Net increase to policy benefit reserves	162	159
Commissions and operating expenses	241	239
Total expenses	723	717
Net gain on operations from reinsurance assumed	$ 51	$ 27

NOTE 11 – RELATED PARTY TRANSACTIONS

In 2021 and 2020, the Company made the following capital contributions to its real estate joint ventures which are an addition to Other invested assets in the Statutory Basis Balance Sheets:

	2021	2020
	(In millions)	
Guardian Springwoods III, LLC	$ 1	$ 8
Troy Court Industrial	1	5
GS-Invreg Wayzata, LLC	13	-
Center Key Land Partners, LLC	32	-
Total	$ 47	$ 13

In 2021 and 2020, the Company made the following capital contributions to its subsidiaries:

	2021	2020
	(In millions)	
GIAC	$ 20	$ 100
BLICOA	15	-
Total	$ 35	$ 100

The capital contributions to GIAC and BLICOA were recorded as an addition to Common stock in the Statutory Basis Balance Sheets.

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

In 2021 and 2020, the Company received net returns of capital of $17 million and $2 million, respectively from its real estate joint ventures. These distributions are a reduction to Other invested assets in the Statutory Basis Balance Sheets.

In 2021, the Company received returns of capital from FCW of $35 million and PALIC of $15 million, which was recorded as a reduction to Common Stocks in the Statutory Basis Balance Sheets.

In 2021 and 2020, the Company received the following dividends from its subsidiaries which are recorded as Net investment income in the Statutory Basis Statements of Operations:

	2021	2020
	(In millions)	
Managed Dental Care of California ("MDC")	$ 3	$ 5
Managed Dental Guard of Texas, Inc. (TX)	2	3
FCW	37	89
Innovative Underwriters, Inc.	1	-
	$ 43	$ 97

The Company has expense sharing agreements with its subsidiaries. During 2021 and 2020, the Company had net billings of $413 million and $449 million, respectively under these expense-sharing agreements. Amounts billed to subsidiaries are included in Commissions and operating expenses in the Statutory Basis Statements of Operations. The unpaid net receivable balance due from subsidiaries relevant to these agreements was $38 million and $56 million at December 31, 2021 and December 31, 2020, respectively, and are included in Other assets and Other liabilities in the Statutory Basis Balance Sheets.

The Company (Lender) has a $750 million revolving line of credit agreement with GIAC (Borrower). The terms of the credit agreement state that future drawing, if any,(not at the time overdue) shall bear interest at a rate per annum equal to (a) the Prime Rate plus 1.00% if a PrimeRate Loan or (b) the Eurodollar Rate plus 1.00% if a Eurodollar Rate Loan. In the event any drawing on the line of credit becomes due, whether by acceleration or otherwise, it shall bear interest at a rate per annum equal to the Prime Rate plus 2.00%. Additionally, a commitment fee equal to 0.125% per annum of the amount of this line of credit shall be paid by Borrower to Lender, such amount to be paid in quarterly installments on the last day of each March, June, September and December or on the termination of this line of credit. For Value Received, the Borrower, promises to pay on the maturity date or dates determined by the Lender, the principal sum of $750 million or the aggregate unpaid principal sum of all Loans which the Lender actually makes to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date at a rate computed on the basis of a 360-day year for the actual number of days in each interest period. The line of credit agreement shall have an initial term of 364 days beginning with the date first stated above, and shall automatically renew for successive periods of 364 days, unless the Lender notifies the Borrower of its intention not to renew the line of credit agreement not less than sixty (60) days prior to the expiration of the then existing term. GIAC is in compliance with certain financial covenants imposed by the line of credit agreement. As of December 31, 2021 and 2020, there were no outstanding drawings on the line of credit. Interest income and commitment income of $0.5 million and $0.4 million for the twelve months ended December 31, 2021 and December 31, 2020, respectively, are included in Net investment income in the Statutory Basis Statements of Operations.

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

The Company (Lender) has a $750 million revolving line of credit agreement with GIS (Borrower). The terms of the credit agreement state that future drawing, if any, (not at the time overdue) shall bear interest at a rate per annum equal to (a) the Prime Rate plus 1.00% if a Prime Rate Loan or (b) the Eurodollar Rate plus 1.00% if a Eurodollar Rate Loan. In the event any drawing on the line of credit becomes due, whether by acceleration or otherwise, it shall bear interest at a rate per annum equal to the Prime Rate plus 2.00%. Additionally, a commitment fee equal to 0.125% per annum of the amount of this line of credit shall be paid by Borrower to Lender, such amount to be paid in monthly installments no later than the last day of each month or on the termination of this line of credit. For Value Received, the Borrower, promises to pay on the maturity date or dates determined by the Lender, the principal sum of $350 million, or the aggregate unpaid principal sum of all Loans which the Lender actually makes to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date at a rate computed on the basis of a 360-day year for the actual number of days in each interest period. The line of credit ag
reement shall have an initial term of 364 days beginning with the date first stated above, and shall automatically renew for successive periods of 364 days, unless the Lender notifies the Borrower of its intention not to renew the line of credit agreement not less than sixty (60) days prior to the expiration of the then existing term. GIS is in compliance with certain financial covenants imposed by the line of credit agreement. As of December 31, 2021, and December 31, 2020, the amount of drawings on the line of credit amounted to $0 million and $19 million respectively and is included in "Cash, cash equivalents, and short-term investments in the Statutory Basis Balance Sheets. Interest income and commitment income of $1 million and $2 million for the twelve months ended December 31, 2021 and December 31, 2020 respectively, are included in Net Investment Income in the Statutory Basis Statements of Operations.

Related Party Commitments:

The Company provides financial guarantees on behalf of some of its subsidiaries and affiliates as listed below. Per the statutory accounting guidance SSAP 5R, a liability has not been recorded on the Company's Statutory Basis Balance Sheets for any of these guarantees.

The Company continues to provide MDC, a subsidiary, a written letter of financial support for $5 million of which $2 million was funded in prior years. This amount was recorded as an additional investment in MDC. The letter was necessary for regulatory purposes in order to guarantee additional capital infusion to its California dental subsidiary as needed. At this time, MDC is not expected to further draw on the remaining $3 million as the subsidiary has $5 million more capital than is required by California.

As of December 31, 2021 and 2020, the Company had no commitments to make capital contributions to its subsidiaries.

Settlement of Intercompany Transactions:

In accordance with NAIC SAP, all transactions between related parties are required to have a written agreement that provides for a timely settlement of amounts owed, including a specific due date. Amounts over ninety days due are to be non-admitted along with any uncollected receivable from a related party that is not part of a written agreement. Written agreements are in place for all intercompany transactions and these written agreements contain specific due dates. As of December 31, 2021, there was no intercompany receivable that was more than 90 days past due.

NOTE 12 – LIABILITY FOR UNPAID CLAIMS AND CLAIM RESERVES

Activity in the liability for unpaid accident and health claims and claim reserves is summarized as follows and is included in Reserves for policy benefits on the Statutory Basis Balance Sheets:

		2021		2020
		(In millions)		
Balance of unpaid claims and claim reserves, net of reinsurance recoverable, at January 1	$	4,410	$	4,213
Incurred related to:				
Current year		2,732		2,395
Prior years		(232)		(201)
Affiliated reinsurance		76		93
Total incurred		2,576		2,287
Paid related to:				
Current year		1,761		1,456
Prior years		396		272
Affiliated reinsurance		280		362
Total paid		2,437		2,090
Balance of unpaid claims and claim reserves, net of reinsurance recoverable, at December 31	$	4,549	$	4,410

The amount of incurred claims related to prior years was a reduction of $232 million and $201 million for the years ended December 31, 2021 and December 31, 2020, respectively, primarily due to favorable claim experience on the Company's long-term disability reserves, driven by favorable development of both the reported and unreported claim reserves.

Loss / Claim Adjustment Expenses:
The balance in the liability for unpaid accident and health claim adjustment expenses was $100 million as of December 31, 2021 and 2020. The Company incurred $70 million and paid $69 million of claims adjustment expenses in 2021 of which $20 million of the paid amount was attributable to insured or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years. Estimated anticipated salvage and subrogation related to the liability for unpaid claims / losses is not material and therefore does not reduce the liability.

The liability for unpaid accident and health claims and claim adjustment expenses represents the Company's best estimate with a margin; however, there may be future adjustments to this estimate and related assumptions. Such adjustments, reflecting any variety of new and adverse trends, could possibly be significant and result in increase in liabilities. As of December 31, 2021 and 2020, the Company had no significant changes in methodologies and assumptions used in calculating the liability. The Company updates its experience study annually for recent company claim experience used to set the liability for unpaid claims.

NOTE 13 – ASO PLANS

The net gain from operations from ASO uninsured plans and the uninsured portion of partially insured plans was as follows during the years ended December 31, 2021 and December 31, 2020:

	2021		
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
		(In millions)	
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 10.3	$ -	$ 10.3
Total net other income or expenses (including interest paid to or received from plans)	2.2	-	2.2
Net gain from operations	$ 8.1	$ -	$ 8.1
Total claim payment volume	639	-	639

	2020		
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
		(In millions)	
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 11.1	$ -	$ 11.1
Total net other income or expenses (including interest paid to or received from plans)	2.3	-	2.3
Net gain from operations	8.8	-	8.8
Total claim payment volume	546	-	546

NOTE 14 – LEASES

The Company has lease agreements for the rental of real estate that are classified as operating leases. Rental expense for these properties was $34 million for year ended December 31, 2021 and $36 million for the year ended December 31, 2020.

The Company's major office facility leases are primarily used for administrative and business support operations are as follows:

- On December 10, 2020, the Company sold the Appleton facility and recognized a realized gain of $9 million. The Company signed a five-year agreement to lease back the third floor of the location from the new owner. The Company began paying rent on the leased space in April 2021 and is obligated to pay approximately $0.7 million in annual base rent plus operating expenses and taxes.
- On September 13, 2017, the Company signed a seventeen-year five-month lease agreement for its New York home office facility. The Company began using the building in the second quarter of 2019 as a replacement of the prior New York home office facility. The Company is obligated to pay approximately $15 million in annual base rent plus operating expenses and taxes.
- On March 8, 2017, the Company signed a fifteen-year lease agreement for its New Jersey home office facility. The Company began using the building in the first quarter of 2018 and is obligated to pay approximately $3 million in annual base rent plus operating expenses and taxes.
- On August 11, 2016, the Company signed a ten-year lease agreement for its Spokane home office facility. The Company began using the building in March 2017 and is obligated to pay approximately $1 million in annual base rent which includes operating expenses and taxes.
- On January 26, 2015, the Company signed a twenty-year lease agreement with GLICA Bethlehem, LLC. Under the terms of the lease agreement GLICA Bethlehem, LLC built an office building in Bethlehem, PA according to specifications provided by the Company. The Company began using the building in June 2016 and is obligated to pay approximately $5 million in annual base rent plus operating expenses and taxes.

The following is a schedule by year of the minimum rental payments due under the leases:

		(In millions)
Year ending December 31,		
2022		33
2023		32
2024		30
2025		28
2026		26
Total	$	149

The minimum aggregate sublease income is as follows:

		(In millions)
Year ending December 31,		
2022		3
2023		3
2024		3
2025		2
2026		2
Total	$	13

The Company guarantees the leases for some of its agents. The fair value of the guarantees as of December 31, 2021 is estimated to be $1 million. The remaining estimated lease obligations that are guaranteed as of December 31, 2021 is $22 million.

NOTE 15 – COMMITMENTS

Commitments to fund real estate, private equities, mortgage loans, investment tax credits, and private placements in the normal course of business totaled $1,667 million and $1,641 million as of December 31, 2021 and December 31, 2020, respectively.

NOTE 16 – LITIGATION

The Company is engaged in various disputes, litigations, inquiries from governmental authorities and other proceedings arising out of the Company's business. These matters could result in losses, monetary damages, fines, penalties or changes in the business operations of the Company. Due to the uncertainties inherent in these disputes, it is difficult to determine the ultimate loss the Company will experience. The Company evaluates each matter and establishes an accrual where a loss is probable and the amount can be reasonably estimated. In the opinion of Management, based on current information at December 31, 2021, any losses resulting from such disputes would not have a material adverse effect on the financial position of the Company.

The Company also evaluates these matters for a reasonably possible range of loss. Due to the uncertainties inherent in these matters, such as timing of discovery and court decisions, the Company is not able to ascertain a reasonably possible range of loss for each matter. In the opinion of Management, as of December 31, 2021, the aggregate range of reasonably possible loss for those matters it is able to provide an estimate for is not material to the Company's financial position.

NOTE 17 – LINES OF CREDIT

The Company became a member of the FHLBNY on February 13, 2018. Membership allows the Company access to the FHLBNY's financial services, including the ability to obtain collateralized loans and to issue collateralized funding agreements. The Company's strategy is to utilize these funds as a source to improve spread lending liquidity and as a source of backup liquidity. FHLBNY borrowings and funding agreements are currently collateralized by qualifying mortgage loans but can also be collateralized with qualifying corporate bonds or U.S. Treasury securities, the fair value of which must be maintained at certain specified levels relative to outstanding borrowings. FHLBNY membership requires the Company to own member stock in the amount of 12.5 bps of the Company's assets which is remeasured annually based on the prior years December 31 balance. This capital is locked up for five years should the Company decide to end its membership. Borrowings require the purchase of activity-based stock in an amount equal to 4.5% of outstanding borrowings. All FHLBNY stock purchased by the Company is classified as restricted general account investments within "Common stocks," and the carrying value of these investments was $35 million and $33 million as of December 31, 2021 and December 31, 2020, respectively. The Company's capacity to borrow is limited to 5% of admitted assets which is the regulatory limit on the amount of collateral that a New York domiciled insurance company can pledge for a loan. As of December 31, 2021 and December 31, 2020, that limit was approximately $3,607 million and $3,402 million, respectively. As of December 31, 2021 and December 31 2020, the Company had pledged assets with a fair value of $781 million and $853 million supporting outstanding funding agreements totaling $567 million and $500 million, which are included in "Policyholder dividends payable and other contract liabilities," respectively. The $67 million of outstanding funding agreement is due on March 1, 2022 and the remaining $500 million of the outstanding funding agreement is due on April 26, 2025.

NOTE 18 – POLICYHOLDERS' SURPLUS

There were no special contingency reserves included in policyholder's surplus at December 31, 2021 or December 31, 2020. The Company holds other reserves totaling $4 million and $4 million at December 31, 2021 and December 31, 2020, respectively as required by New York State law for aviation business and Arkansas permanent surplus requirements. Surplus at December 31, 2021 and December 31, 2020 is as follows:

	2021	2020
	(In millions)	
Accumulated earnings	$ 10,526	$ 9,433
Unrealized loss - common stock	(336)	(346)
Asset valuation reserve	(1,444)	(1,132)
Nonadmitted asset values	(161)	(199)
Total unassigned surplus	8,585	7,756
State required segregated surplus	4	4
Surplus	$ 8,589	$ 7,760

NOTE 19 – FINANCIAL INFORMATION

The following reconciles the New York SAP net income and surplus of Guardian as reported to regulatory authorities to consolidated GAAP income and GAAP equity:

	2021	2020
	(In millions)	
Statutory net income	$ 223	$ 147
Adjustments to GAAP basis:		
Realized capital gains	447	330
Change in deferred policy acquisition costs	521	(429)
Future policy benefits	(1,059)	(1,058)
Elimination of IMR amortization	(68)	(58)
Establishment of deferred federal and state income taxes	(48)	185
Service fees	1,123	1,102
Policyholder dividends	42	32
Elimination of interest on affiliate reinsurance	(163)	(156)
Other	44	37
Consolidated GAAP income	$ 1,062	$ 132

NOTE 19 – FINANCIAL INFORMATION (CONTINUED)

	2021	2020
	(In millions)	
Statutory surplus	$ 8,589	$ 7,760
Adjustments to GAAP basis:		
Capitalization of deferred policy acquisition costs	2,724	1,798
Deferred software costs	38	26
Future policy benefits	(8,639)	(9,062)
Elimination of IMR	779	703
Elimination of AVR	1,444	1,132
Establishment of additional deferred federal income taxes	(1,732)	(1,924)
Policyholder dividends	545	503
Notes payable	(4,185)	(3,497)
Unrealized gains on investments and GAAP adjustments of affiliates	17,379	19,188
Consolidated GAAP equity	$ 16,942	$ 16,627

NOTE 20 – SURPLUS NOTES

The Company has issued various Surplus Notes ("the Notes") to unrelated third parties pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by The Bank of New York Mellon as fiscal agent. Interest on each of the Notes is scheduled to be paid semiannually on the interest paid dates listed in the table below. All of the Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the Notes are not part of the legal liabilities of the Company. The Notes do not repay principal prior to maturity, and each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the Notes may be redeemed at the option of the Company (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding the accrued interest as of the date on which the Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at an adjusted treasury rate plus varying basis points. The Surplus Note issuances were not structured in a manner where typical cashflows have been reduced or eliminated.

The following table summarizes the Notes issued by the Company:

Date Issued	Interest Rate	Principal Balance	Cash Proceeds Received	Maturity Date	Face (Par) Value of Note	Carrying Value of Note	Interest Paid Dates		Interest Paid Current Year 12/31/2021	Interest Paid Life-to-date 12/31/2021
10/6/2009 (1)	7.375%	400.0	392.4	9/30/2039	233.1	231.7	March 31	September 30	17.2	307.0
6/19/2014	4.875%	450.0	444.6	6/19/2064	450.0	448.7	June 19	December 19	22.0	164.5
1/24/2017 (1)	4.850%	350.0	343.6	1/24/2077	579.3	521.3	January 24	July 24	28.1	120.9
1/22/2020	3.700%	300.0	293.9	1/22/2070	300.0	296.7	January 22	July 22	11.1	16.6
Total Surplus Notes		$ 1,500.0	$ 1,474.5		$ 1,562.4	$ 1,498.4			$ 78.4	$ 609.0

(1) The Company completed an exchange in which it issued additional 1/24/2017 Notes ("2017 Notes") in exchange for redeemed 10/6/2009 Notes ("2009 Notes"). They were settled predominately on December 27, 2017 with a minimal amount settling on January 8, 2018. The 2009 Notes had a principal balance of $166.9 million (carrying value $165.7 million) and the additional 2017 Notes had a principal balance of $229.3 million (carrying value $170.5 million). Of the $63.6 million discount at the time of the exchange, $4.8 million pertaining to inducement for note holders to exchange their notes was recorded as an expense on the transaction date along with an increase to the carrying value of the 2017 Notes. The remaining $58.8 million will be charged to the Statutory Basis Statements of Operations over the life of the 2017 Notes.

NOTE 21 – AFFORDABLE CARE ACT FEE

The health insurance industry assessment mandated by the PPACA Act of 2010 was levied on health insurers beginning in 2014 based on a ratio of an insurer's net health insurance premiums written for the previous calendar year compared to the total premiums written by U.S. health insurance industry for that year. The Consolidated Appropriations Act 2016 imposed a suspension for the 2019 calendar year and repeal after the 2020 fee year. The 2020 assessment of $41 million, based on $2,180 million of dental and vision premiums written in 2019, was paid in September 2020. There was no fee after the 2020 calendar year.

NOTE 22 – PANDEMIC SUPPORT PROGRAM

In May 2020, the Company introduced the Pandemic Support Program to fully insured dental and/or vision customers. One element of the program provides a one-month premium credit to customers which was applied in August 2020 or to the first bill following renewal. As of December 31, 2021 and December 31, 2020, the Company recognized reductions in premium of $47 million and $35 million respectively, related to the premium credits.

NOTE 23 – SUBSEQUENT EVENTS

The Company considers events occurring after the balance sheet date but prior to February 25, 2022, the issuance of the financial statements, to be subsequent events requiring disclosure.

Effective January 1, 2022, the Company entered into an agreement with PAIA whereby PAIA provides investment management of the Company's general account assets. In connection with this agreement, the Company will lease certain Investment department personnel to PAIA to provide the investment management services.

During February 2022, the Company acquired a minority equity stake in HPS Investment Partners through its wholly owned subsidiary GIS.

Guardian Life Insurance Company of America
Annual Statement for the Year Ended December 31, 2021
Schedule 1 - Selected Financial Data

The following is a summary of certain financial data included in other exhibits and schedules subjected to audit procedures by independent auditors and utilized by actuaries in the determination of reserves.

