



**THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA**

*Information Memorandum*

*Dated as of June 8, 2023*

*For Informational Purposes Only.*

*The information contained herein does not constitute an offer to sell any products or services*

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, 2022, 2021 and 2020” on page 75 of the Offering Memorandum:

### SUMMARY OF CERTAIN FIRST QUARTER FINANCIAL INFORMATION

Results of Operations—For the Three Months Ended March 31, 2023 compared to the Three Months Ended March 31, 2022.

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

	Three Months Ended March 31,		
	2023	2022	Change
	(\$ in Millions)		
<b>Revenues:</b>			
Premiums, annuity considerations and fund deposits.....	\$ 2,832	\$ 2,749	\$ 83
Net investment income.....	674	570	104
Amortization of IMR.....	11	15	(4)
Other income.....	79	43	36
Total revenue.....	<u>\$ 3,596</u>	<u>\$ 3,377</u>	<u>\$ 219</u>
<b>Benefits and expenses:</b>			
Benefit payments to policyholders and beneficiaries.....	\$ 1,392	\$ 1,316	\$ 76
Net increase to policy benefit reserves.....	1,424	1,458	(34)
Commissions and operating expenses.....	419	373	46
Total benefits and expenses.....	<u>\$ 3,235</u>	<u>\$ 3,147</u>	<u>\$ 88</u>
Income from operations before policyholder dividends and taxes.....	361	230	131
Policyholder dividends.....	(325)	(282)	(43)
Income from operations before taxes and realized capital losses.....	\$ 36	\$ (52)	\$ 88
Income tax (expense)/benefit.....	(17)	2	(19)
Income from operations before net realized capital losses.....	<u>\$ 19</u>	<u>\$ (50)</u>	<u>\$ 69</u>
Net realized capital (losses) after taxes and transfers to Interest Maintenance Reserve.....	(13)	(31)	18
Net income.....	<u><u>\$ 6</u></u>	<u><u>\$ (81)</u></u>	<u><u>\$ 87</u></u>

#### **Net Income**

Guardian’s statutory net income was \$6 million for the three months ended March 31, 2023, an \$87 million increase from the \$81 million net loss for the three months ended March 31, 2022, primarily due to higher premiums, annuity considerations and fund deposits, higher net investment income, and lower net increases to policy benefit reserves. These increases to statutory net income are partially offset by higher benefit payments to policyholders and beneficiaries, commissions and operating expenses, and income tax expense.

Total revenue increased \$219 million from \$3,377 million for the three months ended March 31, 2022 to \$3,596 million for the three months ended March 31, 2023, driven primarily by higher premiums, annuity considerations and fund deposits, net investment income, and other income.

Total benefits and expenses increased \$88 million from \$3,147 million for the three months ended March 31, 2022 to \$3,235 million for the three months ended March 31, 2023, primarily due to increased net increases to policy benefit reserves and higher commissions and operating expenses, partially offset by lower net increase to policy benefit reserves.

### ***Premium income, annuity considerations and fund deposits***

Selected premium income, annuity considerations and fund deposits information is presented below for the three months ended March 31, 2023 and 2022:

	three months Ended March 31,		\$ Change	% Change
	2023	2022		
	(\$ in Millions)			
<b>Premium income, annuity considerations and fund deposits:</b>				
Whole life .....	\$ 1,246	\$ 1,202	\$ 44	3.7%
Disability.....	147	142	5	3.5%
Term, universal, and variable life..	31	36	(5)	(13.9%)
Group .....	1,407	1,368	39	2.9%
Reinsurance.....	1	1	-	0%
Total.....	\$ 2,832	\$ 2,749	\$ 83	3.0%

For the three months ended March 31, 2023, premium income as compared to the three months ended March 31, 2022 increased \$83 million, primarily due to an increase in group premium income of \$39 million as a result of higher sales of Group health products due to persistency and in-group growth, and an increase in whole life premium income of \$44 million due to continued growth of inforce business.

### ***Net Investment Income***

For the three months ended March 31, 2023, net investment income, including interest maintenance reserve (“IMR”) amortization, increased \$104 million as compared to the three months ended March 31, 2022, primarily due to a \$60 million increase in long term bond income, a \$21 million increase in private equity income, a \$19 million increase on cash, cash equivalents and short-term investment income, an \$8 million increase in swap income and a \$6 million increase in policy loan income offset by a decrease of \$6 million in bond and mortgage prepayment fees.

### ***Benefit payments to policyholders and beneficiaries***

Benefit payments to policyholders and beneficiaries increased \$76 million in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022. The increase is primarily due to increased Individual Life death claims, higher Group utilization and product growth, and higher surrender benefits and withdrawals for life contracts. Partially offsetting these increases was a decrease in Group claims related to the Canada Life reinsurance treaty.

### ***Net increase to policy benefit reserves***

Net increase to policy benefit reserves decreased \$34 million in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022. The policyholders’ reserves decreased primarily due to increased surrenders and death claims resulting in a lower reserve. Partially offsetting this decrease was an increase in Group reserves due to Life and AD&D reserves being calculated using the mean reserve methodology from higher annualized premiums and volume.

### ***Commissions and operating expenses***

Commissions and operating expenses increased \$46 million in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022, primarily due to increased commissions, general insurance expenses, and reserve adjustment on reinsurance assumed, partially offset by a decrease in loading of deferred and uncollected premiums.

### ***Guardian Federal Income Tax Expense***

Federal income tax expense on operations increased \$19 million for the three months ended March 31, 2023 as compared to the three months ended March 31, 2022, primarily driven by an increase in ordinary taxable income and policyholder dividends.

### ***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:

	<u>As of March 31,</u>		<u>\$ Change</u>
	<u>2023</u>	<u>2022</u>	
<b>Total net realized capital gains (losses) after taxes and transfers to IMR</b>			
Bonds.....	\$ (36)	\$ (134)	\$ 98
Common stocks—unaffiliated.....	0	0	0
Derivatives and other invested assets .....	<u>11</u>	<u>(21)</u>	<u>32</u>
Net realized capital gains before deferral to the IMR.....	(25)	(155)	130
Capital gains tax expense .....	(3)	25	(28)
Transfer to IMR.....	<u>15</u>	<u>99</u>	<u>(84)</u>
<b>Total net realized capital (losses) after taxes and transfers (to)/from IMR .....</b>	<u>\$ (13)</u>	<u>\$ (31)</u>	<u>\$ 18</u>

The book values of investments are written down when a decline in value is considered to be other-than-temporary. For the three months ended March 31, 2023, Guardian recognized \$8 million of impairment losses, a decrease of \$1 million from the impairment losses recognized for the three months ended March 31, 2022. The decrease was primarily the result of an increase of \$4 million in impairments of fixed income bonds offset by a decrease of \$5 million of solar tax credit investment related impairments in the first quarter of 2023 as compared to the first quarter of 2022. 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 \$8 million of other-than-temporary impairments, \$8 million were related to fixed income bonds.

Realized capital gains after tax and transfers to 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 gains after IMR increased \$14 million in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022, primarily driven by unfavorable market conditions in emerging markets that existed in the first three months of 2022 as compared to the first three months of 2023. There were \$8 million of other-than-temporary impairments in the bond portfolio during the three months ended March 31, 2023 and \$4 million of other-than-temporary impairments during the three months ended March 31, 2022.

Common stocks – unaffiliated: Common stocks – unaffiliated had realized (losses) of \$0 million for the three months ended March 31, 2023 as compared to realized gains of \$0 million for the three months ended March 31, 2022.

Derivatives and other invested assets: Derivative instruments and other invested assets had realized gains of \$11 million for the three months ended March 31, 2023 as compared to realized (losses) of \$(21) million for the three months ended March 31, 2022. There were \$0 million in other-than-temporary impairments during the three months ended March 31, 2023 in this category as compared to \$5 million during the three months ended March 31, 2022. Realized gains on futures contracts totaled \$0 million during the three months ended March 31, 2023 as compared to \$(16) million of realized losses during the three months ended March 31, 2022. In addition, foreign exchange rate adjustment realized gains totaled \$7 million during the three months ended March 31, 2023 as compared to \$3 million realized gains in the three months ended March 31, 2022. CDS and other realized gains totaled \$4 million in the three

months ended March 31, 2023 as compared to (\$3) million realized (losses) in the three months ended March 31, 2022.

For the three months ended March 31, 2023, \$15 million of net after-tax gains were transferred out of the IMR primarily from gains on sales of bonds in the normal course of business. For the first three months ended March 31, 2022, \$99 million of prior gains were transferred out of the IMR due to gains on bond sales during the three months ended March 31, 2022. Gains/losses deferred to the IMR are amortized into income over the estimated life of the investment sold.

### Financial Position –As of March 31, 2023 Compared to December 31, 2022

The following table sets forth Guardian’s assets, liabilities, and surplus. The information for March 31, 2023 is derived from the unaudited First Quarter 2023 Financial Information and the December 31, 2022 information is derived from the 2022 Audited Financial Statements.

	<u>As of March 31, 2023</u>	<u>As of December 31, 2022</u>
	(\$ in Millions)	
<b>Balance Sheet Data:</b>		
Total admitted assets .....	\$ 78,535	\$ 76,000
Total liabilities.....	69,669	67,155
Total surplus.....	8,866	8,845

#### *Assets*

Total assets as of March 31, 2023 increased \$2,535 million, or 3.3%, as compared to December 31, 2022. The major component of the growth in assets was invested assets and deferred premiums, agents’ balances and installments, receivables from parent, subsidiaries and affiliates.

Total invested assets as of March 31, 2023 increased by \$1,730 million, or 2.5%, as compared to December 31, 2022, driven mostly by increases in bonds, policy loans, receivables from securities sold, securities lending and cash, cash equivalents and short term investments, partially offset by decreased real estate investments, other invested assets and common stocks.