			2021 Annual Statement References
Investment Income Earned			Exhibit of Net Investment Income
Government Bonds	$	15,610,368	
Bonds Exempt From US Tax			
Other Bonds (unaffiliated)		1,887,844,379	
Bonds of Affiliates			
Preferred Stocks (unaffiliated)			
Preferred Stocks of Affiliates			
Common Stocks (unaffiliated)		5,207,185	
Common Stocks of Affiliates		42,618,800	
Mortgages Loans		226,748,402	
Real Estate		62,943,018	
Contract Loans		270,795,432	
Cash/Short-term Investments		1,608,155	
Derivative Instruments		2,022,385	
Other Invested Assets		423,658,984	
Aggregate Write-Ins for Investment Income		5,685,595	
Gross Investment Income	$	2,944,742,703	
Real Estate Owned - Book Value less Encumbrances	$	289,755,272	Schedule A - Part 1
Mortgage Loans - Book Value:			
Farm Mortgages	$	-	Schedule B - Part 1
Residential Mortgages		-	
Commercial Mortgages		5,329,797,620	
Total Mortgage Loans	$	5,329,797,620	
Mortgage Loans by Standing - Book Value:			
Good Standing		5,329,797,620	Schedule B, Part 1
Good Standing with Restructured Terms		-	Schedule B, Part 1
Interest overdue more than 90 days, not in foreclosure		-	Schedule B, Part 1
Foreclosure in Process		-	Schedule B, Part 1
Other Long Term Assets - Statement Value		4,395,866,697	Schedule BA, Part 1
Bonds and Stocks of Parents, Subsidiaries and Affiliates - Book Value			Schedule D - Summary by Country
Bonds	$	50,111,955,042	
Preferred Stocks		-	
Common Stocks	$	1,314,527,421	

Schedule 1 - Selected Financial Data - Continued

		2021 Annual Statement References
Bonds and Short Term Investments by Class & Maturity		Schedule D, Part 1A Sec 1
Bonds by Maturity - Statement Value		
Due within one year or less	$ 2,402,983,094	
Over 1 year through 5 years	10,013,628,911	
Over 5 years through 10 years	13,382,623,864	
Over 10 years through 20 years	6,577,190,638	
Over 20 years	18,559,648,123	
No Maturity Date	-	
Total by Maturity	$ 50,936,074,630	
Bonds by Class - Statement Value		
Class 1	$ 27,340,243,624	
Class 2	20,505,809,054	
Class 3	1,119,641,798	
Class 4	1,737,896,807	
Class 5	206,633,456	
Class 6	25,849,891	
Total by Class	$ 50,936,074,630	
Total Bonds Publicly Traded	34,518,111,585	
Total Bonds Privately Placed	16,417,963,045	
Preferred Stocks - Statement Value	-	Schedule D, Part 2, Sec. 1
Common Stocks - Market Value	1,314,527,421	Schedule D, Part 2, Sec. 2
Short Term Investments - Book Value	66,587,823	Schedule DA, Part 1
Options, Caps Floors, Collars, Swaps and Forwards	(50,838,572)	Schedule DB, Part A,
Futures Contracts	47,558,211	Schedule DB, Part B,
Cash on Deposit	(33,527,929)	Schedule E, Part 1
Life Insurance In Force		Exhibit of Life Insurance
Industrial	-	
Ordinary	406,646,787	
Credit Life	-	
Group Life	318,122,039	
Amount of Accidental Death Insurance In Force Under		
Ordinary Policies	953,949	Exhibit of Life Insurance
Life Insurance Policies with Disability Provisions In Force		Exhibit of Life Insurance
Industrial	-	
Ordinary	213,931,524	
Credit Life	-	
Group Life	317,911,208	
Supplementary Contracts In Force		Exhibit of Number of Policies,
Ordinary - Not Involving Life Contingencies	-	Contracts,Certificates,Income Payable,
Amount on Deposit	339,838,576	Account Values In Force for Supplementary
Income Payable	80	Contracts, Annuities, A&H and Other Policies
Ordinary - Involving Life Contingencies		
Income Payable	338	

Schedule 1 - Selected Financial Data - Continued

		2021 Annual Statement References
Group - Not Involving Life Contingencies		
Amount on Deposit	29,780,144	
Income Payable	-	
Group - Involving Life Contingencies		
Amount on Deposit	-	
Income Payable	-	
Annuities - Ordinary		Exhibit of Number of Policies,
Immediate - Amount of Income Payable	385,764	Contracts,Certificates,Income Payable,
Deferred - Fully Paid Account Balance	48,235,309	Account Values In Force for Supplementary
Deferred - Not Fully Paid - Account Balance	115,689,967	Contracts, Annuities, A&H and Other Policies
Annuities - Group		
Amount of Income Payable	38,036	Exhibit of Number of Policies,
Fully Paid Account Balance	-	Contracts,Certificates,Income Payable,
Not Fully Paid - Account Balance	-	Account Values In Force for Supplementary
		Contracts, Annuities, A&H and Other Policies
Accident and Health Insurance - Premiums In Force		
Ordinary	-	
Group	3,704,955,982	
Credit	-	
Other	572,848,413	
Deposit Funds and Dividend Accumulations		Exhibit of Number of Policies,
Deposit Funds - Account Balance	22,030,343	Contracts,Certificates,Income Payable,
Dividend Accumulations - Account Balance	89,436,771	Account Values In Force for Supplementary
		Contracts, Annuities, A&H and Other Policies
Claim Payments 2021		Schedule O, Part 1
Group Accident and Health Year - Ended December 31, 2015		Section A
2021	1,736,977	
2020	1,650,881	
2019	1,873,768	
2018	1,852,452	
2017	1,825,673	
Prior	821,072	
Other Accident & Health		Section B
2021	50,380	
2020	77,639	
2019	94,527	
2018	106,594	
2017	116,994	
Prior	926,856	
Credit Accident & Health	-	Section C
2021	-	
2020	-	
2019	-	
2018	-	
2017	-	
Prior	-	

Schedule 1 - Selected Financial Data - Continued

		2021 Annual Statement References
Other Coverages that use developmental methods to calculate		
Claims Reserves:		Section D
2021	-	
2020	-	
2019	-	
2018	-	
2017	-	
Prior	-	
Other Coverages that use developmental methods to calculate		
Claims Reserves:		Section E
2021	-	
2020	-	
2019	-	
2018	-	
2017	-	
Prior	-	
Other Coverages that use developmental methods to calculate		
Claims Reserves:		Section F
2021	-	
2020	-	
2019		
2018	-	
2017	-	
Prior	-	
Other Coverages that use developmental methods to calculate		
Claims Reserves:		Section G
2021	-	
2020	-	
2019	-	
2018	-	
2017	-	
Prior	-	

The Guardian Life Insurance Company of America
Investments of Reporting Entities
December 31, 2021

Section 2 Investment Risk Interrogatories

Answer the following interrogatories by stating the applicable U.S dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of the annual statement.
72,127,284,884.00

2. Ten largest exposures to a single issuer/borrower/investment.

	Issuer	Description of Exposure		Amount	Percentage of Total Admitted Assets
2.01	GUARDIAN INVESTOR SERVICES	AFFILIATED LLC	$	687,805,162	1.0%
2.02	GUARDIAN INS & ANNUITY CO.	AFFILIATED STOCK	$	548,871,387	0.8%
2.03	FIRST COMMONWEALTH	AFFILIATED STOCK	$	373,248,168	0.5%
2.04	UNITED HEALTHCARE	BONDS	$	291,828,961	0.4%
2.05	MICROSOFT CORP	BONDS	$	285,288,522	0.4%
2.06	COCA-COLA CO	BONDS	$	270,944,266	0.4%
2.07	SHELL INTERNATIONAL FIN	BONDS	$	270,217,730	0.4%
2.08	BRISTOL-MYERS SQUIBB CO	BONDS	$	264,036,256	0.4%
2.09	UNION PACIFIC CORP	BONDS	$	262,575,404	0.4%
2.10	BAFC 2004-2	BONDS	$	261,018,755	0.4%

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating:

	Bonds		Amount	% of Total Admitted Assets	Preferred Stocks		Amount	% of Total Admitted Assets
3.01	NAIC-1	$	27,340,243,624	37.9%	P/RP-1	$	-	-%
3.02	NAIC-2	$	20,505,809,054	28.4%	P/RP-2	$		-%
3.03	NAIC-3	$	1,119,641,798	1.6%	P/RP-3	$		-%
3.04	NAIC-4	$	1,737,896,807	2.4%	P/RP-4	$		-%
3.05	NAIC-5	$	206,633,456	0.3%	P/RP-5	$		-%
3.06	NAIC-6	$	25,849,891	-%	P/RP-6	$	-	-%

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assts?
Yes [ ] No [X]

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02	Total admitted assets held in foreign investments	$	8,413,126,612	11.7%
4.03	Foreign-currency-denominated investments	$	1,691,622,173	2.3%
4.04	Insurance liabilities denominated in that same foreign currency	$	-	-%

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

		1	2
5.01 Countries rated NAIC-1	$	7,932,706,123	11.0%
5.02 Countries rated NAIC-2	$	544,137,991	0.8%
5.03 Countries rated NAIC-3 or below	$	131,076,473	0.2%

6. Largest foreign investment exposures to a single country, categorized by NAIC sovereign rating:

		1	2
Countries rated NAIC-1			
6.01 Country: UNITED KINGDOM	$	2,046,641,335	2.8%
6.02 Country: AUSTRALIA	$	1,410,991,344	2.0%
Countries rated NAIC-2:			
6.03 Country: MEXICO	$	356,080,954	0.5%
6.04 Country: PANAMA	$	65,679,067	0.1%
Countries rated NAIC-3 or below			
6.05 Country: COLOMBIA	$	20,048,431	-%
6.06 Country: BRAZIL	$	13,704,592	-%

7. Aggregate unhedged foreign currency exposure:	$	-	-%

8. Aggregate unhedged foreign currency exposure categorized by the country's NAIC sovereign rating:

		1	2
8.01 Countries rated NAIC-1	$		-%
8.02 Countries rated NAIC-2	$		-%
8.03 Countries rated NAIC-3 or below	$	-	-%

9. Largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:

		1	2
Countries rated NAIC-1:			
9.01 Country:	$		-%
9.02 Country:	$		-%
Countries rated NAIC-2:			
9.03 Country:	$		-%
9.04 Country:	$		-%
Countries rated NAIC-3 or below			
9.05 Country:	$	-	-%
9.06 Country:	$	-	-%

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	Issuer	NAIC		3	4
10.01	SHELL INTERNATIONAL FIN	1.E FE	$	270,217,730	0.4%
10.02	VODAFONE GRP	2.B FE	$	145,122,519	0.2%
10.03	AERCAP IRELAND CAP/GLOBA	2.C FE	$	144,681,931	0.2%
10.04	CREDIT SUISSE GROUP	2.A FE	$	129,549,990	0.2%
10.05	SIEMENS FINANCIERINGSMAT	1.E FE	$	129,531,951	0.2%
10.06	COMMONWEALTH BANK AUST	1.D FE	$	114,670,718	0.2%
10.07	MITSUBISHI UFJ FIN GRP	1.G FE	$	105,873,970	0.1%
10.08	SUMITOMO MITSUI FINL GRP	1.G FE	$	105,123,923	0.1%
10.09	ROGERS COMMUNICATIONS IN	2.A FE	$	105,004,382	0.1%
10.10	STATOILHYDRO ASA- SPON ADR	1.D FE	$	97,397,698	0.1%

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure.

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11

11.02	Total admitted assets held in Canadian investments	$	-	-%
11.03	Canadian-currency-denominated investments	$	-	-%
11.04	Canadian-denominated insurance liabilities	$	-	-%
11.05	Unhedged Canadian currency exposure	$	-	-%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	1		2	3
12.02	Aggregate statement value of investments with contractual sales restrictions			
	Largest three investments with contractual sales restrictions:			
		$	-	-%
12.03		$	-	-%
12.04		$	-	-%
12.05		$	-	-%

13. Amounts and percentages of admitted assets held in the largest ten equity interests:

13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 13.01 is yes, responses are not required for the remainder of Interrogatory 13.

	1 Name of Issuer	2	3
13.02		$	0.0%
13.03		$	0.0%
13.04		$	0.0%
13.05		$	
13.06		$	0.0%
13.07		$	0.0%
13.08		$	-%
13.09		$	-%
13.10		$	-%
13.11		$	-%

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01. Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets?
Yes [ ] No [X]

If response to 14.01 is yes, responses are not required for the remainder of Interrogatory 14.

	1		2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities Largest three investments held in nonaffiliated, privately placed equities:	$	2,705,040,445	3.8%
14.03	HarbourVest Partners	$	223,623,886	0.3%
14.04	Foundry Group	$	176,861,059	0.2%
14.05	57 Stars	$	156,322,899	0.2%

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

	1		2	3
15.02		$		-%
15.03		$		-%
15.04		$		-%
15.05		$		-%

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets?
Yes [ ] No [X]

If response to 16.01 is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	Type (Residential, Commercial, Agriculature)		2	3
16.02	COMMERCIAL	$	195,000,000	0.3%
16.03	COMMERCIAL	$	194,700,000	0.3%
16.04	COMMERCIAL	$	166,384,726	0.2%
16.05	COMMERCIAL	$	148,100,000	0.2%
16.06	COMMERCIAL	$	115,860,000	0.2%
16.07	COMMERCIAL	$	111,500,000	0.2%
16.08	COMMERCIAL	$	111,300,000	0.2%
16.09	COMMERCIAL	$	106,382,150	0.1%
16.10	COMMERCIAL	$	104,000,000	0.1%
16.11	COMMERCIAL	$	100,000,000	0.1%

Amount and percentages of the reporting entity’s total admitted assets held in the following categories of mortgage loans:

			Loans	
16.12	Construction Loans	$	180,773,933	-%
16.13	Mortgage loans over 90 days past due	$	-	-%
16.14	Mortgage loans in the process of foreclosure	$	-	-%
16.15	Mortgage loans foreclosed	$	-	-%
16.16	Restructured mortgage loans	$	-	-%

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as

		Residential			Commercial			Agriculature	
	Loan-to-Value		1	2		3	4		5	6
17.01	above 95%	$	-	-%	$		-%	$	-	-%
17.02	91% to 95%	$	-	-%	$		-%	$	-	-%
17.03	81% to 90%	$	-	-%	$		-%	$	-	-%
17.04	71% to 80%	$	-	-%	$		-%	$	-	-%
17.05	below 70%	$	-	-%	$	5,329,797,617	7.4%	$	-	-%

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 18.01. is yes, responses are not required for the remainder of Interrogatory 18

Largest five investments in any one parcel or group of contiguous parcels of real estate.

	Description 1		2	3
18.02		$		-%
18.03		$		-%
18.04		$		-%
18.05		$		-%
18.06		$		-%

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans: 0 0.00%

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.

	1		2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loadns:			
	Largest three investments held in mezzanine real $	$	-	-%
19.03		$	-	-%
19.04		$	-	-%
19.05		$	-	-%

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

		At Year-end		At End of Each Quarter		
				1st Qtr	2nd Quarter	3rd Quarter
		1	2	3	4	5
20.01	Securities lending (do not include assets held as collateral for such transactions)	$ -	-%	$ -	$ -	$ -
20.02	Repurchase agreements	$ -	-%	$ -	$ -	$ -
20.03	Reverse repurchase agreements	$ -	-%	$ -	$	$ -
20.04	Dollar repurchase agreements	$ -	-%	$ -	$ -	$ -
20.05	Dollar reverse repurchase agreements	$ -	-%	$ -	$ -	$ -

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floor:

	Owned		Written	
	1	2	3	4
21.01 Hedge	$ -	-%	$ -	-%
21.02 Income generation	$ -	-%	$ -	-%
21.03 Other	$ -	-%	$ -	-%

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	At Year-end		At End of Each Quarter		
			1st Quarter	2nd Qtr	3rd Qtr
	1	2	3	4	5
22.01 Hedging	$ 25,805,985	0.0%	$ 23,921,978	$ 20,250,136	$ 24,785,935
22.02 Income generation	$ -	0.0%	$ -	$ -	$
22.03 Replications	$ -	0.0%	$ -	0 -	$ -
22.04 Other	$ 5,481,132	0.0%	$ -	$ -	$ -

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for future contracts:

	At Year-end		At End of Each Quarter		
			1st Quarter	2nd Quarter	3rd Quarter
	1	2	3	4	5
23.01 Hedging	$ 75,730,749	0.0%	$ 17,013,675	$ 16,851,591	$ 70,227,396
23.02 Income generation	$ -	0.0%	$ -	$ -	$ -
23.03 Replications	$ -	0.0%	$ -	$ -	$ -
23.04 Other	$ -	0.0%	$ -	$ -	$ -

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA
As of December 31, 2021

Appendix A-001
Section SI01.   Summary Investment Schedule

Investment Categories	Gross Investment Holdings* Amount	Gross Investment Holdings* Percentage	Admitted Assets as Reported in the Annual Statement Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage
1. Bonds:						
1.1 US Treasury Securities	1,363,926,104	2.065%	$ 1,363,926,104		$ 1,363,926,104	2.065%
1.2 US Government agency and corporate obligations (excluding mortgage-backed securities):	280,801,373	0.425%	280,801,373		280,801,373	0.425%
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	184,116,458	0.279%	184,116,458		184,116,458	0.279%
1.4 Securities issued by states, territories and possessions and political subdivisions in the US:	102,857,025	0.156%	102,857,025		102,857,025	0.156%
1.5 Long-Term Bonds U.S. special revenue and special assessment obligations, etc. non-guaranteed	1,120,719,284	1.697%	1,120,719,284		1,120,719,284	1.697%
1.6 Long-Term Bonds (Schedule D, Part 1): Industrial and miscellaneous	45,178,227,845	68.396%	45,178,227,845		45,178,227,845	68.407%
1.7 Long-Term Bonds (Schedule D, Part 1): Hybrid securities	22,803,266	0.035%	22,803,266		22,803,266	0.035%
1.8 Long-Term Bonds (Schedule D, Part 1): Parent, subsidiaries and affiliates		-%	-		-	-%
1.9 Long-Term Bonds (Schedule D, Part 1): SVO identified funds		-%	-		-	-%
1.10 Long-Term Bonds (Schedule D, Part 1): Unaffiliated Bank loans	1,858,503,670	2.814%	1,858,503,670		1,858,503,670	2.814%
1.11 Long-Term Bonds (Schedule D, Part 1): Total long-term bonds	**50,111,955,025**	**75.865%**	**50,111,955,025 A**		**50,111,955,025**	75.877%
2. Other debt and other fixed income securities (excluding short term):						
2.01 Preferred stocks (Schedule D, Part 2, Section 1): Industrial and miscellaneous (Unaffiliated)	-	-%	-		-	-%
2.02 Preferred stocks (Schedule D, Part 2, Section 1): Parent, subsidiaries and affiliates	-	-%	-		-	-%
2.03 Preferred stocks (Schedule D, Part 2, Section 1): Total preferred stocks	-	-%	-		-	-%
3. Equity interests:						
3.01 Common stocks (Schedule D, Part 2, Section 2): Industrial and miscellaneous Publicly traded (Unaffiliated)	33,299	0.000%	33,299		33,299	0.000%
3.02 Common stocks (Schedule D, Part 2, Section 2): Industrial and miscellaneous Other (Unaffiliated)	34,900,260	0.053%	34,900,260		34,900,260	0.053%
3.03 Common stocks (Schedule D, Part 2, Section 2): Parent, subsidiaries and affiliates Publicly traded		-%	-		-	-%
3.04 Common stocks (Schedule D, Part 2, Section 2): Parent, subsidiaries and affiliates Other	1,203,250,658	1.822%	1,196,648,233		1,196,648,233	1.812%
3.05 Common stocks (Schedule D, Part 2, Section 2): Mutual funds	76,343,204	0.116%	76,343,204		76,343,204	0.116%
3.06 Common stocks (Schedule D, Part 2, Section 2): Unit investment trusts		-%	-		-	-%
3.07 Common stocks (Schedule D, Part 2, Section 2): Closed-end funds		-%	-		-	-%
3.08 Common stocks (Schedule D, Part 2, Section 2): Total common stocks	**1,314,527,421**	**1.990%**	**1,307,924,996 B**		**1,307,924,996**	1.980%
4. Mortgage loans:						
4.01 Mortgage loans (Schedule B): Farm mortgages	-	-%	-		-	-%
4.02 Mortgage loans (Schedule B): Residential mortgages	-	-%	-		-	-%
4.03 Mortgage loans (Schedule B): Commercial mortgages	5,329,797,617	8.069%	5,329,797,617		5,329,797,617	8.070%
4.04 Mortgage loans (Schedule B): Mezzanine real estate loans	-	-%	-		-	-%
4.05 Mortgage loans (Schedule B): Total mortgage loans	**5,329,797,617**	**8.069%**	**5,329,797,617 C**		**5,329,797,617**	8.070%
5. Real Estate Investments:						
5.01 Real estate (Schedule A): Properties occupied by company	-	-%	-		-	-%
5.02 Real estate (Schedule A): Properties held for production of income	289,755,271	0.439%	289,755,271		289,755,271	0.439%
5.03 Real estate (Schedule A): Properties held for sale	-	-%	-		-	-%
5.04 Real estate (Schedule A): Total real estate	**289,755,271**	**0.439%**	**289,755,271 D**		289,755,271	0.439%
6. Cash					-	
6.01 Cash, cash equivalents and short-term investments: Cash (Schedule E, Part 1)	(33,527,929)	-0.051%	(33,527,929)		(33,527,929)	-0.051%
6.02 Cash, cash equivalents and short-term investments: Cash equivalents (Schedule E, Part 2)	757,531,779	1.147%	757,531,779		757,531,779	1.147%
6.03 Cash, cash equivalents and short-term investments: Short-term investments (Schedule DA)	66,587,823	0.101%	66,587,823		66,587,823	0.101%
6.04 Cash, cash equivalents and short-term investments: Total cash, cash equivalents and short-term investments	**790,591,673**	**1.197%**	**790,591,673 E**		**790,591,673**	1.197%
7 Contract loans	3,766,719,724	5.702%	3,765,370,955 **F**		3,765,370,955	5.701%
8 Derivatives (Schedule DB)	42,481,522	0.064%	42,481,522 **G**		42,481,522	0.064%
9 Other invested assets (Schedule BA)	4,398,532,654	6.659%	4,395,866,697 **H**		4,395,866,697	6.656%
10 Receivables for securities	9,986,690	0.015%	9,986,690		9,986,690	0.015%
11 Securities Lending (Schedule DL, Part 1)	-	-%	-		-	-%
12 Other invested assets (Page 2, Line 11)	-	-%	-		-	-%
13. Total Invested Assets	**$ 66,054,347,597**	**100%**	**$ 66,043,730,446**		**$ 66,043,730,446**	**100%**

* Gross Investment Holdings as valued in compliance with NAIC Accounting Practices & Procedures Manual

The Guardian Life Insurance Company of America
Statutory Basis Balance Sheets
(In Millions)

	As of December 31, 2020	As of December 31, 2019
Admitted Assets		
Bonds	$ 47,972	$ 41,870
Common stocks	1,317	1,721
Mortgage loans	4,816	4,879
Real estate (net of encumbrances: 2020 - $291; 2019 - $204)	280	381
Policy loans	3,810	3,800
Other invested assets	3,407	3,148
Receivable for securities	75	25
Cash, cash equivalents and short-term investments	422	778
Total invested assets	62,099	56,602
Due and accrued investment income	518	461
Premiums deferred and uncollected	1,157	1,137
Current federal and foreign income tax recoverable and interest thereon	111	82
Net deferred tax asset	728	694
Reinsurance recoverable from affiliate	3,176	2,989
Other assets	256	240
Total admitted assets	$ 68,045	$ 62,205
Liabilities		
Reserves for policy benefits	$ 48,948	$ 46,532
Policyholder dividends payable and other contract liabilities	6,691	4,186
Interest maintenance reserve	703	390
General expenses due or accrued	1,364	1,148
Asset valuation reserve	1,132	1,071
Other liabilities	1,447	1,262
Total liabilities	60,285	54,589
Policyholder's surplus		
Policyholders' surplus	6,263	6,417
Surplus notes	1,497	1,199
Total Policyholder's surplus	7,760	7,616
Total liabilities and policyholders' surplus	$ 68,045	$ 62,205

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America
Statutory Basis Statements of Operations
(In Millions)

	For the Years Ended December 31,	
	2020	**2019**
Revenues		
Premiums, annuity considerations and fund deposits	$ 8,951	$ 8,737
Net investment income	2,368	2,304
Other income	362	431
Total revenues	11,681	11,472
Benefits and Expenses		
Benefit payments to policyholders and beneficiaries	5,154	5,055
Net increase to policy benefit reserves	2,354	2,274
Commissions and operating expenses	2,744	2,677
Total benefits and expenses	10,252	10,006
Income from operations before policyholder dividends and taxes	1,429	1,466
Policyholder dividends	(1,036)	(968)
Income from operations before taxes and realized capital losses	393	498
Income tax benefit	100	118
Income from operations before net realized capital losses	493	616
Net realized capital losses	(346)	(67)
Net income	$ 147	$ 549

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America
Statutory Basis Statements of Changes in Policyholders' Surplus
(In Millions)

	For the Years Ended December 31,	
	2020	2019
Beginning of year balance	$ 7,616	$ 7,172
Adjustments to surplus:		
Net income	147	549
Change in net unrealized capital gains, net of tax	(111)	104
Change in reserve on account of change in valuation basis	(62)	-
Change in asset valuation reserve	(61)	(192)
Change in surplus notes	298	1
Change in net deferred taxes	79	67
Change in non-admitted assets	(48)	(23)
Change in pension funded status	(97)	(60)
Other changes, net	(1)	(2)
Net adjustments to unassigned surplus	144	444
End of year balance	$ 7,760	$ 7,616

See notes to statutory basis financial statements.

The Guardian Life Insurance Company of America
Statutory Basis Statements of Cash Flows
(In Millions)

	For the Years Ended December 31, 2020	2019
Cash flows from operating activities:		
Premiums and other income received	$ 8,916	$ 8,738
Investment income	2,347	2,278
Other income	89	125
Benefits and loss related payments	(5,064)	(5,063)
Commissions, expenses and taxes paid	(2,440)	(2,312)
Dividends paid	(974)	(968)
Other, net	(124)	47
Net cash provided by operating activities	2,750	2,845
Cash flows from investing activities:		
Proceeds from investments sold or matured:		
Bonds	11,769	10,425
Common stocks	720	622
Mortgage loans	408	370
Real estate	99	162
Other investments	376	464
Proceeds from investments sold or matured	13,372	12,043
Cost of investments acquired:		
Bonds	17,342	12,741
Common stocks	513	437
Mortgage loans	345	729
Real estate	9	193
Other investments	880	913
Cost of investments acquired	19,089	15,013
Net increase in policy loans, net of repayments	10	164
Net cash used in investing activities	(5,727)	(3,134)
Cash from financing and miscellaneous activities:		
Cash provided:		
Surplus note	298	1
Net deposits on deposit-type contracts and other insurance liabilities	2,323	334
Net cash provided by financing and miscellaneous activities	2,621	335
Net (decrease) increase in cash, cash equivalents, short-term invesments	(356)	46
Cash, cash equivalents and short-term investments, beginning of year	778	732
Cash, cash equivalents and short-term investments, end of year	$ 422	$ 778
Non-cash Transactions		
Exchange or Conversion of bonds	$ 1,313	$ 2,404
Exchange or Merger of Common Stocks	-	9
Company Donation - Surplus Note Investment	5	-
Total Non-cash Transactions	$ 1,318	$ 2,413

See notes to statutory basis financial statements.

NOTE 1 – ORGANIZATION

The Guardian Life Insurance Company of America ("Guardian" or the "Company") provides financial services to customers throughout the United States. The Company provides a full range of insurance, investment, securities brokerage and other financial products and services including individual life and disability insurance, group life and health insurance, annuities, pension and retirement related investments along with asset management and administration services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:
The accompanying statutory basis financial statements have been prepared on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services (the "Department"), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). Insurance companies domiciled in New York are required to prepare statutory basis financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP"), subject to certain deviations prescribed or permitted by the Department.

The Department recognizes only statutory accounting practices prescribed or permitted by the state of New York for determining and reporting the financial condition and results of operations of an insurance company ("New York SAP"). The NAIC promulgates the NAIC SAP, which include accounting guidelines referred to as Statements of Statutory Accounting Principles ("SSAPs"). The Department adopted NAIC SAP with certain modifications, through the passage of Regulation 172, effective January 1, 2001, as amended.

A reconciliation of the Company's Net Income and Surplus at December 31, 2020 and 2019 between NAIC SAP and practices prescribed by the State of New York is shown below:

	2020	2019
Statutory Net Income, New York basis	$ 147	$ 549
State Prescribed Practices:		
Deferred premiums asset impact (1)	(8)	(3)
Admission of unearned reinsurance premium asset (2)	3	3
Statutory Net Income, NAIC SAP basis	$ 142	$ 549

	2020	2019
Statutory Surplus, New York basis	$ 7,760	$ 7,616
State Prescribed Practices:		
Deferred premiums asset impact (1)	145	152
Admission of unearned reinsurance premium asset (2)	(61)	(65)
Statutory Surplus, NAIC SAP basis	$ 7,844	$ 7,703

1) Department Circular Letter No. 11
2) Department Regulation 172

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial statements prepared on a New York SAP basis vary from financial statements prepared in accordance with GAAP primarily because on a statutory basis: 1) costs related to acquiring business, principally commissions and certain policy issue expenses, are charged to income in the year incurred; 2) life insurance and annuity reserves are based on statutory mortality and interest requirements, without consideration of withdrawals and company experience; 3) life insurance enterprises are required to establish a formula-based asset valuation reserve ("AVR") by a direct charge to surplus to offset potential investment losses; 4) realized gains and losses resulting from changes in interest rates on fixed income investments are deferred in the interest maintenance reserve ("IMR") and amortized into investment income over the remaining life of the investment sold; 5) bonds are carried principally at amortized cost; 6) certain reinsurance transactions are accounted for as reinsurance for statutory purposes and as financing transactions under GAAP, and assets and liabilities are reported net of reinsurance for statutory purposes and gross of reinsurance for GAAP; 7) certain "non-admitted assets" (furniture and office equipment, leasehold improvements, capitalized internally developed non-operating system software, and prepaid pension costs) must be excluded under statutory reporting through a charge to surplus; 8) investments in common stock of the Company's wholly-owned and majority owned subsidiaries are accounted for using the equity method, where earnings of such subsidiaries are recognized in surplus, that is, only when dividends are distributed is income recognized; 9) gross deferred tax assets and changes in deferred tax assets ("DTAs") and liabilities ("DTLs"), except those relating to changes in unrealized gains and losses, are recognized as a separate component of surplus. Deferred tax assets not meeting certain criteria are non-admitted; 10) investments in Other invested assets, where the Company has a controlling financial interest, are accounted for using the equity method for statutory purposes and consolidated under GAAP; and 11) if in the aggregate, the Company has a net negative cash balance, it is reported as a negative asset for statutory purposes and recorded as a liability under GAAP. The effect on the financial statements of the Company from the differences between New York SAP and GAAP are material and disclosed in Note 19.

Use of Estimates:
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As a provider of life insurance products, the Company's operating results in any given period depend on estimates of policy reserves required to provide for future policyholder benefits. The development of policy reserves for insurance and investment contracts requires management to make estimates and assumptions regarding mortality, lapse, expense and investment experience. Such estimates are primarily based on historical experience and, in many cases, state insurance laws that require specific mortality, morbidity, and investment assumptions to be used by the Company and may preclude the use of lapse and expense assumptions. Actual future results could differ from these estimates. Management monitors actual experience, and where circumstances warrant, revises its assumptions and the related reserve estimates. The Company regularly invests in mortgage loans, mortgage-backed securities and other securities subject to prepayment and/or call risk. Significant changes in prevailing interest rates and/or geographic conditions may adversely affect the timing and amount of cash flows on such investments, as well as their related values. In addition, the amortization of market premium and accretion of market discount for mortgage-backed securities is based on historical experience and estimates of future payment experience underlying mortgage loans. Actual prepayment timing could differ from original estimates resulting in adjustments to asset values and amortization or accretion recorded in future periods.

Admitted Assets:
Assets are stated at "admitted asset" values, which are values required by or permitted to be reported to the Department in accordance with its rules and regulations. Certain assets designated as "non-admitted assets" (approximately $199 million and $151 million at December 31, 2020 and December 31, 2019, respectively), consisting principally of deferred tax assets, leasehold improvements, electronic data processing equipment and computer software, and prepaid pension costs are charged directly to unassigned surplus.

Investments:
See Note 3 and Note 4 regarding the accounting policy, reported statement value and estimated fair value of the Company's investment in bonds, common stocks, mortgage loans, real estate and derivatives.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Short-Term Investments and Restricted Cash:
Cash includes amounts on deposit with banks. Cash equivalents are stated at amortized cost and consist of investments having maturities of three months or less at time of purchase. Certain short-term investments are stated at amortized cost and consist primarily of investments having maturities greater than three months from date of purchase, but less than one year to maturity. Fair values for such investments approximate carrying value, because of the relatively short period of time between their origination and expected maturity and collectability.

The Company had no restricted cash and no restricted cash equivalents as of December 31, 2020 and 2019.

Policy Loans:
Policy loans are stated at unpaid principal balance, have no defined maturity date and reduce the amount payable at death or at surrender of the contract.

Other Invested Assets:
Other invested assets consist primarily of joint ventures, limited liability companies (LLCs), including subsidiaries, and other forms of partnerships. These investments are valued at the Company's share of equity in the partnerships' LLC or joint ventures' net assets. All distributions are recorded as income or return of capital based on information received from the partnerships. The change in equity is recorded as unrealized gains (losses) on the Company's books and recorded directly to surplus. Other invested assets also include investments in surplus notes which are carried at amortized cost.

Other Assets:
Other assets consist primarily of receivables from subsidiaries (see Note 11), receivables related to reinsurance ceded (see Note 9), amounts receivable relating to Administrative Services Only ("ASO") uninsured plans, premium tax offsets, and electronic data processing equipment.

Investment Reserves:
In compliance with statutory requirements, the Company maintains the AVR and the IMR. The AVR is intended to stabilize policyholders' surplus against market fluctuations in the value of equities and credit related declines in the value of bonds, mortgage loans and equity investments. Changes in the AVR are recorded directly to surplus. The IMR defers net after-tax realized capital gains (losses) which result from changes in the overall level of interest rates for fixed income investments and amortizes these net capital gains (losses) into income over the remaining stated life of the investments sold. The Company uses the group method of calculating the IMR.

Insurance Revenue and Expense Recognition:
Life premiums are recognized as income when due under the policy provisions. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Benefit payments to policyholders and beneficiaries include death benefits, disability benefits, matured endowments and surrender benefits and are charged to expense when incurred.

Reserves for Policy Benefits:
See Note 5 regarding the methods and assumptions used to establish the Company's reserves for future insurance policy benefits.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Expenses Due or Accrued:
General expenses due or accrued consist primarily of liabilities for defined benefit pension plans, certain health care, dental and life insurance benefits for retired employees ("post retirement benefits") and accrued home office expenses.

Other Liabilities:
Other liabilities consist primarily of liabilities for employees and agents, commissions payable, unearned investment income, amounts withheld or retained by the company as agent or trustee, miscellaneous reinsurance liabilities, assessments, and tax reserves liabilities.

Federal Income Taxes:
The provision for federal income taxes is based on income from operations currently taxable. Realized gains and losses are reported net of the applicable federal income taxes. Deferred federal income tax assets are admitted to the extent they can be realized within three years subject to a 15% limitation of capital and surplus with increases or decreases reflected as adjustments to surplus (See Note 8). The Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. The amount of the contingency reserve is management's best estimate of the amount of the original tax benefit that could be reversed upon audit, unless the best estimate is greater than 50% of the original tax benefit, in which case the reserve is equal to the entire tax benefit.

Dividends to Policyholders:
The liability for dividends to policyholders principally consists of dividends expected-to-be paid during the subsequent year and are determined by means of formulas that reflect the relative contribution of each group of policies to the results of operations. Policyholder dividends are approved annually by the Board of Directors.

Other Contract Liabilities
Other contract liabilities include liabilities for deposit type contracts such as funding agreements (see Note 5), claims in the course of settlement, claims incurred but not reported, and premiums received in advance.

Benefit Plans:
See Note 7 regarding the Company's employee benefit plans.

Reinsurance:
The Company enters into reinsurance agreements in the normal course of its insurance business to reduce overall risk (see Note 9 for reinsurance ceded and Note 10 for reinsurance assumed). The Company remains liable for reinsurance ceded if the reinsurer fails to meet its obligation on the business it has assumed. The Company evaluates the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies.

Net Investment Income and Capital Gains:
Net investment income includes interest and dividends received or accrued on investments. It also includes amortization of any purchase premium or accretion of any discount using the interest method, adjusted retrospectively or prospectively for any change in estimated yield to maturity. Investment income due and accrued that is deemed uncollectible is charged against net investment income in the period such determination is made. Net investment income is reduced by investment management expenses, interest expense on the Company's outstanding surplus note and real estate depreciation.

Realized investment gains and losses are reported in income based upon specific identification of the assets sold. Realized losses include valuation adjustments for other-than-temporary declines in investments. Unrealized investment gains and losses on financial instruments carried at fair value represent changes in the reported fair value and are recorded directly to surplus.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assessments:
Under state insurance guaranty fund laws, insurers doing business in a state can be assessed, up to prescribed limits, for certain obligations of insolvent insurance companies to policyholders and claimants. Amounts assessed to each company are typically related to its proportion of business written in each state. The Company's policy is to accrue assessments when the entity for which the insolvency relates has met its state of domicile's statutory definition of insolvency, the amount of the loss is reasonably estimable and the related premium upon which the assessment is based is written. In most states, the definition is met with a declaration of financial insolvency by a court of competent jurisdiction. In certain states there must also be a final order of liquidation. As of December 31, 2020 and December 31, 2019, the liability balance included in other liabilities for assessments was $3 million and $4 million, respectively. Some states permit member insurers to recover assessments through full or partial premium tax offsets. The related premium tax offsets included in other assets were $9 million and $12 million as of December 31, 2020 and December 31, 2019, respectively.

On March 1, 2017, the Commonwealth Court of Pennsylvania entered into an order of liquidation for Penn Treaty Network America Insurance Company, and its subsidiary American Network Insurance Company ("Penn Treaty"), providers of long-term care insurance. As a result of the liquidation, the Company used the most current cost estimate provided by the National Organization of Life and Health Guaranty Associations (NOLHGA) to determine the estimated fund assessments and premium tax offsets. As of December 31, 2020, the Company recognized a discounted assessment liability of $3 million (undiscounted of $3.2 million) offset by a discounted premium tax offset of $9 million (undiscounted of $12 million) using a discount rate of 3.5%. The assessment is included in other liabilities of $3 million and in other assets of $9 million as stated above. As of December 31, 2019, the Company recognized a discounted assessment liability of $4 million (undiscounted of $4.4 million) offset by a discounted premium tax offset of $12 million (undiscounted of $15 million) using a discount rate of 3.5%. The assessment is included in other liabilities of $4 million and in other assets of $12 million as stated above. The Company expects the majority of the remainder of the assessments to be paid out as claims arise and the Company expects the majority of the premium tax offsets to be utilized over the next 2 years.

The below table provide additional information on the Penn Treaty fund assessment liability and premium tax offset recoverables:

	Liability			Recoverables		
Name of the Insolvency	**Number of Jurisdictions**	**Range of Years**	**Weighted average number of years**	**Number of Jurisdictions**	**Range of Years**	**Weighted average number of years**
Penn Treaty	50	1 - 3 years	2 years	40	1 - 20 years	6-7 years

Reclassification:
Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 3 – INVESTMENTS

Investments are valued in accordance with methods prescribed by the Securities Valuation Office of the NAIC ("SVO"). The Company obtains the fair value of financial instruments held in its portfolio that are either carried at fair value on the face of the financial statements or disclosed in the notes to the financial statements at fair value, from a number of sources. These sources include published market quotes for active market exchange traded instruments, third party pricing vendors, investment banks which are lead market makers in certain markets, broker quotes and the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate. Unrealized gains and losses on investments carried at fair value are recorded directly in unassigned surplus. The investment portfolio is reviewed for investments that may have experienced a decline in value considered to be other-than-temporary. The Company considers several factors in determining whether other-than-temporary declines exist: duration and extent to which the fair value of the security has been less than cost; financial condition of the issuer; the near term prospects for recovery of the fair value of a security; discounted estimated future cash flows; and the intent and ability of the Company to hold the security to allow for an anticipated recovery in value. Impairments that are considered other-than-temporary are included in net realized capital losses.

The Company's investment portfolio includes securities with a 5GI NAIC designation. There were no securities that have a 5GI NAIC designation as of December 31, 2020. There was one security that had a 5GI NAIC designation with an aggregated book adjusted carrying value and aggregate fair value of $1 million as of December 31, 2019.

Valuation methods for the various types of investments held are as follows:

Bonds - Bonds are stated principally at amortized cost with bond premiums and discounts amortized using the scientific interest method. Those bonds which are rated 6 by the NAIC are reported at the lower of amortized cost or fair value. SVO Identified Funds (Bond Exchange Traded Funds ("ETFs")) are carried at fair value. Mortgage-backed bonds are carried at amortized cost using the interest method considering anticipated prepayments at the date of purchase. Significant changes in future anticipated cash flows from the original purchase assumptions are accounted for using the retrospective and prospective adjustment method utilizing the Public Securities Association standard prepayment rates. There were thirty three securities that were sold, redeemed or disposed of with an aggregate amount of $8 million in investment income from prepayment penalties and acceleration fees as of December 31, 2020. There were sixty four securities that were sold, redeemed or disposed of with an aggregate amount of $24 million in investment income from prepayment penalties and acceleration fees as of December 31, 2019.

Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from issuers or broker-dealers through information services or internal estimates and are consistent with current interest rates and the economic environment. There were twenty three securities that were sold, redeemed or disposed of with an aggregate amount of $362 million and $14 million in investment income from prepayment penalties as of December 31, 2020. There were thirty securities that were sold, redeemed or disposed of with an aggregate amount of $319 million and $5 million in investment income from prepayment penalties as of December 31, 2019.

The Company changes from the retrospective method to the prospective method when an other-than-temporary impairment has been recorded on a structured loan-backed security.

Common stocks - Common stocks of unaffiliated companies are stated at fair value, which is based on quoted market price. For common stocks without quoted market prices, fair value is estimated using independent pricing services or internally developed pricing models. Investments in subsidiaries are included in common stocks and are valued at equity in the underlying net assets. Undistributed earnings or losses of subsidiaries and unrealized appreciation or depreciation on common stocks are reflected as unrealized capital gains and losses directly in surplus.

Foreign Currency Translation - All of the Company's insurance operations are conducted in the United States of America on a U.S. dollar-denominated basis. The Company does make bond, equity and other investments that are denominated in foreign currencies or issued by entities doing business in other countries. Investments denominated in a foreign currency are translated to U.S. dollars at each reporting date using then-current market foreign exchange rates. Translation gains or losses relating to fluctuations in market exchange rates are reported as a change in unrealized capital gains and losses until the related investment security is sold or matures, at which time a realized capital gain or loss is reported. Transactions denominated in a foreign currency, such as receipt of foreign-denominated interest or dividends, are translated to U.S. dollars based on the actual exchange rate at the time of the transaction.

NOTE 3 – INVESTMENTS (CONTINUED)

The amortized cost basis and estimated fair value of bonds and the cost basis and estimated fair value of common stocks at December 31, 2020 and December 31, 2019 is as follows:

	Amortized Cost/ Cost*	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
December 31, 2020		(In millions)		
U.S. Government	$ 1,658	$ 111	$ (10)	$ 1,759
All other Government	155	-	-	155
States, Territories, and Possessions	225	75	-	300
U.S. Political Subdivisions	173	34	-	207
U.S. Special Revenue	1,469	335	-	1,804
Industrial and Miscellaneous	44,282	5,945	(97)	50,130
Hybrid	5	2	-	7
Total Bonds	$ 47,967	$ 6,502	$ (107)	$ 54,362
Common stocks - unaffiliated	$ 110	4	(2)	$ 112
Investment in subsidiaries	1,553	31	(379)	1,205
Total Common Stocks	$ 1,663	$ 35	$ (381)	$ 1,317

	Amortized Cost/ Cost*	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
December 31, 2019		(In millions)		
U.S. Government	$ 1,622	$ 166	$ (14)	$ 1,774
All other Government	70	-	-	70
States, Territories, and Possessions	262	54	-	316
U.S. Political Subdivisions	173	26	-	199
U.S. Special Revenue	1,750	251	(1)	2,000
Industrial and Miscellaneous	37,986	3,297	(73)	41,210
Hybrid	6	2	-	8
Affiliated Bonds	1	-	-	1
Total Bonds	$ 41,870	$ 3,796	$ (88)	$ 45,578
Common stocks - unaffiliated	$ 459	59	(7)	$ 511
Investment in subsidiaries	1,453	39	(282)	1,210
Total Common Stocks	$ 1,912	$ 98	$ (289)	$ 1,721

*Includes unrealized FX adjustments. Bond ETFs are carried at fair value which is $6 million above amortized cost and NAIC 6 bonds are carried at lower of cost or fair value which is $1 million below amortized cost at December 31, 2020. There were no differences as of December 31, 2019.

NOTE 3 – INVESTMENTS (CONTINUED)

The Company invests in high quality securities that are diversified by asset class, issuer and industry. At December 31, 2020 approximately 3.5% of the portfolio is invested in securities issued or backed by the United States Government or its agencies. No other single issuer accounts for more than 1.0% of the portfolio at December 31, 2020.

The amortized cost and estimated fair value of debt securities at December 31, 2020 by contractual maturity are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations.

	2020	
	Amortized Cost	Estimated Fair Value
	(In millions)	
Due in one year or less	$ 1,082	$ 1,092
Due after one year through five years	8,374	8,771
Due after five years through ten years	11,646	12,709
Due after ten years	21,263	25,594
Sinking fund bonds, mortgage backed securities and asset backed securities	5,602	6,196
Total	$ 47,967	$ 54,362

In addition to the information disclosed above, short-term investments with a carrying value of $163 million are due in one year or less. Carrying value approximates fair value for these investments.

The net change in unrealized capital gains (losses) included in surplus for year ended December 31, 2020 and 2019 is summarized as follows:

	2020	2019
	(In millions)	
Changes in net unrealized capital gains (losses) attributable to:		
Bonds (NAIC 6 rated)	$ (1)	$ (1)
Private Equity	72	28
Common stocks unaffiliated	(50)	86
Common stocks affiliated	(105)	(30)
Foreign currency translation, net of currency swaps	6	(1)
Other	(25)	45
Total change in net unrealized capital (losses) gains	(103)	127
Tax benefit	(8)	(23)
Total change in net unrealized gains, net of tax	$ (111)	$ 104

Certain prior year amounts have been reclassified to conform to the current year presentation.

Proceeds from sales of bonds amounted to $9,909 million and $8,894 million for the years ended December 31, 2020 and 2019, respectively. Gross gains of $717 million and $283 million and gross losses of $253 million and $104 million were realized on sales of bonds for the years ended December 31, 2020 and 2019, respectively. These amounts are pre-tax and pre-IMR. Bond sales, maturities and all other cash dispositions amounted to $11,769 million and $10,245 million for the years ended December 31, 2020 and 2019, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

Proceeds from sales of investments in common stock amounted to $720 million and $622 million for the years ended December 31, 2020 and 2019, respectively. Gross gains of $32 million and $44 million and gross losses of $74 million and $7 million were realized on sales of common stock for the years ended December 31, 2020 and 2019, respectively. These amounts are pre-tax.

During 2020 the Company had one private placement bond modification that was recorded as troubled debt restructuring. The Company recorded a $6 million realized loss. The carrying value of the bond was $28 million on December 31, 2020. There were no bond modifications treated as a troubled debt restructuring during 2019.

Unrealized Losses:
The Company's investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2020 and December 31, 2019 are shown below:

December 31, 2020	**Less than 12 Months**		**12 Months or More**		**Total**	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government	$ 506	$ (10)	$ 1	$ -	$ 507	$ (10)
All other Government	97	-	-	-	97	-
States, Territories and Possessions	-	-	-	-	-	-
U.S. Special Revenue	-	-	-	-	-	-
Industrial and Miscellaneous	2,378	(72)	619	(25)	2,997	(97)
Total Bonds	$ 2,981	$ (82)	$ 620	$ (25)	$ 3,601	$ (107)
Common stocks - unaffiliated	-	-	33	(2)	33	(2)
Total temporarily impaired securities	$ 2,981	$ (82)	$ 653	$ (27)	$ 3,634	$ (109)

NOTE 3 – INVESTMENTS (CONTINUED)

December 31, 2019	**Less than 12 Months**		**12 Months or More**		**Total**	
(In millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government	$ 526	$ (14)	$ 5	$ -	$ 531	$ (14)
All other Government	60	-	-	-	60	-
States, Territories and Possessions	14	-	-	-	14	-
U.S. Special Revenue	80	(1)	39	-	119	(1)
Industrial and Miscellaneous	2,239	(45)	756	(28)	2,995	(73)
Total Bonds	$ 2,919	$ (60)	$ 800	$ (28)	$ 3,719	$ (88)
Common stocks - unaffiliated	7	(1)	97	(6)	104	(7)
Total temporarily impaired securities	$ 2,926	$ (61)	$ 897	$ (34)	$ 3,823	$ (95)

The Company's investment portfolio includes individual securities that are in an unrealized loss position and have not been recognized as other-than-temporary impairments. There were three hundred and ninety four securities in an unrealized loss position for greater than 12 months with a book value of $680 million and a fair value of $653 million as of December 31, 2020. There were one thousand three hundred and forty five securities in an unrealized loss position for greater than 12 months with a book value of $931 million and a fair value of $897 as of December 31, 2019.

In reaching the conclusion that these impairments are not other-than-temporary, management considered many factors including: duration and severity of impairment, discounted cash flow analysis, investment sector stability, creditworthiness, financial condition of issuer, and intent and ability to hold to allow for recovery in value.

NOTE 3 – INVESTMENTS (CONTINUED)

Mortgage Loans:

Mortgage loans are carried at amortized cost. Valuation reserves are established for potential declines in the value of the mortgage loans. As of December 31, 2020 and December 31, 2019 there were no valuation reserves established for any of the Company's mortgage loans. Other-than-temporary impairments on loans are charged to net realized capital losses and are not adjusted for subsequent recoveries in value. There were no other-than-temporary impairments on mortgage loans for the years ended December 31, 2020 and 2019, respectively.