Deferred premiums, agents’ balances and installments as of March 31, 2023 increased \$678 million, or 58.3%, as compared to December 31, 2022. 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 receivables from parent, subsidiaries and affiliates as of March 31, 2023 increased \$58 million, or 1.6%, as compared to December 31, 2022, due to increased volume and amounts of reinsured claims and interest credited activity on funds held or deposited with reinsured companies.

#### **Liabilities**

Total liabilities as of March 31, 2023 increased \$2,514 million, or 3.7%, as compared to December 31, 2022, primarily due to increased reserves for policy benefits and increased policy dividend payable, and other liabilities partially offset by lower general expenses due and accrued.

The increase in reserves for policy benefits of \$1,444 million as of March 31, 2023 as compared to December 31, 2022 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.

The increase in policy dividend payable and other contract liabilities of \$386 million as of March 31, 2023 as compared to December 31, 2022 is primarily due to net increases from maturities and issuances of new funding agreements.

AVR decreased \$2 million, or 0.2%, as of March 31, 2023 as compared to December 31, 2022, primarily due to unrealized losses in the private equity portfolio within the real estate/other invested assets component. The mortgage loan AVR component increased \$1 million, or 1.8%, as of March 31, 2023 as compared to December 31, 2022, primarily due to the basic contribution required by the AVR formula. As of March 31, 2023, \$629 million is reserved for bonds, preferred stock, short-term investments and derivatives, up \$22 million from December 31, 2022, \$69 million is reserved for mortgage loans up \$1 million from December 31, 2022, \$75 million is reserved for common stock, down \$1 million from December 31, 2022, and \$674 million is reserved for real estate and other invested assets, down \$26 million from December 31, 2022.

### ***Surplus***

Surplus increased \$21 million from \$8,845 million as of December 31, 2022 to \$8,866 million as of March 31, 2023. The increase in surplus was primarily due to net statutory earnings of \$6 million, change in net deferred taxes of \$25 million, and increased net unrealized foreign exchange capital gains of \$20 million partially offset by net unrealized capital losses of \$32 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 March 31, 2023, Guardian’s borrowing capacity is more than \$3.8 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 March 31, 2023, Guardian had approximately \$1,030 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 \$807 million as of December 31, 2022 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, had the ability to make dividend payments up to \$149 million in 2022 without obtaining prior approval from their respective state insurance departments. Guardian's individual disability income insurance line of business is written by BLICOA and Guardian is, accordingly, only able to receive income generated by this line of business through dividends received from BLICOA. For the three months ended March 31, 2023 and 2022, Guardian received an aggregate of \$0 million and \$37 million, respectively, in cash dividends from its subsidiaries. These cash dividends were declared and accrued for in the prior year end. 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. GIS and 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, 2022, FCW had accumulated earnings of \$1 million and would be able to pay a dividend up to \$1 million in 2023.

### ***Capital Resources***

The NAIC has an 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 at December 31, 2022, 2021 and 2020. 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 March 31, 2023, 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.

	<b>March 31, 2023</b>
	<b>\$ in millions</b>
<b>Debt:</b>	
Short-Term Debt .....	\$ -
Medium Term Debt .....	-
Long-Term Debt .....	-
<b>Total Debt</b> .....	-
AVR.....	1,446
<b>Surplus:</b>	
Surplus Notes .....	1,500
Policyholders’ Surplus .....	7,366
<b>Total Surplus</b> .....	\$ 8,866
<b>Surplus and AVR</b> .....	\$ 10,312

*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 gains of \$15 million and \$99 million as of March 31, 2023 and 2022, respectively, were transferred out of the IMR. Amortization of the IMR into net investment income amounted to \$11 million for the three months ended March 31, 2023, and \$15 million for the three months ended March 31, 2022.

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 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. 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.

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 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 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, third-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 and the 1985 Commissioners' Individual Disability Table A 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. Reserves for term policies and riders issued in 2020 use the valuation methods specified in Valuation Manual ("VM") 20. 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 and 3.5% for claims incurred in 2013 or later. LTD reserves are determined using the 1987 Commissioners’ Group Disability Table and Table 95a; interest rates vary by the year the claim was incurred, typically ranging from 2.75% 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 First 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, 2022, 2021 and 2020 has been derived from the annual audited statutory financial statements. The selected financial information for Guardian as of and for the three months ended March 31, 2023 and 2022 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 three months ended March 31,		As of or for the year ended December 31,		
	2023	2022	2022	2021	2020
(in millions)					
<b>Condensed Financial Information</b>					
<b>Statements of Income Data:</b>					
Total revenue .....	\$ 3,596	\$ 3,377	\$ 12,728	\$ 12,539	\$ 11,681
Dividends to policyholders.....	325	282	1,257	1,114	1,036
Gain from operations before federal income taxes .....	36	(52)	126	371	393
Net income (loss).....	6	(81)	14	223	147
<b>Balance Sheet Data:</b>					
Total admitted assets.....	\$ 78,535	\$ 73,923	\$ 76,000	\$ 72,127	\$ 68,045
Total liabilities .....	\$ 69,669	\$ 65,346	\$ 67,155	\$ 63,538	\$ 60,285
<b>Surplus:</b>					
Surplus notes .....	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,498	\$ 1,497
Policyholders’ Surplus .....	7,366	7,077	7,345	7,091	6,263
Total Surplus .....	8,866	8,577	8,845	8,589	7,760
AVR.....	1,446	1,506	1,449	1,444	1,132
Total surplus and AVR .....	\$ 10,312	\$ 10,083	\$ 10,294	\$ 10,033	\$ 8,892