The Company's $4,816 million and $4,879 million of investments in mortgage loans on real estate on December 31, 2020 and December 31, 2019 consist of loans collateralized by commercial real estate properties. Of these amounts $2,692 million and $2,589 million were mortgage loans in which the Company was a participant at December 31, 2020 and December 31, 2019. The Company had $50 million in co-lender loan exposure as of December 31, 2020 and December 31, 2019, respectively. The largest concentrations of commercial real estate mortgage loans are for properties located in California and Texas ($1,136 million or 23.59% and $603 million or 12.53%) at December 31, 2020. The largest concentrations of commercial real estate mortgage loans are for properties located in California and Texas ($1,109 million or 22.73% and $624 million or 12.79%) at December 31, 2019. The Company estimates the fair value of mortgage loans on real estate to be $5,078 million and $5,083 million at December 31, 2020 and December 31, 2019, respectively and are classified as Level 3 as discussed in Note 4. Fair value was determined based upon the present value of the scheduled future cash flows of each loan based on the average term to maturity discounted at the appropriate U.S. Treasury rate, adjusted for the current market spread for a similar quality mortgage. Mortgage quality is determined by the loan's Loan to Value ratio, Debt Service Coverage ratio, location and property type. The minimum and maximum range of lending rates on new mortgage loans were between 3.20% and 3.95% originated during 2020. The maximum percentage of any single mortgage loan to the value of the security for loans that originated in 2020 was 60.0% at origination date.

Management monitors its mortgage loan portfolio on an ongoing basis for events or circumstances that could indicate that it will not receive all of its contractually due principal and interest payments in accordance with the loan agreements. In May and November of each year, the entire portfolio is screened based on debt service coverage, loan to value ratio, delinquency over 90 days and if there are indications that balloon payments due at maturity will not be made to determine if any other than temporary impairments might need to be recorded.

Interest received on impaired loans that were previously modified in a troubled debt restructuring is either applied against the principal or reported as revenue according to management's judgment as to the collectability of principal. There were no mortgages with interest more than 180 days past due at December 31, 2020 or December 31, 2019, respectively.

There were no restructured mortgage loans as of December 31, 2020 or December 31, 2019.

There were no taxes, assessments, or any amounts advanced not included in the mortgage loan total as of both December 31, 2020 and 2019.

NOTE 3 – INVESTMENTS (CONTINUED)

The following table set forth the credit quality indicators as of December 31, 2020 and December 31, 2019, based upon the recorded investment gross of allowance for credit losses.

Mortgage Loans
(In millions)

	Debt Service Coverage Ratio - December 31, 2020						
	Greater than 2.0X	1.8X to 2.0X	1.5X to <1.8X	1.2X to <1.5X	1.0X to <1.2X	Less than 1.0X	Grand Total
Loan-to-Value Ratio							
0% - 49.99%	$ 1,419	$ 91	$ 21	$ 87	$ 19	$ -	$ 1,637
50% - 59.99%	1,324	228	239	73	10	-	1,874
60% - 69.99%	813	216	136	133	7	-	1,305
70% - 79.99%	-	-	-	-	-	-	-
80% - 89.99%	-	-	-	-	-	-	-
90% - 100%	-	-	-	-	-	-	-
Greater than 100%	-	-	-	-	-	-	-
Total	**$ 3,556**	**$ 535**	**$ 396**	**$ 293**	**$ 36**	**$ -**	**$ 4,816**

Mortgage Loans
(In millions)

	Debt Service Coverage Ratio - December 31, 2019						
	Greater than 2.0X	1.8X to 2.0X	1.5X to <1.8X	1.2X to <1.5X	1.0X to <1.2X	Less than 1.0X	Grand Total
Loan-to-Value Ratio							
0% - 49.99%	$ 1,123	$ 82	$ 108	$ 13	$ 24	$ -	$ 1,350
50% - 59.99%	1,455	227	256	64	10	-	2,012
60% - 69.99%	1,043	130	152	147	38	-	1,510
70% - 79.99%	-	-	-	-	7	-	7
80% - 89.99%	-	-	-	-	-	-	-
90% - 100%	-	-	-	-	-	-	-
Greater than 100%	-	-	-	-	-	-	-
Total	**$ 3,621**	**$ 439**	**$ 516**	**$ 224**	**$ 79**	**$ -**	**$ 4,879**

NOTE 3 – INVESTMENTS (CONTINUED)

Real Estate:
Real estate investments are reported in the financial statements at cost, less any valuation adjustment, encumbrances and accumulated depreciation of buildings and other improvements using a straight line method over a 40 year period for the buildings and the estimated useful life of the improvements. An investment in real estate is considered impaired when the projected undiscounted net cash flow from the investment is less than depreciated cost. When the Company determines that an investment in real estate is impaired, a valuation adjustment is recorded to reduce the carrying value to estimated fair value, after encumbrances, based on appraisal of the property. The valuation adjustment is included in realized capital losses.

Real estate was comprised of the following for the years ended December 31, 2020 and December 31, 2019:

	2020	2019
	(In millions)	
Investment real estate	$ 280	$ 378
Properties occupied by the Company	-	3
Total real estate	$ 280	$ 381

The Company had accumulated depreciation totaling $122 million and $113 million at December 31, 2020 and December 31, 2019, respectively. The Company recorded depreciation expense of $20 million for 2020 and $18 million for 2019. There were four properties with a combined carrying value of $70 million, above their combined fair value of $56 million at December 31, 2020. There was one property with carrying value of $42 million, above its combined fair value of $41 million at December 31, 2019. There were no other-than-temporary impairments taken on real estate in 2020 and 2019.

Subprime:
The Company continually monitors its investment portfolios for performance, credit issues and risk exposures. By using a variety of measurements and credit analysis derived from both internal and external sources, the Company tracks the risk exposure the portfolios have to market events such as credit deterioration in the sub-prime and other below prime mortgage market. Sub-prime investments can include high loan to value pools, and pools where the borrowers have very impaired credit but the average loan to value is low. The Company has minimal exposure and recorded no impairments in 2020 or 2019 on its sub-prime or other below prime mortgage-backed security holdings. The Company does hold $490 million and $486 million of Non-Agency Residential Mortgage-backed securities ("RMBS") with sub-prime exposure and other below-prime mortgage exposure, representing 0.79% and 0.86% of the Company's invested assets, as of December 31, 2020 and 2019, respectively.

Restricted Assets and Special Deposits:
The Company had admitted restricted assets of $887 million and $79 million at December 31, 2020 and 2019, respectively. Of these amounts, there were deposits with states as required by certain insurance laws of $4 million in 2020 and $4 million 2019 and pledged as collateral for futures trading of $43 million and $12 million in 2020 and 2019, respectively. These amounts are included in Bonds in the Statutory Basis Balance Sheets. There were $33 million and $13 million of the Federal Home Loan Bank of New York ("FHLBNY") stock purchased by the Company in 2020 and 2019, respectively which are classified as restricted general account investments within "Common stocks". Also, as of December 31, 2020 and December 31 2019, respectively the Company pledged mortgage loans with a carrying value of $807 million and $50 million that support outstanding funding agreements with the FHLBNY. Total admitted restricted assets were 1.30% and 0.13% of the Company's total admitted assets at December 31, 2020 and 2019, respectively. There were no non-admitted restricted assets in 2020 or 2019.

Investment in Subsidiaries:
Investments in subsidiaries are accounted for using the equity method. Under the equity method, insurance subsidiaries are recorded at their underlying audited statutory surplus. Non-insurance subsidiaries are recorded at their underlying audited GAAP equity. Undistributed earnings or losses of subsidiaries are reflected as unrealized capital gains and losses directly in surplus. Dividends or distributions received from subsidiaries are recognized in net investment income when declared to the extent they are not in excess of undistributed accumulated earnings.

NOTE 3 – INVESTMENTS (CONTINUED)

Investment in affiliated limited liability subsidiaries are included in Other invested assets while investment in all other subsidiaries are included in Common stocks on the Statutory Basis Balance Sheets and totaled $1,843 million and $2,012 million at December 31, 2020 and December 31, 2019, respectively.

The Company's major subsidiaries are as follows:

Guardian Insurance and Annuity Company ("GIAC") is a stock life insurance company organized primarily for the sale of variable deferred annuities, fixed deferred and immediate annuity contracts, and variable life insurance policies. Effective September 1, 2016, GIAC sold its Group 401(k) in-force business to Ameritas Life Insurance Corp., a Nebraska corporation ("Buyer") and entered into an indemnity reinsurance agreement with the Buyer on a 100% modified coinsurance basis for the liabilities until the Buyer can obtain all of the required regulatory and contract holder approvals to novate the GIAC Group 401(k) in-force contracts through Assumption Reinsurance. As of November 29, 2019, all Group 401(k) contracts were fully novated to Ameritas.

Berkshire Life Insurance Company of America ("BLICOA") is a stock life company whose primary business is the sale and administration of disability insurance business.

Park Avenue Life Insurance Company ("PALIC") primary business is the administration of life insurance business (principally term and universal life products). Although PALIC is licensed in 48 states and the District of Columbia, it does not currently write new business.

First Commonwealth, Inc. ("FCW") provides dental, vision and hearing care coverage for government and commercial customers.

Guardian Investor Services ("GIS") is a wholly-owned non-insurance limited liability company that provides investment advisory services and related services to the mutual funds, variable investment trusts, private investment unit trust, institutional and other clients through Park Avenue Institutional Advisers ("PAIA"), wholly-owned subsidiary of GIS. GIS provides absence management services to organizations and also holds investments in real estate operating entities and joint ventures, residual interests in collateralized loan obligation securities and investments in early stage companies. During 2020, GIS recorded a loss on an affiliated entity of $151 million. During 2019, GIS acquired a controlling interest in Broadshore Capital Partners, a real estate investment firm.

NOTE 3 – INVESTMENTS (CONTINUED)

Selected financial information for the Company's significant subsidiaries is highlighted below:

	2020	2019
	(In millions)	
GIAC (Statutory basis)		
Total assets	$ 14,237	$ 14,072
Total liabilities	13,710	13,556
Net loss	$ (100)	$ (49)
BLICOA (Statutory basis)		
Total assets	$ 4,411	$ 4,182
Total liabilities	4,198	3,962
Net income	$ 15	$ 84
PALIC (Statutory basis)		
Total assets	$ 215	$ 221
Total liabilities	162	175
Net income	$ 5	$ 5
FCW (GAAP basis)		
Total assets	$ 642	$ 580
Total liabilities	196	128
Net income	$ 83	$ 33
GIS (GAAP basis)		
Total assets	$ 2,944	$ 3,124
Total liabilities	2,328	2,330
Net (loss)/income	$ (176)	$ 50

NOTE 3 – INVESTMENTS (CONTINUED)

Investment in Subsidiaries
The following table provides additional information on non-insurance subsidiaries.

December 31, 2020

Description of SCA Investment (Per SSAP No 97)	% of SCA Ownership	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of Filing to NAIC	Type of NAIC Filing (Sub-1, Sub-2, or Resubmission of Disallowed Filing)	NAIC Response Received (yes/no)	NAIC Valuation (Amount)	NAIC Disallowed Entity's Valuation Method, Resubmission Required (yes/no)	Code
		(In millions)								
Managed Dental Care of California	100%	$ 3	$ -	$ 3	12/31/2019	Sub-2	Y	$ 3	no	I
First Commonwealth	100%	406	-	406	12/31/2019	Sub-2	Y	452	no	I
Innovative Underwriters	100%	7	7	-	n/a	Sub-2	n/a	-	n/a	I
Guardian Investors Services, LLC	100%	594	-	594	n/a	n/a	n/a	-	n/a	I
Park Avenue Securities, LLC	100%	44	-	44	n/a	n/a	n/a	-	n/a	I
Aggregate Total		**$ 1,054**	**$ 7**	**$ 1,047**				**$ 455**		

December 31, 2019

Description of SCA Investment (Per SSAP No 97)	% of SCA Ownership	Gross Amount	Non-admitted Amount	Admitted Asset Amount	Date of Filing to NAIC	Type of NAIC Filing (Sub-1, Sub-2, or Resubmission of Disallowed Filing)	NAIC Response Received (yes/no)	NAIC Valuation (Amount)	NAIC Disallowed Entity's Valuation Method, Resubmission Required (yes/no)	Code
		(In millions)								
Managed Dental Care of California	100%	$ 3	$ -	$ 3	12/31/2018	Sub-2	Y	$ 4	no	I
First Commonwealth	100%	421	-	421	12/31/2018	Sub-2	Y	470	no	I
Innovative Underwriters	100%	7	7	-	-	Sub-2	n/a	-	n/a	I
Guardian Investors Services, LLC	100%	770	-	770	-	n/a	n/a	-	n/a	I
Park Avenue Securities, LLC	100%	32	-	32	-	n/a	n/a	-	n/a	I
Aggregate Total		**$ 1,233**	**$ 7**	**$ 1,226**				**$ 474**		

NOTE 3 – INVESTMENTS (CONTINUED)

NET INVESTMENT INCOME

Net investment income, including accrual of discounts and amortization of premiums, arose from the following sources for the years ended December 31, 2020 and December 31, 2019:

	2020	2019
	(In millions)	
Bonds	$ 1,751	$ 1,723
Unaffiliated common stocks	8	18
Affiliated common stocks	97	65
Mortgage loans	204	193
Real estate	61	65
Policy loans	277	271
Cash, Cash Equivalent and Short-Term Investments	6	23
Private Equity	166	147
Other	31	28
Gross investment income	2,601	2,533
Less investment expenses	(233)	(229)
Net investment income	$ 2,368	$ 2,304

NET REALIZED CAPITAL (LOSSES) GAINS

Net realized capital losses were derived from the following sources for the years ended December 31, 2020 and December 31, 2019:

	2020	2019
	(In millions)	
Bonds	$ 447	$ 178
Common stocks (unaffiliated & affiliated)	(43)	36
Real estate	9	37
Other invested assets	(287)	(190)
Derivatives and hedging losses gains	15	3
Other	(1)	151
Total net realized capital gains	140	215
Capital gains tax (expense)	(115)	(140)
Transfer (to) IMR (net of tax)	(371)	(142)
Net realized capital losses	$ (346)	$ (67)

The net realized capital loss amount above includes other-than-temporary impairment losses of $323 million and $203 million for the years ended December 31, 2020 and December 31, 2019, respectively. Of the $323 million for 2020, $16 million relates to impairments that reduce surplus which were driven primarily by $16 million in bonds. The remaining $307 million relates primarily to $141 million in investment tax credit investments, $126 million in an affiliated entity and $40 million for private equities. Of the $203 million for 2019, $1 million relates to impairments that reduced surplus which were driven primarily by $1 million in bonds. The remaining $202 million relates primarily to $177 million in investment tax credit investments and $25 million for private equities. In 2019, other includes $151 million from the Company's sale of its purchase option on its New York office facility disclosed in Note 14.

NOTE 3 – INVESTMENTS (CONTINUED)

Derivative Financial Instruments:
The Company enters into derivative transactions in order to mitigate ("hedge") certain risks pertaining to its assets, liabilities and surplus from fluctuations in interest rates, foreign currency exchange rates and market volatility. Derivatives are either exchange traded or contracted over-the-counter. The majority of the Company's over-the-counter derivatives are bilateral contracts between the Company and a single counterparty. The Company's remaining over-the-counter derivatives are cleared and settled through central clearing counterparties.

Derivatives that are designated as hedges for accounting purposes and meet the qualifications for hedge accounting are reported on a basis consistent with the asset or liability being hedged (i.e. at amortized cost). Derivatives that are used to mitigate risk but are not designated as hedges for accounting purposes or do not meet the qualifications for hedge accounting treatment are reported at fair value.

To qualify for hedge accounting the hedge relationship must be designated and formally documented at inception. This documentation details the risk management objective and strategy for the hedge, the derivative used in the hedge, the asset or liability being hedged, and the methodology for assessing hedge effectiveness. The hedge must also be "highly effective" with an assessment of its effectiveness performed both at inception and on an ongoing basis over the life of the hedge.

Derivative transactions expose the Company to the risk that the counterparty may not be able to fulfill its obligations under the terms set forth in the contract. The Company manages this counterparty risk by entering into transactions with counterparties that maintain a minimum credit rating, by performing ongoing review of a counterparties' credit standing, by adhering to established limits for credit exposure to any single counterparty and requiring collateral posting subject to thresholds and minimum transfer amounts in accordance with counterparty agreements to support credit risk associated with counterparty exposures which further reduces the Company's exposure to default by the counterparty. The Company is required to establish a margin account for all of its futures contracts. All of the futures contracts that the Company has entered into are exchange traded. Margin payments are required for futures contract and contract gains or losses are settled daily in cash, therefore the futures contracts are carried at zero value on the Company's balance sheets. The contract amount of futures contracts represents the extent of the Company's involvement, but not future cash requirements, as open positions are typically closed out prior to the delivery date of the contract. The Company does not offset the statement values for derivatives executed with the same counterparty, even if a master netting arrangement is in place. The Company also does not offset the right to claim collateral against the obligation to return such collateral.

The Company has no embedded credit derivatives that expose it to the possibility of being required to make future payments and does not have any derivative contracts with financing premiums.

Hedging – Designated As Hedging Instruments
The Company designates and accounts for its foreign currency swaps as cash flow hedges and certain equity index futures, treasury futures and S&P equity options as fair value hedges.

Foreign currency swaps are used to mitigate the foreign exchange risk for investments in specifically identified private placement bonds denominated in foreign currencies over a period of up to 15 years. Foreign currency swaps obligate the Company and a counterparty to exchange the foreign currency denominated interest and principal payments receivable on foreign denominated bonds for U.S. dollar payments based on currency exchange rates specified at the inception of the transaction. Foreign exchange gains or losses on these contracts are reported as a change in unrealized gains or losses until the maturity or sale of the hedged foreign currency bond at which time a realized capital gain or loss is recognized.

Equity index futures are used to mitigate the change in value of the liability the Company has to participants in its deferred compensation plans that allocate their plan account balances to equity funds offered under the plan. Equity index futures obligate the Company to pay or receive from a counterparty a cash amount based on a specified equity market index at a predefine price as of a future date applied to the notional amount of the contracts. The change in the fair value of the futures contracts is recorded in current period earnings as income or expense which offsets the operating gain or loss from the change in value of its deferred compensation liability. If the hedge is deemed to be ineffective for any period of time, the change in the fair value of the futures contracts for that time period is recorded in surplus as an unrealized gain or loss.

NOTE 3 – INVESTMENTS (CONTINUED)

Treasury futures are used to mitigate the portion of the change in fair value related to a change in interest rates on specifically identified assets acquired by the Company and held in its general account to support the Funding Agreements ("FA") and the specifically identified portion of a liability incurred by the Company pertaining to FA that are issued by the Company to back Medium Term Notes ("MTN") issued by a special purpose entity.

The Company enters into short positions (sells) treasury futures contracts prior to the issuance of the FA-MTN in order to lock-in the interest rate component of the return of the designated assets at their date of acquisition. When the FA-MTN is issued the Company enters into long position (purchases) treasury futures contracts in order to mitigate the change in the fair value of the designated net liability due to the effects of interest rate changes. The change in the fair value of the futures contracts is recorded in current period earnings as income or expense which offsets the operating gain or loss incurred by the Company on the change in value of its FA liability.

Treasury futures obligate the Company to take or receive delivery of certain Treasury Bonds at a specified price at a future date.

S&P equity options are used by the Company as a risk management strategy to reduce the projected dividend liability exposure on its Index Participation Feature ("IPF") which is a rider on certain whole life contracts. The Company uses a combination of short positions (sell) and long positions (purchases) of over-the-counter European call options on the S&P 500 index with expiration of one year to mitigate the dividend liability exposure based on the future return on S&P 500 index for the annual period of the monthly segment being hedged between the guaranteed floor rate and the cap rate on the participating balances. The change in the fair value of the options contracts is recorded in current period earnings as income or expense which offsets the operating gain or loss incurred by the Company on the change in the amount of the dividend liability.

Hedging – Not Designated As Hedging Instruments

The Company enters into other derivative transactions that mitigate economic risks but are not designated as a hedge for accounting purposes or do not qualify for hedge accounting treatment. These derivative instruments are reported at fair value on the balance sheet as either other invested assets or other liabilities. Changes in the fair value of these instruments are reported as a change in unrealized capital gains or losses until the maturity or termination of the contract, at which time a realized capital gain or loss is recorded.

Treasury futures are used to mitigate the key rate duration mismatch between the designated segment of the general account asset portfolio and the custom composite benchmarks for that segment designed to incorporate certain interest rate characteristics of the liabilities that those assets support. Treasury futures obligate the Company to take or receive delivery of certain Treasury Bonds at a specified price at a future date.

Foreign currency futures are used to mitigate the foreign exchange risk of investments in foreign denominated bonds securities. Foreign currency futures are exchange traded and settled daily. Foreign currency futures obligate the Company to exchange a specified amount of foreign currency at a specified rate on a future date.

Equity index futures are used to mitigate market fluctuations of the Company's portfolio of unaffiliated common stock and other mark to market assets and to minimize the volatility associated with certain liabilities. Equity index futures obligate the Company to pay or receive from a counterparty a cash amount based on a specified equity market index at a predefine price as of a future date applied to the notional amount of the contracts.

NOTE 3 – INVESTMENTS (CONTINUED)

Foreign currency forwards are used to mitigate the foreign exchange risk for investments in foreign denominated bonds or foreign denominated equity investments. Foreign currency forwards obligate the Company and the counterparty to exchange U.S. dollars and another currency at a specified future date and at a specified price.

Credit default swaps index ("CDX") are used to reduce the credit risk exposure on a specified portfolio of corporate bonds. The Company purchases CDX contracts in which it receives payments if there is a credit event on one or more of the specified securities contained in the index. These payments would be used to offset any credit losses recorded on the portfolio of bonds being hedged.

Replications

The Company purchased treasury futures as part of a replication transaction used to manage interest rate exposure. Statutory accounting guidance requires a cash instrument (high quality bond) with the same par value as the notional amount of the derivative and at least the same duration as the treasury futures to be held by the Company in order to cover the change in value of the treasury futures. The combining of the treasury futures and the cash instrument creates the replication (synthetic bond). If the replicated asset and cash instrument are carried at amortized cost so is the derivative. Otherwise, the derivative is carried at fair value. Synthetic bonds had an amortized cost of $1,824 million and $111 million at December 31, 2020 and December 31, 2019, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

The following tables provide additional information regarding derivatives that are designated as hedging instruments and those that are not designated as hedging instruments:

December 31, 2020	Notional Amount	Statement Value Assets	Statement Value Liabilities	Change in Unrealized Capital Gains (Losses)	Net Realized Capital Gains (Losses)	Net Investment Income	Gain/(loss) from Operations
			(in millions)				
Derivatives designated as hedging instruments:							
Foreign currency swaps	$ 1,484	$ 14	$ 97	$ (90)	$ (1)	$ -	$ -
Equity index futures	243	-	-	-	-	-	32
Treasury futures	1,304	-	-	-	4	-	-
S&P equity options	48	2	-	-	-	-	1
Derivatives not designated as hedging instruments:							
Treasury futures	1,040	-	-	3	1	-	-
Equity index futures	-	-	-	-	(3)	-	-
Credit default swap index	-	-	-	-	13	-	-
Total derivatives	$ 4,119	$ 16	$ 97	$ (87)	$ 14	$ -	$ 33

December 31, 2019	Notional Amount	Statement Value Assets	Statement Value Liabilities	Change in Unrealized Capital Gains (Losses)	Net Realized Capital Gains (Losses)	Net Investment Income	Gain/(loss) from Operations
			(in millions)				
Derivatives designated as hedging instruments:							
Foreign currency swaps	$ 1,361	$ 29	$ 21	$ (15)	$ -	$ -	$ -
Equity index futures	235	-	-	-	-	-	49
Treasury futures	50	-	-	-	(5)	-	-
S&P equity options	29	2	-	-	-	-	1
Derivatives not designated as hedging instruments:							
Treasury futures	202	-	-	(4)	11	-	-
Equity index futures	-	-	-	-	(1)	-	-
Credit default swap index	-	-	-	-	(2)	-	-
Total derivatives	$ 1,877	$ 31	$ 21	$ (19)	$ 3	$ -	$ 50

Repurchase Agreements:

The Company periodically enters into repurchase agreements whereby securities will be resold at a predefined price. There were no repurchase agreements as of December 31, 2020 and December 31, 2019, respectively.