*The following is added to the section entitled “Directors and Executive Officers of Guardian” immediately prior to the heading “Directors’ Biographical Information” on page 108 of the Offering Memorandum:*

***Recent Developments***

Karen B. Peetz resigned as a director of Guardian on April 10, 2023.

ANNEX 1



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

# QUARTERLY STATEMENT

AS OF MARCH 31, 2023

OF THE CONDITION AND AFFAIRS OF THE

## GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

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

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 New York, NY, US 10001  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10 Hudson Yards  
(Street and Number)  
New York, NY, US 10001 212-598-8000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 10 Hudson Yards New York, NY, US 10001  
(Street and Number or P.O. Box) (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 212-598-8829  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.GuardianLife.com

Statutory Statement Contact Haydn Phillip Padmore 212-598-8829  
(Name) (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 Kerritt Jerome Brooks

### OTHER

Michael Nicholas Ferik, Head of Individual Markets Stacey Weinsheimer Hoin, Chief Human Resources Officer Nicholas Liolis #, Chief Investment Officer  
Jonathan Mayhew, Head of Group Benefits Kevin Molloy, Chief Financial Officer Michael Slipowitz, Corporate Chief Actuary  
Debra Anne Udicious, Sr. Executive, Treasury

### 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 SS:  
County of Westchester

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 2023-04-28 10:11:23 EST

E-SIGNED by Kerritt Brooks  
on 2023-04-28 09:48:52 EST

Andrew John McMahon  
Chief Executive Officer and President

Kerritt Jerome Brooks  
Chief Legal Officer

John Hunter Flannigan  
Corporate Controller

Subscribed and sworn to before me this  
25th day of April 2023

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  
Executive Assistant IV  
6/6/2025

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

STATEMENT AS OF MARCH 31, 2023 OF THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	51,329,099,943		51,329,099,943	51,055,889,558
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	1,247,792,961	1,136,823	1,246,656,138	1,251,743,850
3. Mortgage loans on real estate:				
3.1 First liens .....	6,006,875,677		6,006,875,677	5,993,792,375
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 \$ .....347,304,579 encumbrances) .....	246,353,733		246,353,733	249,686,164
4.3 Properties held for sale (less \$ encumbrances) .....				
5. Cash (\$ ..... 50,754,663 ), cash equivalents (\$ ..... 1,353,598,596 ) and short-term investments (\$ .....276,726,115 ) .....	1,681,079,374		1,681,079,374	1,349,607,900
6. Contract loans (including \$ ..... premium notes) .....	4,326,687,960	1,121,116	4,325,566,844	4,010,523,058
7. Derivatives .....	142,604,481		142,604,481	155,701,842
8. Other invested assets .....	5,464,296,251	2,414,686	5,461,881,564	5,436,218,773
9. Receivables for securities .....	141,919,811		141,919,811	19,018,615
10. Securities lending reinvested collateral assets .....	709,058,542		709,058,542	
11. Aggregate write-ins for invested assets .....				37,141,135
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	71,295,768,733	4,672,625	71,291,096,108	69,559,323,270
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	532,168,865		532,168,865	492,903,297
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	108,261,976	16,639,326	91,622,650	115,110,173
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	1,748,761,098		1,748,761,098	1,046,554,261
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	134,060,951	286,790	133,774,161	125,530,530
16.2 Funds held by or deposited with reinsured companies .....	3,632,122,941		3,632,122,941	3,574,265,248
16.3 Other amounts receivable under reinsurance contracts .....	35,300,227		35,300,227	38,071,307
17. Amounts receivable relating to uninsured plans .....	71,728,172	548,406	71,179,766	63,981,699
18.1 Current federal and foreign income tax recoverable and interest thereon ....	101,904,025		101,904,025	77,884,680
18.2 Net deferred tax asset .....	801,313,698	8,803,548	792,510,149	768,078,680
19. Guaranty funds receivable or on deposit .....	3,541,385		3,541,385	3,805,932
20. Electronic data processing equipment and software .....	56,346,050	53,121,520	3,224,530	3,247,911
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	6,013,452	6,013,452		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	30,031,396		30,031,396	46,186,890
24. Health care (\$ ..... ) and other amounts receivable .....	20,424,861	20,424,861		
25. Aggregate write-ins for other than invested assets .....	180,384,422	112,199,675	68,184,747	83,570,815
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	78,758,132,251	222,710,203	78,535,422,048	75,998,514,695
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	78,758,132,251	222,710,203	78,535,422,048	75,998,514,695
<b>DETAILS OF WRITE-INS</b>				
1101. Investments in progress .....				37,141,135
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) .....				37,141,135
2501. Miscellaneous receivables .....	71,309,496	14,118,415	57,191,081	70,366,039
2502. State tax credit .....	9,586,769		9,586,769	12,343,394
2503. Suspense accounts .....	1,249,662		1,249,662	559,658
2598. Summary of remaining write-ins for Line 25 from overflow page .....	98,238,495	98,081,260	157,235	301,725
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) .....	180,384,422	112,199,675	68,184,747	83,570,815