NOTE 3 – INVESTMENTS (CONTINUED)

Reverse Repurchase Agreements:
The Company periodically enters into reverse repurchase arrangements whereby certain securities are loaned, primarily with major brokerage firms. The Company's policy requires a minimum of 95% of the fair value of the loaned securities as collateral, calculated on a daily basis, in the form of either cash or securities. Collateral assets received and related liabilities due counterparties are included in the Statutory Basis Balance Sheets as "Other Liabilities". There were no open reverse repurchase agreements on December 31, 2020 or December 31, 2019.

Securities Lending
There were no securities on loan at December 31, 2020 or December 31, 2019.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Statutory guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's view of market assumptions based on internally developed data in the absence of observable market information. The guidance requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs when determining the fair value of an asset or liability. The statement classifies all assets and liabilities carried or disclosed at fair value in one of the following three categories:

Level 1 – inputs are quoted market prices available in active markets for identical assets or liabilities on the reporting date.

Level 2 – inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – inputs are unobservable where there is little or no market activity for the asset or liability and the Company makes estimates and assumptions based on internally derived information.

The estimated fair values presented below have been determined using available information and valuation methodologies. The estimated fair value for financial instruments held by the Company was determined by management after considering the following sources of information: published market quotes for active exchange traded instruments, third party pricing vendors, quotes from investment banks that are lead market makers in certain markets, independent broker quotations, or the use of internal valuation models that use market observable inputs when available and Company derived inputs when external inputs are not available or deemed to be inaccurate. Considerable judgment is applied in interpreting data to develop the estimates of fair value. Accordingly, such amounts are management's estimate of the value that would be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies from period to period based on available information and market conditions could have a material effect on the estimated fair values.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables summarize the Company's financial instruments carrying amount and estimated fair value/Net Asset Value ("NAV") hierarchy levels for the period ending December 31, 2020 and December 31, 2019:

	December 31, 2020					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Bonds	$ 1,757	$ 48,133	$ 4,472	$ 54,362	$ -	$ 47,972
Common Stock (unaffiliated)	-	-	34	34	78	112
Mortgage Loans	-	-	5,078	5,078	-	4,816
Policy Loans	-	-	3,810	3,810	-	3,810
Derivative instruments	-	-	26	26	-	16
Surplus Notes investments	-	881	-	881	-	717
Receivable for securities	-	75	-	75	-	75
Cash, cash equivalents and short-term investments	-	403	19	422	-	422
Due and accrued investment income	-	518	-	518	-	518
Total Assets	$ 1,757	$ 50,010	$ 13,439	$ 65,206	$ 78	$ 58,458
Liabilities						
Deposit type contracts	$ -	$ 4,345	$ -	$ 4,345	$ -	$ 4,275
Derivative instruments	-	-	60	60	-	97
Total Liabilities	$ -	$ 4,345	$ 60	$ 4,405	$ -	$ 4,372

	December 31, 2019					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Bonds	$ 1,772	$ 40,217	$ 3,589	$ 45,578	$ -	$ 41,870
Common Stock (unaffiliated)	-	423	13	436	75	511
Mortgage Loans	-	-	5,083	5,083	-	4,879
Policy Loans	-	-	3,800	3,800	-	3,800
Derivative instruments	-		33	33	-	31
Surplus Notes investments	-	677	-	677	-	588
Receivable for securities	-	25	-	25	-	25
Cash, cash equivalents and short-term investments	19	727	32	778	-	778
Due and accrued investment income	-	461	-	461	-	461
Total Assets	$ 1,791	$ 42,530	$ 12,550	$ 56,871	$ 75	$ 52,943
Liabilities						
Deposit type contracts	$ -	$ 1,976	$ -	$ 1,976	$ -	$ 1,962
Derivative instruments	-		9	9	-	21
Total Liabilities	$ -	$ 1,976	$ 9	$ 1,985	$ -	$ 1,983

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Bonds and common stocks:
Estimated fair values for bonds, other than private placement securities and common stock are valued based on quoted prices from active markets when available (Level 1).

When the Company cannot obtain a quoted market price directly it relies on values provided by a third party pricing vendor. This is the pricing source for the majority of the Company's marketable securities. Prices received from a third party vendor are generally considered to be Level 2.

Pricing vendors utilize pricing models developed for individual asset classes which incorporate available market data. These market inputs include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data which include market research publications. The pricing vendor may obtain broker quotes for securities when sufficient information is not available to fully evaluate a security. For broker-quoted only securities, quotes from market makers or broker-dealers are obtained from sources recognized to be market participants.

Portfolio managers review the values assigned by the pricing vendor for reasonableness. In doing so, they compare the prices received from the pricing vendor to prices of similar securities, price ranges in that asset class or industry or prices from internally generated position reports. If there is a discrepancy with the price received from the vendor, the portfolio manager may communicate this difference to the pricing vendor and present the vendor with additional market data regarding that security in order to insure the pricing vendor has sufficient information needed to accurately price the security. The pricing vendor will then independently validate and evaluate that data and determine if a price change is warranted.

In the rare instance when a portfolio manager finds a difference in his or her assessment of fair value and the vendor price, after performing the preceding procedures, the portfolio manager may request replacement of the vendor price by a supportable value that is believed to be more representative of the security price. Any replacement of the vendor price is subject to an internal approval process.

The fair values of private placement bonds are determined by using an internal pricing model or for a small amount of securities, assigned individual broker prices. There were one hundred and eleven private placement bonds that were individually priced. These assigned individual prices are usually obtained from an external broker ("hand priced") and are considered to be Level 3.

The significant inputs used for the internal pricing model consist of (i) a broker supplied price matrix, (ii) treasury rates and (iii) credit ratings from certain nationally recognized securities rating organizations ("NRSRO") ("external ratings") or a credit rating assigned internally by the Company's Private Placement Investment Management Group ("internal ratings").

Private placement bonds with an applicable external credit rating of BB or above, for which the corresponding matrix price is used, are classified as Level 2. A private placement bond with an applicable external credit rating of below BB is classified as Level 3 due to the limited amount of market data available for these securities.

Bonds are carried at amortized cost unless they are rated 6 by the NAIC SVO in which case they are reported at the lower of amortized cost or fair value. There were two bonds rated 6 by the NAIC SVO and carried at fair value of $3 million on December 31, 2020, and there were one bond rated 6 by the NAIC SVO and carried at fair value of $2 million on December 31, 2019. In addition, there was one Bond ETFs carried at fair value of $215 million on December 31, 2020. There were no Bond ETFs outstanding on December 31, 2019.

Unaffiliated common stocks are reported at fair value.

Mortgage Loans

The estimated fair value of the mortgage loan portfolio is derived primarily using a loan value matrix using significant unobservable inputs. The inputs used in the matrix include (1) the weighted average cash flow and average term to maturity for each individual loan; (2) a base spread over the U.S. Treasury rate and (3) an internally computed credit rating that is used to derive the appropriate credit spread. Mortgage loans were carried at amortized cost on December 31, 2020 and December 31, 2019 and are classified as Level 3.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Policy Loans
See Note 2 for information regarding policy loans, for which the Company considers the unpaid principal balance to approximate fair value and are classified as Level 3.

Derivatives:
Derivative instruments are valued through the use of quoted market prices for exchange-traded derivatives (Level 1), third party pricing model and a third party pricing service for over-the-counter ("OTC") traded derivatives (Level 2) and by using internally developed estimates and assumptions when no quoted market price or third party vendor price is available (Level 3).

The third party pricing model used to determine fair value, when quoted market values are not available, is based on market standard valuation methodologies and inputs that are assumed to be consistent with what market participants would use when pricing the instruments. The significant inputs to the pricing models for most over-the-counter derivatives are inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Significant observable inputs include: interest rates, foreign currency exchange rates, interest rate curves, credit curves and volatility.

The methodology used by the third party pricing service for derivative investments is the same as that described above under the bonds and common stocks section.

Surplus Note Investments
The Company invests in surplus note issuances of other mutual insurance companies. These bond-like instruments are classified as Level 2 financial instruments and are valued based on prices obtained from independent pricing services or internally developed pricing models using observable inputs. Typical market-observable inputs include benchmark yields, reported trades, issuer spreads, bids, offers, benchmark securities, estimated cash flows and prepayment speeds.

Receivables for securities
These receivables are amounts due from financial institutions for securities that were sold by the Company but the proceeds from the sale have not yet been received by the Company. Due to the short-term of the period in which the Company expects to receive these amounts it considers the carrying value of these balances to approximate fair value and are classified as Level 2.

Cash, cash equivalents and short-term investments
See Note 2 for information regarding cash, cash equivalents and short-term investments include cash deposit balances, short-term commercial paper, and other highly liquid debt instruments. Cash amounts are classified as level 1. All remaining cash equivalents and short-term investments are classified as Level 2 except for the outstanding balance on the line of credit with a subsidiary which is classified as Level 3.

Due and accrued investment income
Due and accrued investment income is either investment income earned and legally due to be paid to the Company as of the reporting date or investment income earned as of the reporting date but not legally due to be paid to the Company until after the reporting date. The Company expects to receive these amounts shortly after they become due and is required to non-admit any balance that is over 90 days past due or charge it against income in the period that it is deemed uncollectible. Therefore, the Company considers these amounts short-term in nature and that the carry amount approximates fair value. This amount is classified as Level 2.

Deposit type contracts
Deposit type contracts are made up of funding agreements backing medium term notes for which fair values are based on market prices for the notes when available. For funding agreements with no available market price, fair values are estimated using discounted cash flow calculations based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued. For all other deposit funds, the fair value is estimated to be equal to the account value since they can be withdrawn at any time and without prior notice.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables summarize the Company's financial instruments carried at fair value by their fair value/NAV hierarchy levels for the period ending December 31, 2020 and December 31, 2019:

	December 31, 2020					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Bonds	-	218	-	218	-	218
Derivative Instruments	-		2	2		2
Common Stock	-	-	34	34	78	112
Total Assets	$ -	$ 218	$ 36	$ 254	$ 78	$ 332
Liabilities						
Derivative instruments	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -

	December 31, 2019					
	Level 1	Level 2	Level 3	Total Fair Value	NAV	Carrying Amount
Assets			(In millions)			
Bonds	-	2	-	2	-	2
Derivative Instruments	-	-	2	2		2
Common Stock	-	423	13	436	75	511
Total Assets	$ -	$ 425	$ 15	$ 440	$ 75	$ 515
Liabilities						
Derivative instruments	$ -	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table summarizes changes to the Company's financial instruments carried at fair value and classified as level 3 in the fair value hierarchy for the year ended December 31, 2020 and December 31, 2019.

	As of December 31, 2020			
Level 3 Roll Forward	Bonds	Common Stock (unaffiliated)	Derivative Instruments	Total
	(In Millions)			
Fair Value , beginning of period	$ -	$ 13	$ 2	$ 15
Total gains or (losses) (realized or unrealized):				
Included in net income	-	-	-	-
Included in surplus	-	-	-	-
Purchases, sales, issuances, and settlements:				
Purchases	-	28	2	30
Sales	-	-	(2)	(2)
Issuances	-	(7)	-	(7)
Settlements	-	-	-	-
Transfers into Level 3	-	-	-	-
Transfers out of Level 3	-	-	-	-
Fair value, end of period	$ -	$ 34	$ 2	$ 36

During 2020, there were no transfers into or out of Level 3.

	As of December 31, 2019			
Level 3 Roll Forward	Bonds	Common Stock (unaffiliated)	Derivative Instruments	Total
	(In Millions)			
Fair Value , beginning of period	$ -	$ 12	1	$ 13
Total gains or (losses) (realized or unrealized):				
Included in net income	-	-		-
Included in surplus	-	-		-
Purchases, sales, issuances, and settlements:				
Purchases	-	10	1	11
Sales	-	(9)	-	(9)
Issuances	-	-		-
Settlements	-	-		-
Transfers into Level 3		-		-
Transfers out of Level 3	-	-		-
Fair value, end of period	$ -	$ 13	$ 2	15

During 2019, there were no transfers into or out of Level 3.

NOTE 5 – RESERVES FOR POLICY BENEFITS

Reserves for policy benefits represent the estimated net present value of future policy benefits, less future policy premiums, established using actuarial methods based on mortality and morbidity experience tables and valuation interest rates prescribed by the Department. Actual future experience will generally differ from assumptions used to determine these reserves.

Reserves for future policy benefits on life insurance issued in 1988 and later are calculated principally on the New Jersey Reserve Method or the Commissioners Reserve Valuation Method using the 1980 Commissioners' Standard Ordinary ("CSO"), the 2001 CSO, and the 2017 CSO mortality tables. Reserves for term policies and riders issued in 2020 use the valuation methods specified in Valuation Manual ("VM") -20. Reserves on life policies issued before 1988 are calculated principally on the Net Level Premium Reserve Method using the American Experience, 1941, 1958 and 1980 CSO mortality tables. Reserves for traditional life insurance issued in 1999 are valued using NAIC principle based reserve requirements. Annuity contract reserves are principally calculated using the 1983 Group Mortality table and the various Individual Annuity mortality tables. Assumed interest rates principally range from 2.5% to 5.5 % for direct business.

The reserves for Group Life Waiver and Long Term Disability ("LTD") reported claims are determined on a seriatim basis. Life waiver of premium reserves are determined primarily using the 1970 Inter-company Group Life Disability Table for claims incurred on or before December 31, 2008 and the 2005 Group Term Life Waiver Reserve Valuation Table for claims incurred on or after January 1, 2009. The interest rate is 4.0% for claims incurred on or before December 31, 2012 and 3.5% for claims incurred on or after January 1, 2013. Long term disability reserves are determined using the 2012 Group Long Term Disability Valuation Table for claims incurred on or after January 1, 2017 and Table 95a for claims incurred on or before December 31, 2016 for the first 24 months after disablement, and the 1987 Commissioners' Group Disability Table for greater than 24 months of disablement. The interest rates range from 2.75% to 5.0%, depending on the year of incurral. Short Term Disability ("STD"), Dental, and Medical claims incurred but not yet reported ("IBNR") reserves are estimated based on the Company's historical experience. Dental and Medical reserves include reasonable allowances for potential adverse deviation.

The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium paid beyond the date of death. The larger of legally computed reserves and cash surrender values on a policy-by-policy basis are held as liabilities. Plans, except for second-to-die plans, charge additional premiums for substandard lives based upon actual issue age. Second-to-die plans develop substandard reserves using the rated up age. Mean reserves are based on appropriate multiples of standard rates of mortality. As of December 31, 2020, the Company had $12 billion of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of New York. The reserves to cover the above insurance totaled $35 million. The Tabular Interest, the Tabular Less Actual Reserve Released and the Tabular Cost have been determined by formula. For the determination of Tabular Interest on funds not involving life for each valuation rate of interest, the tabular interest is calculated as the product of such valuation rate of interest times the average of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

At December 31, 2020 and December 31, 2019 the withdrawal characteristics of the Company's annuity reserves and deposit type contract liabilities without life or disability contingencies were as follows:

	As of December 31, 2020				
	General Account	Separate Account with Guarantees	Separate Account Non Guaranteed	Total	% of Total
A. Individual Annuities:					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ -	$ -	$ -	$ -	0.0%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ -	$ -	$ -	$ -	0.0%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ 169	$ -	$ -	$ 169	92.3%
(2) Not subject to discretionary withdrawal	$ 14	$ -	$ -	$ 14	7.7%
(3) Total (gross: direct + assumed)	$ 183	$ -	$ -	$ 183	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 183	$ -	$ -	$ 183	100.0%
(6) Amount included in A(1)b above that will move to A(1)e for the first time whin the year after the statement date	$ 183	$ -	$ -	$ 183	
B. Group Annuities:					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ -	$ -	$ -	$ -	0.0%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ -	$ -	$ -	$ -	0.0%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ -	$ -	$ -	$ -	0.0%
(2) Not subject to discretionary withdrawal	$ 8	$ -	$ -	$ 8	100.0%
(3) Total (gross: direct + assumed)	$ 8	$ -	$ -	$ 8	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 8	$ -	$ -	$ 8	100.0%
(6) Amount included in B(1)b above that will move to B(1)e for the first time whin the year after the statement date	$ 8	$ -	$ -	$ 8	
C. Deposit-Type Contracts (no life contingencies):					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ 10	$ -	$ -	$ 10	0.2%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ 10	$ -	$ -	$ 10	0.2%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ 460	$ -	$ -	$ 460	10.0%
(2) Not subject to discretionary withdrawal	$ 4,112	$ -	$ -	$ 4,112	89.7%
(3) Total (gross: direct + assumed)	$ 4,582	$ -	$ -	$ 4,582	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 4,582	$ -	$ -	$ 4,582	100.0%
(6) Amount included in C(1)b above that will move to C(1)e for the first time whin the year after the statement date	$ 4,582	$ -	$ -	$ 4,582	
Total annuity actuarial reserves and deposit liabilities:	$ 4,773	$ -	$ -	$ 4,773	
Reconcilliation of total annuity actuarial reserves and deposit liabilities:					
Life and Accident & Health Annual Statement	$ 4,773	$ -	$ -	$ 4,773	
Separate Accounts Annual Statement	-	-	-	-	
Total annuity actuarial reserves and deposit liabilities:	$ 4,773	$ -	$ -	$ 4,773	

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

	As of December 31, 2019				
	General Account	Separate Account with Guarantees	Separate Account Non Guaranteed	Total	% of Total
A. Individual Annuities:					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ -	$ -	$ -	$ -	0.0%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	0.0%
d. Total with market value adjustment or at fair value (Total of a through c)	$ -	$ -	$ -	$ -	0.0%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ 170	$ -	$ -	$ 170	92.4%
(2) Not subject to discretionary withdrawal	$ 14	$ -	$ -	$ 14	7.6%
(3) Total (gross: direct + assumed)	$ 184	$ -	$ -	$ 184	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 184	$ -	$ -	$ 184	100.0%
(6) Amount included in A(1)b above that will move to A(1)e for the first time whin the year after the statement date	$ -	$ -	$ -	$ -	
B. Group Annuities:					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ -	$ -	$ -	$ -	0.0%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ -	$ -	$ -	$ -	0.0%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ -	$ -	$ -	$ -	0.0%
(2) Not subject to discretionary withdrawal	$ 9	$ -	$ -	$ 9	100.0%
(3) Total (gross: direct + assumed)	$ 9	$ -	$ -	$ 9	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 9	$ -	$ -	$ 9	100.0%
(6) Amount included in B(1)b above that will move to B(1)e for the first time whin the year after the statement date	$ -	$ -	$ -	$ -	
C. Deposit-Type Contracts (no life contingencies):					
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	$ 10	$ -	$ -	$ 10	0.4%
b. At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
c. At fair value	-	-	-	-	-
d. Total with market value adjustment or at fair value (Total of a through c)	$ 10	$ -	$ -	$ 10	0.4%
e. At book value without adjustment (with minimal or no charge or adjustment)	$ 405	$ -	$ -	$ 405	17.9%
(2) Not subject to discretionary withdrawal	$ 1,844	$ -	$ -	$ 1,844	81.6%
(3) Total (gross: direct + assumed)	$ 2,259	$ -	$ -	$ 2,259	100.0%
(4) Reinsurance ceded	-	-	-	-	-
(5) Total (net) (3)- (4)	$ 2,259	$ -	$ -	$ 2,259	100.0%
(6) Amount included in C(1)b above that will move to C(1)e for the first time whin the year after the statement date	$ -	$ -	$ -	$ -	
Total annuity actuarial reserves and deposit liabilities:	$ 2,452	$ -	$ -	$ 2,452	
Reconcilliation of total annuity actuarial reserves and deposit liabilities:					
Life and Accident & Health Annual Statement	$ 2,452	$ -	$ -	$ 2,452	
Separate Accounts Annual Statement	-	-	-	-	
Total annuity actuarial reserves and deposit liabilities:	$ 2,452	$ -	$ -	$ 2,452	

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

At December 31, 2020 and December 31, 2019 the withdrawal characteristics of the Company's life actuarial reserves were as follows:

	As of December 31, 2020		
	General Account		
	Account Value	Cash Value	Reserve
A. Subject to discretionary withdrawal, surrender values, or policy loans:			
(1) Term Policies with Cash Value	$ -	$ -	$ -
(2) Universal Life	1,082	1,053	1,089
(3) Universal Life with Secondary Guarantees	104	75	325
(4) Indexed Universal Life	-	-	-
(5) Indexed Universal Life with Secondary Guarantees	-	-	-
(6) Indexed Life	-	-	-
(7) Other Permanent Cash Value Life Insurance	-	39,649	40,958
(8) Variable Life	-	-	-
(9) Variable Universal Life	-	-	10
(10) Miscellaneous Reserves	-	-	-
B. Not subject to discretionary withdrawal or no cash values:			
(1) Term Policies without Cash Value	-	-	1,674
(2) Accidental Death Benefits	-	-	5
(3) Disability - Active Lives	-	-	163
(4) Disability - Disabled Lives	-	-	416
(5) Miscellaneous Reserves	-	-	715
C. Total (gross: direct + assumed)	1,186	40,777	45,356
D. Reinsurance ceded	-	-	1,212
E. Total (net) (C) - (D)	$ 1,186	$ 40,777	$ 44,144

	As of December 31, 2019		
	General Account		
	Account Value	Cash Value	Reserve
A. Subject to discretionary withdrawal, surrender values, or policy loans:			
(1) Term Policies with Cash Value	$ -	$ -	$ -
(2) Universal Life	1,068	1,040	1,064
(3) Universal Life with Secondary Guarantees	93	66	300
(4) Indexed Universal Life	-	-	-
(5) Indexed Universal Life with Secondary Guarantees	-	-	-
(6) Indexed Life	-	-	-
(7) Other Permanent Cash Value Life Insurance	-	37,701	38,778
(8) Variable Life	-	-	-
(9) Variable Universal Life	-	-	7
(10) Miscellaneous Reserves	-	-	-
B. Not subject to discretionary withdrawal or no cash values:			
(1) Term Policies without Cash Value	-	-	1,680
(2) Accidental Death Benefits	-	-	5
(3) Disability - Active Lives	-	-	160
(4) Disability - Disabled Lives	-	-	403
(5) Miscellaneous Reserves	-	-	717
C. Total (gross: direct + assumed)	1,161	38,807	43,113
D. Reinsurance ceded	-	-	1,183
E. Total (net) (C) - (D)	$ 1,161	$ 38,807	$ 41,930

NOTE 5 – RESERVES FOR POLICY BENEFITS (CONTINUED)

Note Program

Funding agreements are investment contracts whose reserve liabilities are equal to the account value and are established by contract deposits, increased by interest credited and decreased by contract coupon payments and maturities. Contract holders do not have the right to terminate the contract prior to the contractually stated maturity date. Credited interest rates vary by contract and can be fixed or floating. Under the note program, the Company created a special purpose entity ("SPE"), which is an investment vehicle or trust, for the purpose of issuing medium-term notes to investors. Proceeds from the sale of the medium-term notes issued by the SPE are used to purchase funding agreements from the Company. The medium-term notes are secured by the funding agreements with the note issuer granting a security interest in the funding agreement to the indenture trustee for the notes. The payment terms of any particular series of notes are matched by the payment terms of the funding agreement securing the series. The Company has a $5.0 billion Global Medium-Term Note Program of which $3.6 billion in notes have been issued as of December 31, 2020. The amounts outstanding were $3.6 billion and $1.8 billion at December 31, 2020 and December 31, 2019, respectively, and are included in the Statutory Basis Balance Sheets as "Policyholder dividends payable and other contract liabilities".