STATEMENT AS OF MARCH 31, 2023 OF THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ .....51,343,817,878 less \$ ..... included in Line 6.3 (including \$ ..... Modco Reserve) .....	51,343,817,878	50,016,167,895
2. Aggregate reserve for accident and health contracts (including \$ ..... Modco Reserve) .....	5,116,446,683	5,020,315,519
3. Liability for deposit-type contracts (including \$ ..... Modco Reserve).....	5,328,776,162	5,004,998,956
4. Contract claims:		
4.1 Life .....	454,171,367	462,630,416
4.2 Accident and health .....	335,931,133	328,279,416
5. Policyholders' dividends/refunds to members \$ .....(31,368,285) and coupons \$ ..... due and unpaid .....	(31,368,285)	(48,470,902)
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) .....	1,301,506,895	1,264,037,838
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 \$ .....(24,153,128) discount, including \$ .....120,443,051 accident and health premiums .....	412,001,553	404,502,241
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 .....		
9.3 Other amounts payable on reinsurance, including \$ .....49,352 assumed and \$ .....17,241,058 ceded .....	17,290,410	16,685,996
9.4 Interest Maintenance Reserve .....	556,006,932	581,670,203
10. Commissions to agents due or accrued-life and annuity contracts \$ .....31,191,828, accident and health \$ .....82,631,815 and deposit-type contract funds \$ .....	113,823,643	147,862,478
11. Commissions and expense allowances payable on reinsurance assumed .....	767,252	316,396
12. General expenses due or accrued .....	904,392,725	1,076,960,997
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 .....	14,913,185	29,252,051
15.1 Current federal and foreign income taxes, including \$ ..... on realized capital gains (losses) .....		
15.2 Net deferred tax liability .....		
16. Unearned investment income .....	124,932,138	111,698,381
17. Amounts withheld or retained by reporting entity as agent or trustee .....	51,793,861	44,269,986
18. Amounts held for agents' account, including \$ .....47,194 agents' credit balances .....	47,194	52,950
19. Remittances and items not allocated .....	109,787,988	102,917,358
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....	565,008,297	575,725,064
22. Borrowed money \$ ..... and interest thereon \$ .....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve .....	1,446,489,153	1,448,846,036
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 .....	14,554,382	17,450,128
24.05 Drafts outstanding .....		
24.06 Liability for amounts held under uninsured plans .....	2,818,400	3,896,528
24.07 Funds held under coinsurance .....	183,643,031	178,741,930
24.08 Derivatives .....	15,088,758	16,544,230
24.09 Payable for securities .....	509,296,408	281,916,815
24.10 Payable for securities lending .....	709,058,542	
24.11 Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	68,990,829	65,824,145
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	69,669,986,515	67,153,093,050
27. From Separate Accounts Statement .....		
28. Total liabilities (Lines 26 and 27) .....	69,669,986,515	67,153,093,050
29. Common capital stock .....		
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....		
32. Surplus notes .....	1,500,179,499	1,499,582,876
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) .....	7,361,249,302	7,341,832,037
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) .....	8,865,435,533	8,845,421,645
38. Totals of Lines 29, 30 and 37 .....	8,865,435,533	8,845,421,645
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	78,535,422,048	75,998,514,695
<b>DETAILS OF WRITE-INS</b>		
2501. Miscellaneous liabilities .....	34,481,501	31,059,941
2502. Paid family leave risk adjustment .....	17,000,000	16,000,000
2503. Deferred gains on real estate .....	13,165,427	13,165,427
2598. Summary of remaining write-ins for Line 25 from overflow page .....	4,343,902	5,598,777
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) .....	68,990,829	65,824,145
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 .....	2,831,557,323	2,749,058,029	9,930,471,068
2. Considerations for supplementary contracts with life contingencies .....	616,607	42,473	1,530,003
3. Net investment income .....	674,051,518	569,809,083	2,536,985,417
4. Amortization of Interest Maintenance Reserve (IMR) .....	11,003,564	15,207,710	58,296,586
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....			
6. Commissions and expense allowances on reinsurance ceded .....	15,744,464	17,055,347	59,204,052
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 .....	63,309,384	26,184,588	147,228,444
9. Totals (Lines 1 to 8.3) .....	3,596,282,860	3,377,357,230	12,733,715,571
10. Death benefits .....	296,196,129	342,542,559	1,260,584,703
11. Matured endowments (excluding guaranteed annual pure endowments) .....	49,402	288,448	1,496,857
12. Annuity benefits .....	755,951	668,822	2,719,903
13. Disability benefits and benefits under accident and health contracts .....	702,845,646	678,624,373	2,673,538,404
14. Coupons, guaranteed annual pure endowments and similar benefits .....			
15. Surrender benefits and withdrawals for life contracts .....	391,689,340	293,182,694	1,246,879,654
16. Group conversions .....	214,364	205,067	850,176
17. Interest and adjustments on contract or deposit-type contract funds .....	34,099,419	26,546,127	161,833,333
18. Payments on supplementary contracts with life contingencies .....	560,056	373,187	1,482,114
19. Increase in aggregate reserves for life and accident and health contracts .....	1,423,781,149	1,458,456,969	3,232,327,098
20. Totals (Lines 10 to 19) .....	2,850,191,456	2,800,888,247	8,581,712,242
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) .....	191,930,398	179,499,016	710,696,386
22. Commissions and expense allowances on reinsurance assumed .....	57,474,415	57,406,852	260,837,395
23. General insurance expenses and fraternal expenses .....	407,407,084	393,973,342	1,604,802,129
24. Insurance taxes, licenses and fees, excluding federal income taxes .....	71,383,043	73,757,780	239,625,584
25. Increase in loading on deferred and uncollected premiums .....	(359,121,754)	(342,076,482)	(3,023,268)
26. Net transfers to or (from) Separate Accounts net of reinsurance .....			
27. Aggregate write-ins for deductions .....	15,934,271	(16,575,682)	(44,775,698)
28. Totals (Lines 20 to 27) .....	3,235,198,913	3,146,873,072	11,349,874,769
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	361,083,947	230,484,158	1,383,840,802
30. Dividends to policyholders and refunds to members .....	324,841,798	282,458,215	1,257,388,389
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30) .....	36,242,149	(51,974,057)	126,452,413
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	17,031,197	(1,617,617)	(45,857,404)
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) .....	19,210,952	(50,356,440)	172,309,817
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ ..... 6,633,169 (excluding taxes of \$ ..... (3,896,884)	(13,140,926)	(30,983,069)	(157,839,404)
35. Net income (Line 33 plus Line 34) .....	6,070,026	(81,339,508)	14,470,413
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year .....	8,845,421,645	8,588,950,717	8,588,950,717
37. Net income (Line 35) .....	6,070,026	(81,339,508)	14,470,413
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... (13,369,239)	(31,832,575)	124,414,840	37,685,923
39. Change in net unrealized foreign exchange capital gain (loss) .....	19,964,769	(27,857,110)	(111,553,048)
40. Change in net deferred income tax .....	25,167,046	26,090,525	47,636,160
41. Change in nonadmitted assets .....	(8,728,648)	(7,191,876)	(53,051,513)
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 .....			(20,676,584)
44. Change in asset valuation reserve .....	2,356,883	(61,846,184)	(4,927,646)
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 .....	596,623	596,623	1,223,396
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 .....	6,419,764	14,904,543	345,663,827
54. Net change in capital and surplus for the year (Lines 37 through 53) .....	20,013,888	(12,228,147)	256,470,928
55. Capital and surplus, as of statement date (Lines 36 + 54) .....	8,865,435,533	8,576,722,570	8,845,421,645
<b>DETAILS OF WRITE-INS</b>			
08.301. Interest on funds withheld assumed .....	43,130,477	41,740,440	170,137,439
08.302. Other reserve adjustment on reinsurance .....	15,223,751	(19,447,045)	(58,639,721)
08.303. Service fees .....	3,222,784	2,436,411	10,268,565
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....	1,732,373	1,454,781	25,462,161
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above) .....	63,309,384	26,184,588	147,228,444
2701. Reserve adjustment on reinsurance assumed .....	9,258,911	(24,599,105)	(81,735,450)
2702. Other miscellaneous expenses .....	4,011,759	1,554,309	9,682,248
2703. Interest expense on funds held ceded .....	1,437,174	2,081,037	8,947,386
2798. Summary of remaining write-ins for Line 27 from overflow page .....	1,226,427	4,388,077	18,330,118
2799. Totals (Lines 2701 through 2703 plus 2798)(Line 27 above) .....	15,934,271	(16,575,682)	(44,775,698)
5301. Change in pension funded status .....	6,419,764	14,904,543	335,219,971
5302. Prior period correction .....			10,443,856
5303. ....			
5398. Summary of remaining write-ins for Line 53 from overflow page .....			
5399. Totals (Lines 5301 through 5303 plus 5398)(Line 53 above) .....	6,419,764	14,904,543	345,663,827

## STATEMENT AS OF MARCH 31, 2023 OF THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	2,531,058,693	2,479,581,241	9,955,485,621
2. Net investment income .....	661,776,143	591,368,532	2,601,085,778
3. Miscellaneous income .....	19,215,433	51,700,261	130,606,810
4. Total (Lines 1 to 3) .....	3,212,050,269	3,122,650,034	12,687,178,209
5. Benefit and loss related payments .....	1,435,395,177	1,378,078,352	5,358,096,335
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	999,079,644	1,001,952,262	3,124,442,196
8. Dividends paid to policyholders .....	270,270,124	240,952,362	1,130,634,127
9. Federal and foreign income taxes paid (recovered) net of \$ ..... 2,736,285 tax on capital gains (losses) .....	43,786,827	5,622,424	32,180,553
10. Total (Lines 5 through 9) .....	2,748,531,772	2,626,605,400	9,645,353,211
11. Net cash from operations (Line 4 minus Line 10) .....	463,518,498	496,044,635	3,041,824,998
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	912,338,711	3,050,172,120	6,618,021,131
12.2 Stocks .....	21,832,900	6,390,000	63,538,028
12.3 Mortgage loans .....	37,645,336	124,893,169	913,100,128
12.4 Real estate .....	81,326		37,560,362
12.5 Other invested assets .....	90,339,962	41,113,764	435,319,672
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(252)	(14,951)	(30,980)
12.7 Miscellaneous proceeds .....	142,325,550	164,760,308	121,920,262
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,204,563,534	3,387,314,410	8,189,428,604
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	1,199,675,554	3,346,068,507	7,955,842,404
13.2 Stocks .....	39,193,476	4,050,000	88,659,525
13.3 Mortgage loans .....	50,728,636	110,437,679	1,577,094,895
13.4 Real estate .....	1,608,643	521,571	(19,566,382)
13.5 Other invested assets .....	116,649,842	615,571,729	1,598,405,608
13.6 Miscellaneous applications .....			
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	1,407,856,151	4,076,649,485	11,200,436,049
14. Net increase (or decrease) in contract loans and premium notes .....	315,081,533	24,091,907	244,886,703
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(518,374,151)	(713,426,982)	(3,255,894,149)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	596,623	596,623	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 .....	323,777,205	329,872,422	538,403,423
16.5 Dividends to stockholders .....			
16.6 Other cash provided (applied) .....	61,953,299	48,290,196	233,458,561
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	386,327,127	378,759,241	773,085,380
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	331,471,474	161,376,894	559,016,229
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	1,349,607,900	790,591,671	790,591,671
19.2 End of period (Line 18 plus Line 19.1) .....	1,681,079,374	951,968,565	1,349,607,900
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>			
20.0001. Bonds to Bonds Exchange .....	128,336,326	141,159,688	549,686,305