NOTE 6 – PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

Gross deferred and uncollected life insurance premiums represent premiums due to be received from policy owners through the next policy anniversary date. Net deferred and uncollected life insurance premiums represent only the portion of gross premiums related to mortality charges and interest. Deferred and uncollected life insurance premiums at December 31, 2020 and December 31, 2019 were as follows:

	2020 (In millions)		2019 (In millions)	
Type	**Gross**	**Net**	**Gross**	**Net**
Ordinary new business	$ 62	$ 62	$ 74	$ 74
Ordinary renewal	751	629	711	597
Group life	181	356	182	364
Totals	$ 994	$ 1,047	$ 967	$ 1,035

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS

Defined Benefit Plans:
The Company sponsors non-contributory defined benefit pension plans covering all eligible employees. These include tax-qualified plans, as well as nonqualified plans that provide benefits to certain participants in excess of ERISA limits for qualified plans. The Company's policy is to fully fund the obligations of qualified plans in accordance with ERISA requirements.

In addition to pension benefits, the Company provides postretirement benefits for retired employees. Substantially all of the employees and representatives may become eligible for these benefits if they reach retirement age while working for the Company.

In accordance with NAIC SAP, the costs associated with these required benefits are expensed over the period that the participant provides services to the Company, including recognition of assets and liabilities based on the funded status of the related plans. Pension assets are then non-admitted and thereby excluded from surplus.

On September 30, 2020, the Company announced the decision to freeze future pension benefit accruals for all Home Office employees who have not reached the Rule of 75 as of December 31, 2020. The Rule of 75 is determined using 75 "points" when combining an employee's age plus years of service as of December 31, 2020. The announcement of the plan change resulted in a plan curtailment as defined in Statement of Statutory Accounting Principle No. 102, Accounting for Pensions, A Replacement of SSAP No. 89 ("SSAP 102"). A curtailment is an event that significantly reduces the expected years of future service or eliminates the future accrual or defined benefits for a significant number of employees. A curtailment was measured as of September 30, 2020, which is the date the changes were communicated to Plan participants, in accordance with the practical expedient described in SSAP 102. The curtailment resulted in a reduction in projected benefit obligations ("PBO") of $84 million which was offset against the Plan's unrecognized losses and recognized as a gain in surplus.

On June 30, 2020, the Company announced the decision to eliminate the post-Medicare HRA subsidy for all Home Office employees that retire after December 31, 2020. The announcement of the plan change resulted in a plan amendment as defined in Statement of Statutory Accounting Principle No. 92, Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14 ("SSAP 92"). The plan was remeasured as of June 30, 2020, which is the month end closest to the date the changes were communicated to Plan participants, in accordance with the practical expedient described in SSAP 92. The amendment resulted in a reduction in PBO of $67 million which offset existing unrecognized prior service costs of $14 million with the remaining $53 million recognized as a new prior service credit and recognized as a gain in surplus.

Effective January 1, 2018 the Home Office defined benefit plan was closed to Home Office employees hired after that date. Home Office employees hired after January 1, 2018 are offered a new defined contribution plan.

Components of Net Periodic Benefit Expense
The components of net periodic pension and postretirement benefits expense including the amount of unrecognized items amortized into expense for the years ended December 31 are as follows:

	Pension Benefits		Postretirement Benefit	
	2020	2019	2020	2019
	(In millions)			
Service cost	$ 94	$ 76	$ 5	$ 5
Interest cost	101	107	7	10
Expected return on plan assets	(169)	(141)	(9)	(8)
Amortization of transition amount	-	1	5	-
Amortization of actuarial net loss	91	84	(9)	(2)
Amortization of prior service costs	-	-	-	4
Net periodic expense	$ 117	$ 127	$ (1)	$ 9

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Changes in the projected benefit obligations and plan assets during the years ended December 31, 2020 and December 31, 2019 were as follows (in millions):

	Pension Benefits		Postretirement Benefits	
Change in benefit obligation	**2020**	**2019**	**2020**	**2019**
Benefit obligation, at beginning of period	$ 3,002	$ 2,505	$ 265	$ 235
Service cost	94	76	5	5
Interest cost	101	107	7	10
Actuarial loss	420	437	22	29
Plan amendments	-	-	(67)	-
Curtailments	(84)	-	-	-
Benefits paid	(153)	(123)	(13)	(14)
Benefit obligation, at end of period	$ 3,380	$ 3,002	$ 219	$ 265

	Pension Benefits		Postretirement Benefits	
Change in fair value of plan assets	**2020**	**2019**	**2020**	**2019**
Plan assets, at beginning of period	$ 2,414	$ 1,973	$ 134	$ 115
Actual return on plan assets	262	437	21	33
Employer contributions	14	127	2	-
Benefits paid	(153)	(123)	(13)	(14)
Plan assets, at end of period	$ 2,537	$ 2,414	$ 144	$ 134

	Pension Benefits		Postretirement Benefits	
Funded status	**2020**	**2019**	**2020**	**2019**
Funded status at end of period	$ (843)	$ (588)	$ (75)	$ (131)
Unrecognized transition liability	-	-	-	-
Unrecognized prior service costs	-	-	(49)	10
Unrecognized actuarial net loss	1,074	922	66	61
Net amount recognized	$ 231	$ 334	$ (58)	$ (60)

	Pension Benefits		Postretirement Benefits	
Recognized as of December 31	**2020**	**2019**	**2020**	**2019**
Prepaid benefit cost	$ -	$ -	$ -	$ -
Less assets non admitted	-	-	-	-
Accrued liability	(843)	(588)	(75)	(131)
Net amount recognized	$ (843)	$ (588)	$ (75)	$ (131)

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Assumptions

Weighted average assumptions used in calculating the benefit obligations were as follows:

	Pension Benefits		Post Retirement Benefits	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Discount rate	2.75%	3.50%	2.58%	3.45%
Rate of compensation increase	3.00%	3.00%	n/a	n/a

Weighted average assumptions used in calculating the net periodic benefit cost were as follows:

	Pension Benefits For the Years Ended		Post Retirement Benefits For the Years Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Discount rate	3.50%	4.40%	3.45%	4.40%
Rate of compensation increase	3.00%	3.00%	n/a	n/a
Expected return on plan assets	7.20%	7.40%	7.20%	7.40%

Assumed health care cost trend rates were as follows:

	As of December 31,	
	2020	2019
Medical & Prescription Pre - Age 65	6.75%, grading to 4.5% over 10 years	7.0%, grading to 4.5% over 11 years

The accumulated benefit obligations ("ABO") for the funded and unfunded pension plans were $2,631 million and $548 million, respectively, at December 31, 2020 and $2,272 million and $456 million, respectively, at December 31, 2019. The accumulated post retirement benefit obligation ("APBO") for the postretirement plans was $219 million at December 31, 2020 and $265 million at December 31, 2019.

For the pension plans with ABO in excess of plan assets, the projected benefit obligations, accumulated benefit obligations, and fair value of plan assets were $3,380 million, $3,178 million, and $2,537 million respectively at December 31, 2020 and $3,002 million, $2,728 million, and $2,414 million respectively at December 31, 2019.

With respect to the Company's pension plans, the actuarially calculated funding amount ranges from the minimum amount the Company would be required to contribute to the maximum amount that would be deductible for tax purposes. Contribution amounts in excess of the minimum amounts are deemed voluntary. Amounts in excess of the maximum amount would be subject to an excise tax and may not be deductible under the Internal Revenue Code. The Company made no voluntary contributions in 2020 and $115 million in 2019.

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

Benefit Payments
The following table discloses the expected benefit payments for the Company's pension and postretirement plans.

	Pension Benefits	Other Benefits
Estimated Future Payments	(In millions)	
2021	186	13
2022	188	14
2023	188	15
2024	187	16
2025 - 2029	1,124	93

Plan Assets
The Company's pension and postretirement plans' asset allocation by major asset class at December 31, 2020 and December 31, 2019, and the target allocation for 2021, are as follows:

	Target Allocation	Percentage of Plan Assets at	
Asset Category	**2021**	**As of December 31, 2020**	**As of December 31, 2019**
U.S. Stocks	0%-26%	16%	31%
International Stocks	0%-6%	4%	6%
Non-convertible Bonds	60%-90%	80%	63%
		100%	100%

NOTE 7 – EMPLOYEE AND REPRESENTATIVE BENEFIT PLANS (CONTINUED)

The investment strategy with respect to the Company's pension plan assets is to preserve capital and to seek investment returns with a goal of fully funding the plan.

The expected rate of return was 7.2% for the year ended December 31, 2020 and 7.4% for the year ended December 31, 2019. These rates of return are an aggregation of expected returns within each asset category. The return with respect to each asset class considers both historical returns and the future expectations for such returns.

Target allocations of assets are determined with the objective of maximizing returns and minimizing volatility of net assets through adequate asset diversification and partial liability immunization. Adjustments are made to target allocations based on the Company's assessment of the impact of economic factors and market conditions.

The following table summarizes the Master Trust's financial instruments carried at fair value hierarchy levels. The fair values were estimated using the same methodology described in Note 4.

	As of December 31, 2020 (In millions)			
Description	**Level 1**	**Level 2**	**Level 3**	**Estimated Fair Value**
U.S. Stocks	$ -	$ 94	$ -	$ 94
International Stocks		399		399
Non-convertible Bonds	9	1,918	-	1,927
Total	$ 9	$ 2,411	$ -	$ 2,420

	As of December 31, 2019 (In millions)			
Description	**Level 1**	**Level 2**	**Level 3**	**Value**
U.S. Stocks	$ -	$ 141	$ -	$ 141
International Stocks		579		579
Non-convertible Bonds	38	1,556	-	1,594
Total	$ 38	$ 2,276	$ -	$ 2,314

There were no financial instruments carried at fair value and classified as Level 3 as of December 31, 2020 and 2019.

<u>Defined Contribution Plans</u>

The Company sponsors defined contribution plans. Home office employees are covered by an investment and profit sharing plan pension plans 401(k)/401(a). Employees can invest up to 3% of their salary matched by an equal amount from the Company. They are also allowed an additional 10% (if not highly paid) of non-matched contributions. In addition, the Company provides a profit sharing allocation in proportion to salary. For home office employees hired on or after January 1, 2018, or home office employees hired before January 1, 2018 that do not meet the Rule of 75 as of December 31, 2020, the Company also makes a non-elective contribution to the Plan based on the age, years of service, and compensation of the participant. Field representatives are covered by a 401(k)/401(a) investment plan in which they can invest up to 3% of their salary matched by an equal amount from the Company. They are also allowed an additional 12% (if not highly paid) of non-matched contributions. The assets for both home office plans and the field representative's plan are held in a trust. Full time agents and general agents are covered by non-contributory plans. The Company contributed $35 million to these plans in 2020 and $33 million in 2019. The Company funds these plans and reflects the funded amounts as a liability.

NOTE 8 – INCOME TAXES

Consolidated Federal Income Tax Return

The Company's federal income tax return is consolidated with the following entities:

- Guardian Insurance & Annuity Company, Inc.,
- Park Avenue Life Insurance Company,
- Sentinel American Life Insurance Company,
- Family Service Life Insurance Company,
- Managed Dental Care of California,
- Managed Dental Guard of Texas,
- Managed Dental Guard of New Jersey,
- Innovative Underwriters Inc.,
- Berkshire Life Insurance Company of America,
- First Commonwealth, Inc. and its subsidiaries,
- Reed Group Ltd,
- GIS Canada Holdings Corp, and
- Guardian Abbey LLC

The Company files a consolidated federal income tax return as parent, with its subsidiaries. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net capital losses, which it may incur, or to recoup its net operating or capital losses carried forward as an offset to future net income or capital gains subject to federal income taxes.

The Internal Revenue Code limits the amount of non-life insurance losses that may offset life insurance company taxable income. The consolidated income tax liability is allocated among the members of the group pursuant to a tax allocation agreement. In accordance with the tax allocation agreement, each qualifying member of the group computes its tax provision and liability on a separate return basis, but may, where applicable, recognize benefits of net operating losses and capital losses utilized in the consolidated group. Subsidiary tax liabilities/benefits are settled subsequent to the filing of the federal income tax return.

The Company does not anticipate any significant changes to its tax contingencies within the next 12 months.

NOTE 8 – INCOME TAXES (CONTINUED)

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes.

The components of the net deferred tax asset recognized in the Company's Statutory Basis Balance Sheets are as follows:

	December 31, 2020		
	Ordinary	Capital	Total
Gross Deferred Tax Assets	$ 1,552	$ 102	$ 1,654
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	1,552	102	1,654
Deferred Tax Assets Nonadmitted	41	-	41
Subtotal Net Admitted Deferred Tax Asset	1,511	102	1,613
Deferred Tax Liabilities	767	118	885
Net Admitted Deferred Tax Asset	$ 744	$ (16)	$ 728

	December 31, 2019		
	Ordinary	Capital	Total
Gross Deferred Tax Assets	$ 1,450	$ 76	$ 1,526
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	1,450	76	1,526
Deferred Tax Assets Nonadmitted	4	-	4
Subtotal Net Admitted Deferred Tax Asset	1,446	76	1,522
Deferred Tax Liabilities	713	115	828
Net Admitted Deferred Tax Asset	$ 733	$ (39)	$ 694

	Change		
	Ordinary	Capital	Total
Gross Deferred Tax Assets	$ 102	$ 26	$ 128
Statutory valuation allowance adjustments	-	-	-
Adjusted Gross Deferred Tax Assets	102	26	128
Deferred Tax Assets Nonadmitted	37	-	37
Subtotal Net Admitted Deferred Tax Asset	65	26	91
Deferred Tax Liabilities	54	3	57
Net Admitted Deferred Tax Asset	$ 11	$ 23	$ 34

A valuation allowance is recorded if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's management has concluded that the deferred income tax assets are more likely than not to be realized. Therefore, no valuation allowance has been provided.

NOTE 8 – INCOME TAXES (CONTINUED)

Admission calculation components SSAP No. 101 (Paragraph 11)

The Company follows the guidance in Statement of Statutory Accounting Principles No. 101 - Income Taxes, A Replacement of SSAP No. 10R and SSAP No.10 ("SSAP 101"). SSAP 101 included a similar calculation for limitation of gross deferred tax assets as SSAP 10R for insurers that maintain a minimum of 300% of their authorized control level RBC computed without net deferred tax assets. The Company exceeded the 300% minimum RBC requirement at December 31, 2020 and 2019.

	December 31, 2020		
	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	$ -	$ 60	$ 60
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	667	-	667
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	667	-	667
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	-	-	-
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and b. above) offset by gross deferred tax liabilities.	844	42	886
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ 1,511	$ 102	$ 1,613

	December 31, 2019		
	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	$ -	$ 40	$ 40
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	654	-	654
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	654	-	654
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	-	-	914
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a. and b. above) offset by gross deferred tax liabilities.	792	36	828
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ 1,446	$ 76	$ 1,522

	Change		
	Ordinary	Capital	Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks.	$ -	$ 20	$ 20
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2a, above) after application of the threshold limitation. (The Lesser of 2b.i. and 2b.ii. below)	13	-	13
The lesser of:			
i. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	13	-	13
ii. Adjusted gross deferred tax assets allowed per limitation threshold.	N/A	N/A	(914)
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from a.	52	6	58
Deferred tax assets admitted as the result of application of SSAP No. 101.Total (a. + b. + c.)	$ 65	$ 26	$ 91

	2020	2019
Ratio percentage used to determine recovery period and threshold limitation amount	953%	975%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation	$ 8,780	$ 8,560

NOTE 8 – INCOME TAXES (CONTINUED)

Impact of Tax Planning Strategies

	December 31, 2020	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	$ 1,552	102
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.0%	3.6%
3. Net Admitted Adjusted Gross DTAs amount	1,511	106
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	3.6%

	December 31, 2019	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	$ 1,450	76
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.0%	2.6%
3. Net Admitted Adjusted Gross DTAs amount	1,446	77
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	2.6%

	Change	
	Ordinary	Capital
1. Adjusted Gross DTAs amount	102	26
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax	0.0%	1.0%
3. Net Admitted Adjusted Gross DTAs amount from	65	29
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	1.0%

	Yes		No	
Does the Company's tax-planning strategies include the use of reinsurance?	Yes		No	X

All DTL were recognized as of December 31, 2020 and December 31, 2019.

Current income taxes incurred consisted of the following major components:

Description		December 31, 2020		December 31, 2019		Change
(In millions)						
Federal income tax (benefit)/expense on operating income	$	(80)	$	(65)	$	(15)
Prior year overaccrual		(20)		(53)		33
Contingent tax		-		-		-
Current Federal operations income tax expense /(benefit)	$	(100)	$	(118)	$	18
Federal income tax expense/(benefit) on capital gains/(losses)	$	116	$	98	$	18
Prior year underaccrual		(1)		42		(43)
Current Federal capital gain income tax expense/(benefit)	$	115	$	140	$	(25)
Federal and foreign income taxes incurred	$	15	$	22	$	(7)

NOTE 8 – INCOME TAXES (CONTINUED)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	2020	2019	Change
DTAs Resulting from Book/Income Tax Differences In:		(In millions)	
Ordinary:			
Reserves	$ 647	$ 633	$ 14
Policy acquisition costs	297	282	15
Dividend provision	213	200	13
Liabilities for employees and agents	123	113	10
Pension Accrual	193	151	42
Non admitted assets	32	29	3
Leasehold improvement	2	-	2
Other	45	42	3
Gross ordinary DTA - (admitted and nonadmitted)	$ 1,552	$ 1,450	$ 102
Statutory valuation allowance adjustment - ordinary	-	-	-
Total ordinary DTA - (nonadmitted)	41	4	37
Admitted ordinary DTA	1,511	1,446	65
Capital:			
Impaired securities	99	74	25
Other	3	2	1
Gross capital DTA - (admitted and nonadmitted)	102	76	26
Total capital DTA - (nonadmitted)	-	-	-
Admitted capital DTA	102	76	26
Total admitted DTA	$ 1,613	$ 1,522	$ 91
DTLs Resulting from Book/Income Tax Differences In:			
Ordinary:			
Deferred and uncollected premiums	$ 243	$ 239	$ 4
Advanced premium	75	76	(1)
Reserve transition adjustment (8 Year)	96	115	(19)
Guaranteed dividend	141	132	9
Other invested assets	156	83	73
Reserves 10 year spread	6	8	(2)
Other	50	60	(10)
Ordinary DTL	$ 767	$ 713	$ 54
Capital:			
Unrealized capital gains	65	61	4
Deferred gain	53	53	-
Other	-	1	(1)
Capital DTL	118	115	3
Total DTL	$ 885	$ 828	$ 57
Net admitted DTA/(DTL)	$ 728	$ 694	$ 34

The Change in net deferred income taxes is comprised of the following:

	2020	2019	Change
Adjusted gross deferred tax assets	$ 1,654	$ 1,526	$ 128
Total deferred tax liabilities	885	828	57
Net deferred tax assets (liabilities)	$ 769	$ 698	$ 71
Tax effect of net unrealized gains (losses)			8
Tax effect of other balance change			-
Change in net deferred income tax			$ 79

Certain prior year amounts have been reclassified to conform to the current year presentation.

Changes in net deferred income tax, including changes attributable to changes in tax rates and changes in tax status, if any, shall be recognized as a separate component of gains and losses in unassigned funds (Surplus).

NOTE 8 – INCOME TAXES (CONTINUED)

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant book to tax adjustments causing this difference were the following:

	December 31, 2020 (In millions)	Effective Tax Rate
Net gain from operations after dividends to policyholders and before Federal income tax @ 21%	$ 83	
Net realized capital gains (losses) @ 21%	(49)	
Provision calculated at statutory rate	34	21.00%
Tax effect of:		
Interest maintenance reserve	66	40.76%
Tax Exempt Interest	(5)	-3.09%
Affiliated Dividends	(21)	-12.97%
Affordable Care Act Excise Tax	9	5.56%
Tax Credit	(137)	-84.62%
Realized Loss on Affiliate	26	16.06%
Reserve Surplus Adjustment	(13)	-8.03%
Non-Admitted Assets	(2)	-1.24%
Return to Provision	1	0.62%
Pension Adjustment	(20)	-12.35%
Other	(2)	-1.23%
Total statutory income tax expense/(benefit)	$ (64)	(39.53%)
Federal income taxes incurred	15	9.26%
Change in net deferred income taxes	(79)	(48.79%)
Total statutory income tax expense/(benefit)	$ (64)	(39.53%)

__Operating Loss and Tax Credit Carryforwards__

As of December 31, 2020, the Company does not have any net ordinary loss carryforwards, capital loss carryforwards or tax credit carryforwards.

The following are income taxes incurred in prior years that are available for recoupment in the event of future net losses:

Year	Ordinary	Capital (In millions)	Total
2020	$ -	$ 116	$ 116
2019	-	$ 98	$ 98
2018	-	-	-
Total	$ -	$ 214	$ 214

As of December 31, 2020, the Company does not have any deposits admitted pursuant to the Internal Revenue Code Section 6603.

NOTE 9 – REINSURANCE CEDED

In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding business to reinsurers under various modified coinsurance agreements, coinsurance agreements, and combinations thereof, and yearly renewable term agreements. These agreements provide for reinsurance of selected individual life and disability policies and group life and group health contracts. Under the terms of the modified coinsurance agreements, reserves related to the reinsured business and the corresponding assets are held by the Company. The Company retains the primary obligation to the policyholder for reinsured policies. Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, the Company evaluates the financial condition of its reinsurers in order to minimize its exposure to losses from reinsurer insolvencies.

The effects of these ceding agreements on the components of gain from operations in the accompanying statutory basis statements of operations are as follows:

	2020	2019
	(In millions)	
Premiums, annuity considerations and fund deposits	$ (413)	$ (434)
Commissions and expense allowances (other income)	84	114
Total revenues	(329)	(320)
Benefit payments to policyholders and beneficiaries	(427)	(387)
Net reductions to policy benefit reserves	(3)	(51)
Commissions and operating expenses	(2)	1
Total expenses	(432)	(437)
Net gain on operations from reinsurance ceded	$ 103	$ 117

NOTE 10 – REINSURANCE ASSUMED

The Company enters into various modified coinsurance agreements, coinsurance agreements, and combinations thereof and yearly renewable term agreements that provide reinsurance on life insurance, annuities, credit life, disability insurance, and credit accident and health business. Under the terms of the various reinsurance treaties, the Company assumed (net of retrocession) approximately $2.2 billion face amount of life insurance at December 31, 2020 and $2.8 billion at December 31, 2019. Under the terms of modified coinsurance agreements, reserves related to the reinsured business and the corresponding assets are held by the ceding company.

The Company entered into a coinsurance agreement with BLICOA an affiliated insurance company effective January 1, 2013. Under the agreement, the Company assumed 80% of the net individual disability insurance (IDI) originally ceded to BLICOA from the Company via the July 1, 2001 coinsurance treaty as well as 80% of the IDI and multi-life (ML) business written by BLICOA since the 2001 treaty. The reinsurance is on a funds withheld basis with supporting invested assets remaining in BLICOA.

Also, as part of the terms of the agreement, the Company can request that BLICOA pay an amount equal to the Annual Funds Withheld Increase to the Company. In 2020 the Company did not request that BLICOA pay an amount equal to the Annual Funds Withheld Increase it recorded in 2019. In 2019 the Company did not request that BLICOA pay an amount equal to the Annual Funds Withheld Increase it recorded in 2018.