## 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 March 31, 2023 and December 31, 2022.

	SSAP #	F/S Page	F/S Line #		2023	2022
<b>NET INCOME</b>						
(1) State basis (Page 4, Line 35, Columns 1 & 3)	XXX	XXX	XXX	\$	6,070,026	\$ 14,470,413
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:						
Impact on deferred premiums	SSAP #1	4		\$	7,893,700	\$ (5,745,139)
Impact on admitted unearned premiums/allowance	SSAP #1	4		\$	(3,237,346)	\$ 2,271,623
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:						
(4) NAIC SAP (1-2-3=4)						
	XXX	XXX	XXX	\$	1,413,672	\$ 17,943,929
<b>SURPLUS</b>						
(5) State basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$	8,865,435,533	\$ 8,845,421,645
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:						
Impact on deferred premiums	SSAP #1	3		\$	(125,031,291)	\$ 132,924,990
Impact on admitted unearned premium/allowance	SSAP #1	3		\$	52,400,141	\$ (55,637,487)
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:						
(8) NAIC SAP (5-6-7=8)						
	XXX	XXX	XXX	\$	8,938,066,683	\$ 8,768,134,142

#### 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

No Changes.

### 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

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	\$	50,256,567
2. 12 Months or Longer	\$	232,611,414
b) The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 Months	\$	705,498,653
2. 12 Months or Longer	\$	1,496,852,400

(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**

(1) For securities lending agreements, the Company requires a minimum of 102% and 105% of the fair value of the domestic and foreign securities loaned at the outset of the contract as collateral. Cash collateral received is invested in short-term investments and the offsetting collateral liability is included in Collateral From Lending Activities. The fair value of the collateral is \$694,563,998.