During 2020, BLICOA's disability claim reserves were strengthened with adjustments to the claim termination rate assumptions. Under the Company's coinsurance agreement with BLICOA, this reserve strengthening resulted in an increase of $62 million in reserves which was recorded as a Change in reserve on account of change in valuation basis in the Statutory Basis Statements of Changes in Policyholders' Surplus.

The Company entered into one Individual Life Yearly Renewable Term reinsurance agreement with an affiliated insurance company GIAC, effective January 1, 2011. The agreement covers GIAC's current form Secondary Guarantee Universal Life and Survivorship Universal Life plans having policy effective dates of January 1, 2011 and later. Reinsurance under the agreement is assumed on an automatic 90% first dollar quota share basis.

NOTE 10 – REINSURANCE ASSUMED (CONTINUED)

The following tables outline the effects of these assumption agreements on the accompanying Statutory Basis Statements of Operations.

Reinsurance Assumed from Affiliates

	2020	2019
	(In millions)	
Premiums, annuity considerations and fund deposits	$ 722	$ 705
Reserve adjustments on reinsurance (other income)	20	36
Total revenues	742	741
Benefit payments to policyholders and beneficiaries	317	307
Net increase to policy benefit reserves	160	130
Commissions and operating expenses	238	233
Total expenses	715	670
Net gain on operations from reinsurance assumed	$ 27	$ 71

Reinsurance Assumed from Non-Affiliates

	2020	2019
	(In millions)	
Premiums, annuity considerations and fund deposits	$ 2	$ 3
Total revenues	2	3
Benefit payments to policyholders and beneficiaries	2	2
Net reductions to policy benefit reserves	(1)	-
Commissions and operating expenses	1	4
Total expenses	2	6
Net loss on operations from reinsurance assumed	$ -	$ (3)

Total Reinsurance Assumed

	2020	2019
	(In millions)	
Premiums, annuity considerations and fund deposits	$ 724	$ 708
Reserve adjustments on reinsurance (other income)	20	36
Total revenues	744	744
Benefit payments to policyholders and beneficiaries	319	309
Net increase to policy benefit reserves	159	130
Commissions and operating expenses	239	237
Total expenses	717	676
Net gain on operations from reinsurance assumed	$ 27	$ 68

NOTE 11 – RELATED PARTY TRANSACTIONS

In 2020 and 2019, the Company made the following capital contributions to its real estate joint ventures which are an addition to Other invested assets in the Statutory Basis Balance Sheets:

	2020	2019
	(In millions)	
Guardian Abbey, LLC	$ -	$ 2
Guardian Springwoods III, LLC	-	7
Troy Court Industrial	5	-
Hanover Mark Center (1)	8	-
Total	$ 13	$ 9

(1) Capital contributions were made by transferring mortgage loan investments.

In 2020 and 2019, the Company made the following capital contributions to its subsidiaries:

	(In millions)	
GIAC	$ 100	$ 100
Guardian Acquisition I, LLC	-	1
Total	$ 100	$ 101

The capital contributions to GIAC were recorded as an addition to Common stock in the Statutory Basis Balance Sheets.

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

In 2020 and 2019, the Company received net returns of capital of $2 million and $13 million, respectively from its real estate joint ventures. These distributions are a reduction to Other invested assets in the Statutory Basis Balance Sheets.

In 2020 and 2019, the Company also received returns of capital from its subsidiaries as follows:

	2020	2019
	(In millions)	
Guardian Acquisition I, LLC	$ -	$ 25
Park Avenue Life Insurance Company	-	13
Total	$ -	$ 38

The return of capital from Guardian Acquisition I, LLC was recorded as a reduction to Other invested assets in the Statutory Basis Balance Sheet in 2019.

The return of capital from Park Avenue Life Insurance Company was recorded as a reduction to Common stock in the Statutory Basis Balance Sheets in 2019.

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

In 2020 and 2019, the Company received the following dividends from its subsidiaries which are recorded as Net investment income in the Statutory Basis Statements of Operations:

	2020	2019
	(In millions)	
BLICOA	$ -	$ 2
Managed Dental Care of California ("MDC")	5	6
Managed Dental Guard of Texas, Inc. (TX)	3	5
FCW	89	51
Innovative Underwriters, Inc.	-	1
	$ 97	$ 65

The Company has expense sharing agreements with its subsidiaries. During 2020 and 2019, the Company had net billings of $449 million and $391 million, respectively under these expense-sharing agreements. Amounts billed to subsidiaries are included in Commissions and operating expenses in the Statutory Basis Statements of Operations. The unpaid net receivable balance due from subsidiaries relevant to these agreements was $56 million and $44 million at December 31, 2020 and December 31, 2019, respectively, and are included in Other assets and Other liabilities in the Statutory Basis Balance Sheets.

On December 31, 2019, Park Avenue Securities LLC ("PAS") was transferred to the Company from GIAC at carrying value of $32.2 million. The Company paid cash of $30 million and recorded a payable of $2.2 million which is included in "Other Liabilities" in the Statutory Basis Balance Sheets.

Effective May 1, 2017, the Company (Lender) has a revolving line of credit agreement with GIAC (Borrower) for $750 million. The terms of the credit agreement state that future drawing, if any,(not at the time overdue) shall bear interest at a rate per annum equal to (a) the Prime Rate plus 1.00% if a PrimeRate Loan or (b) the Eurodollar Rate plus 1.00% if a Eurodollar Rate Loan. In the event any drawing on the line of credit becomes due, whether by acceleration or otherwise, it shall bear interest at a rate per annum equal to the Prime Rate plus 2.00%. Additionally, a commitment fee equal to 0.125% per annum of the amount of this line of credit shall be paid by Borrower to Lender, such amount to be paid in quarterly installments on the last day of each March, June, September and December or on the termination of this line of credit. For Value Received, the Borrower, promises to pay on the maturity date or dates determined by the Lender, the principal sum of $750 million or the aggregate unpaid principal sum of all Loans which the Lender actually makes to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date at a rate computed on the basis of a 360-day year for the actual number of days in each interest period. The line of credit agreement shall have an initial term of 364 days beginning with the date first stated above, and shall automatically renew for successive periods of 364 days, unless the Lender notifies the Borrower of its intention not to renew the line of credit agreement not less than sixty (60) days prior to the expiration of the then existing term. GIAC is in compliance with certain financial covenants imposed by the line of credit agreement. As of December 31, 2020 and 2019, there were no outstanding drawings on the line of credit. Interest income and commitment income of $0.4 million and $0.4 million for the twelve months ended December 31, 2020 and December 31, 2019, respectively, are included in Net investment income in the Statutory Basis Statements of Operations.

NOTE 11 – RELATED PARTY TRANSACTIONS (CONTINUED)

Effective February 27, 2020, the Company (Lender) amended its a revolving line of credit agreement with GIS (Borrower) to increase it from $300 million to $350 million. The terms of the credit agreement state that future drawing, if any, (not at the time overdue) shall bear interest at a rate per annum equal to (a) the Prime Rate plus 1.00% if a Prime Rate Loan or (b) the Eurodollar Rate plus 1.00% if a Eurodollar Rate Loan. In the event any drawing on the line of credit becomes due, whether by acceleration or otherwise, it shall bear interest at a rate per annum equal to the Prime Rate plus 2.00%. Additionally, a commitment fee equal to 0.125% per annum of the amount of this line of credit shall be paid by Borrower to Lender, such amount to be paid in monthly installments no later than the last day of each month or on the termination of this line of credit. For Value Received, the Borrower, promises to pay on the maturity date or dates determined by the Lender, the principal sum of $300 million, or the aggregate unpaid principal sum of all Loans which the Lender actually makes to the Borrower, whichever amount is less, together with interest in arrears payable on each Interest Due Date at a rate computed on the basis of a 360-day year for the actual number of days in each interest period. The line of credit agreement shall have an initial term of 364 days beginning with the date first stated above, and shall automatically renew for successive periods of 364 days, unless the Lender notifies the Borrower of its intention not to renew the line of credit agreement not less than sixty (60) days prior to the expiration of the then existing term. GIS is in compliance with certain financial covenants imposed by the line of credit agreement. As of December 31, 2020, and December 31, 2019, the amount of drawings on the line of credit amounted to $19 million and $31 million respectively and is included in "Cash, cash equivalents, and short-term investments in the Statutory Basis Balance Sheets. Interest income and commitment income of $2 million and $2 million for the twelve months ended December 31, 2020 and December 31, 2019 respectively, are included in Net Investment Income in the Statutory Basis Statements of Operations.

Related Party Commitments:

The Company provides financial guarantees on behalf of some of its subsidiaries and affiliates as listed below. Per the statutory accounting guidance SSAP 5R, a liability has not been recorded on the Company's Statutory Basis Balance Sheets for any of these guarantees.

The Company continues to provide MDC, a subsidiary, a written letter of financial support for $5 million of which $2 million was funded in prior years. This amount was recorded as an additional investment in MDC. The letter was necessary for regulatory purposes in order to guarantee additional capital infusion to its California dental subsidiary as needed. At this time, MDC is not expected to further draw on the remaining $3 million as the subsidiary has $5 million more capital than is required by California.

As of December 31, 2020 and 2019, the Company had no commitments to make capital contributions to its subsidiaries.

Settlement of Intercompany Transactions:

In accordance with NAIC SAP, all transactions between related parties are required to have a written agreement that provides for a timely settlement of amounts owed, including a specific due date. Amounts over ninety days due are to be non-admitted along with any uncollected receivable from a related party that is not part of a written agreement. Written agreements are in place for all intercompany transactions and these written agreements contain specific due dates. As of December 31, 2020, there was no intercompany receivable that was more than 90 days past due.

NOTE 12 – LIABILITY FOR UNPAID CLAIMS AND CLAIM RESERVES

Activity in the liability for unpaid accident and health claims and claim reserves is summarized as follows and is included in Reserves for policy benefits on the Statutory Basis Balance Sheets:

	2020	2019
	(In millions)	
Balance of unpaid claims and claim reserves, net of reinsurance recoverable, at January 1	$ 4,213	$ 4,065
Incurred related to:		
Current year	2,395	2,520
Prior years	(201)	(149)
Affiliated reinsurance	93	64
Total incurred	2,287	2,435
Paid related to:		
Current year	1,456	1,645
Prior years	272	383
Affiliated reinsurance	362	259
Total paid	2,090	2,287
Balance of unpaid claims and claim reserves, net of reinsurance recoverable, at December 31	$ 4,410	$ 4,213

The affiliated reinsurance for the years ended December 31, 2020 and December 31, 2019 is primarily due to an intercompany reinsurance agreement between the Company and BLICOA effective January 1, 2013.

The amount of incurred claims related to prior years was a reduction of $201 million and $149 million for the years ended December 31, 2020 and December 31, 2019, respectively, primarily due to favorable claim experience on the Company's long-term disability reserves, driven by favorable development of both the reported and unreported claim reserves.

Loss / Claim Adjustment Expenses:

The balance in the liability for unpaid accident and health claim adjustment expenses was $100 million and $96 million as of December 31, 2020 and December 31, 2019, respectively. The Company incurred $63 million and paid $60 million of claims adjustment expenses in 2020 of which $18 million of the paid amount was attributable to insured or covered events of prior years. The Company did not increase or decrease the provision for insured events of prior years. Estimated anticipated salvage and subrogation related to the liability for unpaid claims / losses is not material and therefore does not reduce the liability.

The liability for unpaid accident and health claims and claim adjustment expenses represents the Company's best estimate with a margin; however, there may be future adjustments to this estimate and related assumptions. Such adjustments, reflecting any variety of new and adverse trends, could possibly be significant and result in increase in liabilities. As of December 31, 2020, and 2019, the Company had no significant changes in methodologies and assumptions used in calculating the liability. The Company updates its experience study annually for recent company claim experience used to set the liability for unpaid claims.

NOTE 13 – ASO PLANS

The net gain from operations from ASO uninsured plans and the uninsured portion of partially insured plans was as follows during the years ended December 31, 2020 and December 31, 2019:

	2020		
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
		(In millions)	
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 11.1	$ -	$ 11.1
Total net other income or expenses (including interest paid to or received from plans)	2.3	-	2.3
Net gain from operations	$ 8.8	$ -	$ 8.8
Total claim payment volume	546	-	546

	2019		
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
		(In millions)	
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	$ 9.9	$ -	$ 9.9
Total net other income or expenses (including interest paid to or received from plans)	2.1	-	2.1
Net gain from operations	7.8	-	7.8
Total claim payment volume	636	-	636

NOTE 14 – LEASES

Current Leases:
The Company has lease agreements for the rental of real estate that are classified as operating leases. Rental expense for these properties was $36 million for year ended December 31, 2020 and $37 million for the year ended December 31, 2019.

The Company's major office facility leases are primarily used for administrative and business support operations are as follows:

- On December 10, 2020, the Company sold the Appleton facility and recognized a realized gain of $9 million. The Company signed a five-year agreement to lease back the third floor of the location from the new owner. The Company will begin paying rent on the leased space in April 2021 and is obligated to pay approximately $0.7 million in annual base rent plus operating expenses and taxes.
- On September 13, 2017, the Company signed a seventeen-year five-month lease agreement for its New York home office facility. The Company began using the building in the second quarter of 2019 as a replacement of the prior New York home office facility. The Company is obligated to pay approximately $15 million in annual base rent plus operating expenses and taxes. On March 8, 2017, the Company signed a fifteen-year lease agreement for its New Jersey home office facility. The Company began using the building in the first quarter of 2018 and is obligated to pay approximately $3 million in annual base rent plus operating expenses and taxes.
- On August 11, 2016, the Company signed a ten-year lease agreement for its Spokane home office facility. The Company began using the building in March 2017 and is obligated to pay approximately $1 million in annual base rent which includes operating expenses and taxes.
- On January 26, 2015, the Company signed a twenty-year lease agreement with GLICA Bethlehem, LLC. Under the terms of the lease agreement GLICA Bethlehem, LLC built an office building in Bethlehem, PA according to specifications provided by the Company. The Company began using the building in June 2016 and is obligated to pay approximately $5 million in annual base rent plus operating expenses and taxes.

The following is a schedule by year of the minimum rental payments due under the leases:

	(In millions)
Year ending December 31,	
2021	36
2022	34
2023	32
2024	30
Total	$ 132

The minimum aggregate sublease income is as follows:

	(In millions)
Year ending December 31,	
2021	5
2022	4
2023	4
2024	3
Total	$ 16

The Company guarantees the leases for some of its agents. The fair value of the guarantees as of December 31, 2020 is estimated to be $1 million. The remaining estimated lease obligations that are guaranteed as of December 31, 2020 is $21 million.

NOTE 14 – LEASES (CONTINUED)

Expired Lease:

In June 1998, the Company executed a 21-year lease for its New York home office facility. A portion of the property was subleased to tenants under lease terms that expired during 2019. The lease was classified as operating. Rental expense for the property was $16 million for the year ended December 31, 2019. Sublease income was $10 million for the year ended December 31, 2019.

On January 9, 2017, the Company exercised its purchase option on the building. During 2019, the Company sold the purchase option to a non-affiliated entity and recognized a realized gain of $151 million (see Note 3).

NOTE 15 – COMMITMENTS

Commitments to fund real estate, private equities, mortgage loans, investment tax credits, and private placements in the normal course of business totaled $1,641 million and $1,661 million as of December 31, 2020 and December 31, 2019, respectively.

NOTE 16 – LITIGATION

The Company is engaged in various disputes, litigations, governmental regulatory inquiries and other proceedings arising out of its business operations. These matters could result in losses, monetary damages, fines penalties or changes in the business operations of the Company. Due to the uncertainties inherent in these disputes, it is difficult to determine the ultimate loss the Company will experience. The Company evaluates each matter and establishes an accrual where a loss is probable and the amount can be reasonably estimated. In the opinion of Management, based on current information at December 31, 2020, any losses resulting from such disputes would not have a material adverse effect on the financial position of the Company.

The Company also evaluates these matters for a reasonably possible range of loss. Due to the uncertainties inherent in these matters, such as timing of discovery and court decisions, the Company is not able to ascertain a reasonably possible range of loss for each matter. In the opinion of Management, as of December 31, 2020, the aggregate range of reasonably possible loss for those matters it is able to provide an estimate for is not material to the Company's financial position.

NOTE 17 – LINES OF CREDIT

The Company became a member of the FHLBNY on February 13, 2018. Membership allows the Company access to the FHLBNY's financial services, including the ability to obtain collateralized loans and to issue collateralized funding agreements. The Company's strategy is to utilize these funds as a source to improve spread lending liquidity and as a source of backup liquidity. FHLBNY borrowings and funding agreements are currently collateralized by qualifying mortgage loans but can also be collateralized with qualifying corporate bonds or U.S. Treasury securities, the fair value of which must be maintained at certain specified levels relative to outstanding borrowings. FHLBNY membership requires the Company to own member stock in the amount of 12.5 bps of the Company's assets which is remeasured annually based on the prior years December 31 balance. This capital is locked up for five years should the Company decide to end its membership. Borrowings require the purchase of activity-based stock in an amount equal to 4.5% of outstanding borrowings. All FHLBNY stock purchased by the Company is classified as restricted general account investments within "Common stocks," and the carrying value of these investments was $33 million and $13 million as of December 31, 2020 and December 31, 2019, respectively. The Company's capacity to borrow is limited to 5% of admitted assets which is the regulatory limit on the amount of collateral that a New York domiciled insurance company can pledge for a loan. As of December 31, 2020 and December 31, 2019, that limit was approximately $3,402 million and $3,110 million, respectively. As of December 31, 2020 and December 31 2019, the Company had pledged assets with a fair value of $853 million and $52 million supporting outstanding funding agreements totaling $500 million and $36 million, which are included in "Policyholder dividends payable and other contract liabilities," respectively. The $500 million in outstanding funding agreement are due on April 26, 2025.

NOTE 18 – POLICYHOLDERS' SURPLUS

There were no special contingency reserves included in policyholder's surplus at December 31, 2020 or December 31, 2019. The Company holds other reserves totaling $4 million at December 31, 2020 and December 31, 2019, respectively as required by New York State law for aviation business and Arkansas permanent surplus requirements and $44 million at December 31, 2019 as mandated by the Patient Protection and Affordable Care Act ("PPACA"). Surplus at December 31, 2020 and December 31, 2019 is as follows:

	2020	2019
	(In millions)	
Accumulated earnings	$ 9,433	$ 8,981
Unrealized loss - common stock	(346)	(191)
Asset valuation reserve	(1,132)	(1,071)
Nonadmitted asset values	(199)	(151)
Total unassigned surplus	7,756	7,568
State required segregated surplus	4	48
Surplus	$ 7,760	$ 7,616

NOTE 19 – FINANCIAL INFORMATION

The following reconciles the New York SAP net income and surplus of Guardian as reported to regulatory authorities to consolidated GAAP income and GAAP equity:

	2020	2019
	(In millions)	
Statutory net income	$ 147	$ 549
Adjustments to GAAP basis:		
Realized capital gains	330	472
Change in deferred policy acquisition costs	(429)	(50)
Future policy benefits	(1,058)	(1,111)
Elimination of IMR amortization	(58)	(53)
Establishment of deferred federal and state income taxes	185	51
Service fees	1,102	1,070
Policyholder dividends	32	-
Elimination of interest on affiliate reinsurance	(156)	(155)
Other	37	(2)
Consolidated GAAP income	$ 132	$ 771

NOTE 19 – FINANCIAL INFORMATION (CONTINUED)

	2020	2019
	(In millions)	
Statutory surplus	$ 7,760	$ 7,616
Adjustments to GAAP basis:		
Capitalization of deferred policy acquisition costs	1,798	2,852
Deferred software costs	26	23
Future policy benefits	(9,062)	(8,555)
Elimination of IMR	703	390
Elimination of AVR	1,132	1,071
Establishment of additional deferred federal income taxes	(1,924)	(1,601)
Policyholder dividends	503	470
Notes payable	(3,497)	(3,136)
Unrealized gains on investments and GAAP adjustments of affiliates	19,188	15,526
Consolidated GAAP equity	$ 16,627	$ 14,656

NOTE 20 – SURPLUS NOTES

The Company has issued various Surplus Notes ("the Notes") to unrelated third parties pursuant to Rule 144A under the Securities Act of 1933, as amended, and are administered by The Bank of New York Mellon as fiscal agent. Interest on each of the Notes is scheduled to be paid semiannually on the interest paid dates listed in the table below. All of the Notes are unsecured and subordinated to all present and future indebtedness, policy claims and other creditor claims of the Company. Under New York Insurance Law, the Notes are not part of the legal liabilities of the Company. The Notes do not repay principal prior to maturity, and each payment of interest or principal may be made only with the prior approval of the Superintendent and only out of surplus funds that the Superintendent determines to be available for such payments under New York Insurance Law. Provided that approval is granted by the Superintendent, the Notes may be redeemed at the option of the Company (in whole or in part) at the "make-whole" redemption price equal to the greater of the principal amount of the Notes to be redeemed, or the sum of the present value of the remaining scheduled interest and principal payments, excluding the accrued interest as of the date on which the Notes are to be redeemed, discounted to the redemption date on a semi-annual basis at an adjusted treasury rate plus varying basis points. The Surplus Note issuances were not structured in a manner where typical cashflows have been reduced or eliminated.

The following table summarizes the Notes issued by the Company:

Date Issued	Interest Rate	Principal Balance	Cash Proceeds Received	Maturity Date	Face (Par) Value of Note	Carrying Value of Note	Interest Paid Dates		Interest Paid Current Year 12/31/2020	Interest Paid Life-to-date 12/31/2020
10/6/2009[1]	7.375%	400.0	392.4	9/30/2039	233.1	231.6	March 31	September 30	17.0	290.0
6/19/2014	4.875%	450.0	444.6	6/19/2064	450.0	448.7	June 19	December 19	22.0	143.0
1/24/2017 [1]	4.850%	350.0	343.6	1/24/2077	579.3	520.3	January 24	July 24	28.0	92.0
1/22/2020	3.700%	300.0	293.9	1/22/2070	300.0	296.6	January 22	July 22	5.6	5.6
Total Surplus Notes		$ 1,500.0	$ 1,474.5		$ 1,562.4	$ 1,497.2			$ 72.6	$ 530.6

(1) The Company completed an exchange in which it issued additional 1/24/2017 Notes ("2017 Notes") in exchange for redeemed 10/6/2009 Notes ("2009 Notes"). They were settled predominately on December 27, 2017 with a minimal amount settling on January 8, 2018. The 2009 Notes had a principal balance of $166.9 million (carrying value $165.7 million) and the additional 2017 Notes had a principal balance of $229.3 million (carrying value $170.5 million). Of the $63.6 million discount at the time of the exchange, $4.8 million pertaining to inducement for note holders to exchange their notes was recorded as an expense on the transaction date along with an increase to the carrying value of the 2017 Notes. The remaining $58.8 million will be charged to the Statutory Basis Statements of Operations over the life of the 2017 Notes.

NOTE 21 – AFFORDABLE CARE ACT FEE

The health insurance industry assessment mandated by the PPACA Act of 2010 was levied on health insurers beginning in 2014 based on a ratio of an insurer's net health insurance premiums written for the previous calendar year compared to the total premiums written by U.S. health insurance industry for that year. The Consolidated Appropriations Act 2016 imposed a suspension for the 2019 calendar year and repeal after the 2020 fee year. Therefore, no liability was established for the 2019 calendar year, but an estimate of $44 million was segregated in surplus. The 2020 assessment of $41 million, based on $2,180 million of dental and vision premiums written in 2019, was paid in September 2020. There will be no fee after the 2020 calendar year.

NOTE 22 – PANDEMIC SUPPORT PROGRAM

In May 2020, the Company introduced the Pandemic Support Program to fully insured dental and/or vision customers. One element of the program provides a one-month premium credit to customers which was applied in August 2020 or to the first bill following renewal. During 2020, the Company recognized reductions in premium of $35 million related to the premium credits.

NOTE 23 – SUBSEQUENT EVENTS

The Company considers events occurring after the balance sheet date but prior to February 26, 2021, the issuance of the financial statements, to be subsequent events requiring disclosure. There were no subsequent events for the year ended December 31, 2020.

Guardian Life Insurance Company of America
Annual Statement for the Year Ended December 31, 2020
Schedule 1 - Selected Financial Data

The following is a summary of certain financial data included in other exhibits and schedules subjected to audit procedures by independent auditors and utilized by actuaries in the determination of reserves.

		2020 Annual Statement References
Investment Income Earned		Exhibit of Net Investment Income
Government Bonds	$ 27,298,107	
Bonds Exempt From US Tax		
Other Bonds (unaffiliated)	1,724,135,008	
Bonds of Affiliates		
Preferred Stocks (unaffiliated)		
Preferred Stocks of Affiliates		
Common Stocks (unaffiliated)	8,247,697	
Common Stocks of Affiliates	97,210,960	
Mortgages Loans	203,755,907	
Real Estate	61,457,709	
Contract Loans	277,401,537	
Cash/Short-term Investments	8,044,961	
Derivative Instruments	2,097,761	
Other Invested Assets	190,324,236	
Aggregate Write-Ins for Investment Income	1,927,473	
Gross Investment Income	$ 2,601,901,355	
Real Estate Owned - Book Value less Encumbrances	$ 280,145,314	Schedule A - Part 1
Mortgage Loans - Book Value:		
Farm Mortgages	$ -	Schedule B - Part 1
Residential Mortgages	-	
Commercial Mortgages	4,815,515,589	
Total Mortgage Loans	$ 4,815,515,589	
Mortgage Loans by Standing - Book Value:		
Good Standing	4,815,515,589	Schedule B, Part 1
Good Standing with Restructured Terms	-	Schedule B, Part 1
Interest overdue more than 90 days, not in foreclosure	-	Schedule B, Part 1
Foreclosure in Process	-	Schedule B, Part 1
Other Long Term Assets - Statement Value	3,394,307,860	Schedule BA, Part 1
Bonds and Stocks of Parents, Subsidiaries and Affiliates - Book Value		Schedule D - Summary by Country
Bonds	$ 47,972,078,135	
Preferred Stocks	-	
Common Stocks	$ 1,323,785,130	

Schedule 1 - Selected Financial Data - Continued

		2020 Annual Statement References
Bonds and Short Term Investments by Class & Maturity		Schedule D, Part 1A Sec 1
Bonds by Maturity - Statement Value		
Due within one year or less	$ 1,898,380,173	
Over 1 year through 5 years	10,239,298,492	
Over 5 years through 10 years	13,427,727,433	
Over 10 years through 20 years	5,516,866,541	
Over 20 years	17,152,445,452	
No Maturity Date	214,792,150	
Total by Maturity	$ 48,449,510,241	
Bonds by Class - Statement Value		
Class 1	$ 26,243,840,778	
Class 2	18,994,073,814	
Class 3	1,138,723,442	
Class 4	1,701,176,259	
Class 5	347,574,487	
Class 6	24,121,461	
Total by Class	$ 48,449,510,241	
Total Bonds Publicly Traded	32,582,306,665	
Total Bonds Privately Placed	15,867,203,576	
Preferred Stocks - Statement Value	-	Schedule D, Part 2, Sec. 1
Common Stocks - Market Value	1,323,785,131	Schedule D, Part 2, Sec. 2
Short Term Investments - Book Value	163,450,247	Schedule DA, Part 1
Options, Caps Floors, Collars, Swaps and Forwards	(80,697,721)	Schedule DB, Part A,
Futures Contracts	41,983,745	Schedule DB, Part B,
Cash on Deposit	(55,856,023)	Schedule E, Part 1
Life Insurance In Force		Exhibit of Life Insurance
Industrial	-	
Ordinary	405,157,159	
Credit Life	-	
Group Life	3,295,919	
Amount of Accidental Death Insurance In Force Under		
Ordinary Policies	967,588	Exhibit of Life Insurance
Life Insurance Policies with Disability Provisions In Force		Exhibit of Life Insurance
Industrial	-	
Ordinary	217,841,200	
Credit Life	-	
Group Life	291,050,561	
Supplementary Contracts In Force		Exhibit of Number of Policies,
Ordinary - Not Involving Life Contingencies	-	Contracts,Certificates,Income Payable,
Amount on Deposit	349,093,642	Account Values In Force for Supplementary
Income Payable	74	Contracts, Annuities, A&H and Other Policies
Ordinary - Involving Life Contingencies		
Income Payable	367	

Schedule 1 - Selected Financial Data - Continued

		2020 Annual Statement References
Group - Not Involving Life Contingencies		
Amount on Deposit	33,631,453	
Income Payable	-	
Group - Involving Life Contingencies		
Amount on Deposit	-	
Income Payable	-	
Annuities - Ordinary		Exhibit of Number of Policies,
Immediate - Amount of Income Payable	436,959	Contracts,Certificates,Income Payable,
Deferred - Fully Paid Account Balance	53,804,837	Account Values In Force for Supplementary
Deferred - Not Fully Paid - Account Balance	114,850,528	Contracts, Annuities, A&H and Other Policies
Annuities - Group		
Amount of Income Payable	54,942	Exhibit of Number of Policies,
Fully Paid Account Balance	-	Contracts,Certificates,Income Payable,
Not Fully Paid - Account Balance	-	Account Values In Force for Supplementary
		Contracts, Annuities, A&H and Other Policies
Accident and Health Insurance - Premiums In Force		
Ordinary	-	
Group	3,336,436,892	
Credit	-	
Other	536,895,176	
Deposit Funds and Dividend Accumulations		Exhibit of Number of Policies,
Deposit Funds - Account Balance	22,904,212	Contracts,Certificates,Income Payable,
Dividend Accumulations - Account Balance	92,351,615	Account Values In Force for Supplementary
		Contracts, Annuities, A&H and Other Policies
Claim Payments 2020		Schedule O, Part 1
Group Accident and Health Year - Ended December 31, 2015		Section A
2020	1,439,088	
2019	1,832,570	
2018	1,828,374	
2017	1,806,166	
2016	1,806,498	
Prior	767,632	
Other Accident & Health		Section B
2020	43,937	
2019	69,459	
2018	86,892	
2017	100,350	
2016	103,925	
Prior	894,326	
Credit Accident & Health	-	Section C
2020	-	
2019	-	
2018	-	
2017	-	
2016	-	
Prior	-	

Schedule 1 - Selected Financial Data - Continued

		2020 Annual Statement References
Other Coverages that use developmental methods to calculate		
Claims Reserves:		Section D
2020	-	
2019	-	
2018	-	
2017	-	
2016	-	
Prior	-	
Other Coverages that use developmental methods to calculate		
Claims Reserves:		Section E
2020	-	
2019	-	
2018	-	
2017	-	
2016	-	
Prior	-	
Other Coverages that use developmental methods to calculate		
Claims Reserves:		Section F
2020	-	
2019	-	
2018		
2017	-	
2016	-	
Prior	-	
Other Coverages that use developmental methods to calculate		
Claims Reserves:		Section G
2020	-	
2019	-	
2018	-	
2017	-	
2016	-	
Prior	-	

The Guardian Life Insurance Company of America
Investments of Reporting Entities
December 31, 2020

Section 2 Investment Risk Interrogatories

Answer the following interrogatories by stating the applicable U.S dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of the annual statement.
68,044,367,654.00

2. Ten largest exposures to a single issuer/borrower/investment.

	Issuer	Description of Exposure		Amount	Percentage of Total Admitted Assets
2.01	GUARDIAN INVESTOR SERVICES	AFFILIATED LLC	$	593,940,241	0.9%
2.02	GUARDIAN INS & ANNUITY CO.	AFFILIATED STOCK	$	526,956,095	0.8%
2.03	FIRST COMMONWEALTH	AFFILIATED STOCK	$	406,091,546	0.6%
2.04	CITIGROUP INC	BONDS	$	290,793,194	0.4%
2.05	UNITED HEALTHCARE	BONDS	$	284,585,093	0.4%
2.06	HOME DEPOT INC	BONDS	$	277,058,444	0.4%
2.07	SHELL INTERNATIONAL FIN	BONDS	$	276,895,499	0.4%
2.08	BRISTOL-MYERS SQUIBB CO	BONDS	$	263,385,018	0.4%
2.09	BAFC 2004-2	BONDS	$	258,558,435	0.4%
2.10	AT&T INC	BONDS	$	255,862,053	0.4%

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating:

	Bonds		Amount	% of Total Admitted Assets	Preferred Stocks		Amount	% of Total Admitted Assets
3.01	NAIC-1	$	26,243,840,778	38.6%	P/RP-1	$	-	-%
3.02	NAIC-2	$	18,994,073,814	27.9%	P/RP-2	$		-%
3.03	NAIC-3	$	1,138,723,442	1.7%	P/RP-3	$		-%
3.04	NAIC-4	$	1,701,176,259	2.5%	P/RP-4	$		-%
3.05	NAIC-5	$	347,574,487	0.5%	P/RP-5	$		-%
3.06	NAIC-6	$	24,121,461	-%	P/RP-6	$	-	-%

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assts?
Yes [ ] No [X]

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

4.02	Total admitted assets held in foreign investments	$	8,117,577,195	11.9%
4.03	Foreign-currency-denominated investments	$	1,457,945,922	2.1%
4.04	Insurance liabilities denominated in that same foreign currency	$	-	-%

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

		1	2
5.01 Countries rated NAIC-1	$	7,665,591,622	11.3%
5.02 Countries rated NAIC-2	$	385,883,498	0.6%
5.03 Countries rated NAIC-3 or below	$	66,102,075	0.1%

6. Largest foreign investment exposures to a single country, categorized by NAIC sovereign rating:

		1	2
Countries rated NAIC-1			
6.01 Country: UNITED KINGDOM	$	2,147,592,418	3.2%
6.02 Country: AUSTRALIA	$	1,375,365,325	2.0%
Countries rated NAIC-2:			
6.03 Country: MEXICO	$	311,600,171	0.5%
6.04 Country: PANAMA	$	33,892,669	0.0%
Countries rated NAIC-3 or below			
6.05 Country: COSTA RICA	$	16,269,267	-%
6.06 Country: TRINIDAD AND TOBAGO	$	13,324,590	-%

7. Aggregate unhedged foreign currency exposure:	$	-	-%

8. Aggregate unhedged foreign currency exposure categorized by the country's NAIC sovereign rating:

		1	2
8.01 Countries rated NAIC-1	$		-%
8.02 Countries rated NAIC-2	$		-%
8.03 Countries rated NAIC-3 or below	$	-	-%

9. Largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:

		1	2
Countries rated NAIC-1:			
9.01 Country:	$		-%
9.02 Country:	$		-%
Countries rated NAIC-2:			
9.03 Country:	$		-%
9.04 Country:	$		-%
Countries rated NAIC-3 or below			
9.05 Country:	$	-	-%
9.06 Country:	$	-	-%

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	Issuer	NAIC		3	4
10.01	SHELL INTERNATIONAL FIN	1.D FE	$	276,895,499	0.4%
10.02	VODAFONE GRP	2.B FE	$	165,105,594	0.2%
10.03	SUMITOMO MITSUI FINL GRP	1.G FE	$	149,013,659	0.2%
10.04	COMMONWEALTH BANK AUST	1.D FE	$	115,668,779	0.2%
10.05	HSBC HOLDINGS PLC	1.F FE	$	113,724,523	0.2%
10.06	AMERICAN MOVIL SA DE CV	2.A FE	$	110,542,125	0.2%
10.07	MITSUBISHI UFJ FIN GRP	1.G FE	$	102,556,771	0.2%
10.08	SIEMENS FINANCIERINGSMAT	1.E FE	$	100,362,718	0.1%
10.09	STATOILHYDRO ASA- SPON ADR	1.D FE	$	97,472,825	0.1%
10.10	EQUINOR ASA	1.D FE	$	93,544,946	0.1%

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure.

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11

11.02	Total admitted assets held in Canadian investments	$	-	-%
11.03	Canadian-currency-denominated investments	$	-	-%
11.04	Canadian-denominated insurance liabilities	$	-	-%
11.05	Unhedged Canadian currency exposure	$	-	-%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	1		2	3
12.02	Aggregate statement value of investments with contractual sales restrictions Largest three investments with contractual sales restrictions:			
		$	-	-%
12.03		$	-	-%
12.04		$	-	-%
12.05		$	-	-%

13. Amounts and percentages of admitted assets held in the largest ten equity interests:

13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 13.01 is yes, responses are not required for the remainder of Interrogatory 13.

	1 Name of Issuer		2	3
13.02		$		0.0%
13.03		$		0.0%
13.04		$		0.0%
13.05		$		
13.06		$		0.0%
13.07		$		0.0%
13.08		$		-%
13.09		$		-%
13.10		$		-%
13.11		$		-%

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01. Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets?
Yes [ ] No [X]

If response to 14.01 is yes, responses are not required for the remainder of Interrogatory 14.

	1		2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities Largest three investments held in nonaffiliated, privately placed equities:	$	1,842,108,191	2.6%
14.03	HarbourVest Partners	$	139,575,894	0.2%
14.04	Foundry Group	$	114,537,926	0.2%
14.05	57 Stars	$	105,247,272	0.2%

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

	1		2	3
15.02		$		-%
15.03		$		-%
15.04		$		-%
15.05		$		-%

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets?
Yes [ ] No [X]

If response to 16.01 is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	Type (Residential, Commercial, Agriculature)		2	3
16.02	COMMERCIAL	$	201,125,000	0.3%
16.03	COMMERCIAL	$	185,178,390	0.3%
16.04	COMMERCIAL	$	195,000,000	0.3%
16.05	COMMERCIAL	$	100,000,000	0.3%
16.06	COMMERCIAL	$	111,500,000	0.2%
16.07	COMMERCIAL	$	115,860,000	0.2%
16.08	COMMERCIAL	$	106,382,150	0.2%
16.09	COMMERCIAL	$	96,825,000	0.2%
16.10	COMMERCIAL	$	111,300,000	0.1%
16.11	COMMERCIAL	$	90,000,000	0.1%

Amount and percentages of the reporting entity’s total admitted assets held in the following categories of mortgage loans:

			Loans	
16.12	Construction Loans	$	82,502,503	-%
16.13	Mortgage loans over 90 days past due	$	-	-%
16.14	Mortgage loans in the process of foreclosure	$	-	-%
16.15	Mortgage loans foreclosed	$	-	-%
16.16	Restructured mortgage loans	$	-	-%

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as

			Residential			Commercial			Agriculature	
	Loan-to-Value		1	2		3	4		5	6
17.01	above 95%	$	-	-%	$		-%	$	-	-%
17.02	91% to 95%	$	-	-%	$		-%	$	-	-%
17.03	81% to 90%	$	-	-%	$	15,700,000	-%	$	-	-%
17.04	71% to 80%	$	-	-%	$		-%	$	-	-%
17.05	below 70%	$	-	-%	$	4,799,815,589	7.8%	$	-	-%

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 18.01. is yes, responses are not required for the remainder of Interrogatory 18

Largest five investments in any one parcel or group of contiguous parcels of real estate.

	Description 1		2	3
18.02		$		-%
18.03		$		-%
18.04		$		-%
18.05		$		-%
18.06		$		-%

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans: 0 0.00%

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets?
Yes [X] No [ ]

If response to 19.01 above is yes, responses are not required for the remainder of Interrogatory 19.

	1		2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loadns:			
	Largest three investments held in mezzanine real $	$	-	-%
19.03		$	-	-%
19.04		$	-	-%
19.05		$	-	-%

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

		At Year-end		At End of Each Quarter		
				1st Qtr	2nd Quarter	3rd Quarter
		1	2	3	4	5
20.01	Securities lending (do not include assets held as collateral for such transactions)	$ -	-%	$ -	$ -	$ -
20.02	Repurchase agreements	$ -	-%	$ -	$ -	$ -
20.03	Reverse repurchase agreements	$ -	-%	$ -	$	$ -
20.04	Dollar repurchase agreements	$ -	-%	$ -	$ -	$ -
20.05	Dollar reverse repurchase agreements	$ -	-%	$ -	$ -	$ -

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floor:

	Owned		Written	
	1	2	3	4
21.01 Hedge	$ -	-%	$ -	-%
21.02 Income generation	$ -	-%	$ -	-%
21.03 Other	$ -	-%	$ -	-%

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	At Year-end		At End of Each Quarter		
			1st Quarter	2nd Qtr	3rd Qtr
	1	2	3	4	5
22.01 Hedging	$ 21,445,931	0.0%	$ 20,395,284	$ 20,065,646	$ 20,217,722
22.02 Income generation	$ -	0.0%	$ -	$ -	$
22.03 Replications	$ -	0.0%	$ 4,571,502	$ 3,250,298	$ 197,717
22.04 Other	$	0.0%	$ -	$ -	$ -

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for future contracts:

	At Year-end		At End of Each Quarter		
			1st Quarter	2nd Quarter	3rd Quarter
	1	2	3	4	5
23.01 Hedging	$ 68,925,590	0.0%	$ 20,046,475	$ 49,606,300	$ 58,738,290
23.02 Income generation	$ -	0.0%	$ -	$ -	$ -
23.03 Replications	$ -	0.0%	$ -	$ -	$ -
23.04 Other	$ -	0.0%	$ -	$ -	$ -

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA
As of December 31, 2020

Appendix A-001
Section SI01. Summary Investment Schedule

Investment Categories	Gross Investment Holdings*		Admitted Assets as Reported in the Annual Statement			
	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage
1. Bonds:						
1.1 US Treasury Securities	1,657,967,279	2.669%	$ 1,657,967,279		$ 1,657,967,279	2.670%
1.2 US Government agency and corporate obligations (excluding mortgage-backed securities):	155,000,000	0.250%	155,000,000		155,000,000	0.250%
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	224,931,169	0.362%	224,931,169		224,931,169	0.362%
1.4 Securities issued by states, territories and possessions and political subdivisions in the US:	172,505,655	0.278%	172,505,655		172,505,655	0.278%
1.5 Long-Term Bonds U.S. special revenue and special assessment obligations, etc. non-guaranteed	1,469,087,607	2.365%	1,469,087,607		1,469,087,607	2.366%
1.6 Long-Term Bonds (Schedule D, Part 1): Industrial and miscellaneous	42,331,251,109	68.155%	42,331,251,109		42,331,251,109	68.168%
1.7 Long-Term Bonds (Schedule D, Part 1): Hybrid securities	5,033,412	0.008%	5,033,412		5,033,412	0.008%
1.8 Long-Term Bonds (Schedule D, Part 1): Parent, subsidiaries and affiliates		-%	-		-	-%
1.9 Long-Term Bonds (Schedule D, Part 1): SVO identified funds	214,792,150	-%	214,792,150		214,792,150	-%
1.10 Long-Term Bonds (Schedule D, Part 1): Unaffiliated Bank loans	1,741,509,754	2.804%	1,741,509,754		1,741,509,754	2.804%
1.11 Long-Term Bonds (Schedule D, Part 1): Total long-term bonds	**47,972,078,135**	**77.237%**	**47,972,078,135**		**47,972,078,135**	77.252%
2. Other debt and other fixed income securities (excluding short term):						
2.01 Preferred stocks (Schedule D, Part 2, Section 1): Industrial and miscellaneous (Unaffiliated)	-	-%	-		-	-%
2.02 Preferred stocks (Schedule D, Part 2, Section 1): Parent, subsidiaries and affiliates	-	-%	-		-	-%
2.03 Preferred stocks (Schedule D, Part 2, Section 1): Total preferred stocks	-	-%	-		-	-%
3. Equity interests:						
3.01 Common stocks (Schedule D, Part 2, Section 2): Industrial and miscellaneous Publicly traded (Unaffiliated)	103,369	0.000%	103,369		103,369	0.000%
3.02 Common stocks (Schedule D, Part 2, Section 2): Industrial and miscellaneous Other (Unaffiliated)	33,682,060	0.054%	33,682,060		33,682,060	0.054%
3.03 Common stocks (Schedule D, Part 2, Section 2): Parent, subsidiaries and affiliates Publicly traded		-%	-		-	-%
3.04 Common stocks (Schedule D, Part 2, Section 2): Parent, subsidiaries and affiliates Other	1,211,758,294	1.951%	1,205,028,247		1,205,028,247	1.941%
3.05 Common stocks (Schedule D, Part 2, Section 2): Mutual funds	78,241,407	0.126%	78,241,407		78,241,407	0.126%
3.06 Common stocks (Schedule D, Part 2, Section 2): Unit investment trusts	-	-%	-		-	-%
3.07 Common stocks (Schedule D, Part 2, Section 2): Closed-end funds	-	-%	-		-	-%
3.08 Common stocks (Schedule D, Part 2, Section 2): Total common stocks	**1,323,785,130**	**2.131%**	**1,317,055,083**		**1,317,055,083**	2.121%
4. Mortgage loans:						
4.01 Mortgage loans (Schedule B): Farm mortgages	-	-%	-		-	-%
4.02 Mortgage loans (Schedule B): Residential mortgages	-	-%	-		-	-%
4.03 Mortgage loans (Schedule B): Commercial mortgages	4,815,515,589	7.753%	4,815,515,589		4,815,515,589	7.755%
4.04 Mortgage loans (Schedule B): Mezzanine real estate loans	-	-%	-		-	-%
4.05 Mortgage loans (Schedule B): Total mortgage loans	**4,815,515,589**	**7.753%**	**4,815,515,589**		**4,815,515,589**	7.755%
5. Real Estate Investments:						
5.01 Real estate (Schedule A): Properties occupied by company	3,021	0.000%	3,021		3,021	0.000%
5.02 Real estate (Schedule A): Properties held for production of income	280,142,294	0.451%	280,142,294		280,142,294	0.451%
5.03 Real estate (Schedule A): Properties held for sale	-	-%	-		-	-%
5.04 Real estate (Schedule A): Total real estate	**280,145,314**	**0.451%**	**280,145,315**		280,145,315	0.451%
6. Cash					-	
6.01 Cash, cash equivalents and short-term investments: Cash (Schedule E, Part 1)	(55,856,023)	-0.090%	(55,856,023)		(55,856,023)	-0.090%
6.02 Cash, cash equivalents and short-term investments: Cash equivalents (Schedule E, Part 2)	313,981,866	0.506%	313,981,866		313,981,866	0.506%
6.03 Cash, cash equivalents and short-term investments: Short-term investments (Schedule DA)	163,450,247	0.263%	163,450,247		163,450,247	0.263%
6.04 Cash, cash equivalents and short-term investments: Total cash, cash equivalents and short-term investments	**421,576,090**	**0.679%**	**421,576,090**		**421,576,090**	0.679%
7 Contract loans	3,810,663,319	6.135%	3,809,542,003		3,809,542,003	6.135%
8 Derivatives (Schedule DB)	16,655,449	0.027%	16,655,449		16,655,449	0.027%
9 Other invested assets (Schedule BA)	3,394,307,866	5.465%	3,390,215,206		3,390,215,206	5.459%
10 Receivables for securities	75,498,754	0.122%	75,498,754		75,498,754	0.122%
11 Securities Lending (Schedule DL, Part 1)	-	-%	-		-	-%
12 Other invested assets (Page 2, Line 11)	-	-%	-		-	-%
13. Total Invested Assets	**$ 62,110,225,646**	**100%**	**$ 62,098,281,623**		**$ 62,098,281,623**	**100%**

* Gross Investment Holdings as valued in compliance with NAIC Accounting Practices & Procedures Manual