**a. Aggregate Amount Collateral Received**

	Fair Value
1. Securities Lending	
(a) Open	
(b) 30 Days or Less	\$ 29,920,588
(c) 31 to 60 Days	\$ 1,832,812
(d) 61 to 90 Days	\$ 295,493
(e) Greater Than 90 Days	\$ 662,515,104
(f) Subtotal (a+b+c+d+e)	\$ 694,563,997
(g) Securities Received	\$ -
(h) Total Collateral Received (f+g)	\$ 694,563,997
b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	\$ 694,563,997

**(5) Collateral Reinvestment**

	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open		
(b) 30 Days or Less	\$ 375,240,042	\$ 375,240,042
(c) 31 to 60 Days	\$ 215,609,550	\$ 215,600,488
(d) 61 to 90 Days	\$ 75,000,000	\$ 74,999,655
(e) 91 to 120 Days		
(f) 121 to 180 Days	\$ 809,869	\$ 793,389
(g) 181 to 365 Days	\$ 3,868,173	\$ 3,755,775
(h) 1 to 2 years	\$ 5,753,085	\$ 5,568,093
(i) 2 to 3 years	\$ 4,211,318	\$ 4,009,616
(j) Greater than 3 years	\$ 33,032,241	\$ 29,166,027
(k) Subtotal (Sum of a through j)	\$ 713,524,278	\$ 709,133,085
(l) Securities Received		
(m) Total Collateral Reinvested (k+l)	\$ 713,524,278	\$ 709,133,085

b. The reporting entity's sources of cash that it uses to return the cash collateral is dependent upon the liquidity of the current market conditions. Under current conditions, the reporting entity has \$ 713,564,622 of par value bonds (fair value of \$ 709,133,085) that are currently tradable securities that could be sold and used to pay for the \$ 709,133,085 in collateral calls that come due under a worst case scenario.

**(7) Collateral for securities lending transactions that extend beyond one year from the reporting date.**

Description of Collateral	Amount
Bonds - U.S. Governments - Issuer Obligations	\$ 42,996,644
<b>Total Collateral Extending beyond one year of the reporting date</b>	<b>\$ 42,996,644</b>

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.

## NOTES TO FINANCIAL STATEMENTS

## N. Offsetting and Netting of Assets and Liabilities

	Gross Amount Recognized	Amount Offset*	Net Amount Presented on Financial Statements
(1) Assets			
Currency Swaps	\$ 130,145,163		\$ 130,145,163
Index Participation Feature	\$ 8,643,382		\$ 8,643,382

\* 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	\$ 11,782,165		\$ 11,782,165

\* 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

	<u>General Account</u>	<u>Separate Account</u>
1. Number of CUSIPs	2	
2. Aggregate Amount of Investment Income	\$ 1,191,680	

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.NOTE 11 Debt  
A. Not Applicable.

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 FHLB/NY. 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 FHLB/NY 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 \$3,926,771,102 as of March 31, 2023 and \$3,799,925,735 as of December 31, 2022.

(2) FHLB Capital Stock  
a. Aggregate Totals

	1 <u>Total 2+3</u>	2 <u>General Account</u>	3 <u>Separate Accounts</u>
1. Current Year			
(a) Membership Stock - Class A			
(b) Membership Stock - Class B	\$ 9,885,800	\$ 9,885,800	
(c) Activity Stock	\$ 46,347,800	\$ 46,347,800	
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)	\$ 56,233,600	\$ 56,233,600	\$ -
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 3,926,771,102	XXX	XXX
2. Prior Year-end			
(a) Membership Stock - Class A	\$ -	\$ -	\$ -
(b) Membership Stock - Class B	\$ 9,885,800	\$ 9,885,800	\$ -
(c) Activity Stock	\$ 29,821,500	\$ 29,821,500	\$ -
(d) Excess Stock	\$ -	\$ -	\$ -
(e) Aggregate Total (a+b+c+d)	\$ 39,707,300	\$ 39,707,300	\$ -
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 3,799,925,735	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)

## NOTES TO FINANCIAL STATEMENTS

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

	1		Eligible for Redemption			
	2	3	4	5	6	
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	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	2	3
	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	\$ 1,339,243,265	\$ 1,430,188,071	\$ 1,029,950,000
2. Current Year General Account Total Collateral Pledged	\$ 1,339,243,265	\$ 1,430,188,071	\$ 1,029,950,000
3. Current Year Separate Accounts Total Collateral Pledged			
4. Prior Year-end Total General and Separate Accounts Total Collateral Pledged	\$ 864,044,462	\$ 949,822,492	\$ 662,700,000

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	2	3
	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Maximum Collateral Pledged (Lines 2+3)	\$ 1,339,243,265	\$ 1,430,188,071	\$ 1,029,950,000
2. Current Year General Account Maximum Collateral Pledged	\$ 1,339,243,265	\$ 1,430,188,071	\$ 1,029,950,000
3. Current Year Separate Accounts Maximum Collateral Pledged			
4. Prior Year-end Total General and Separate Accounts Maximum Collateral Pledged	\$ 1,193,958,579	\$ 1,333,370,189	\$ 921,000,000

## (4) Borrowing from FHLB

## a. Amount as of Reporting Date

	1	2	3	4
	Total 2+3	General Account	Separate Accounts	Funding Agreements Reserves Established
1. Current Year				
(a) Debt				XXX
(b) Funding Agreements	\$ 1,029,950,000	\$ 1,029,950,000		XXX
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$ 1,029,950,000	\$ 1,029,950,000	\$ -	\$ -
2. Prior Year end				
(a) Debt	\$ -	\$ -	\$ -	XXX
(b) Funding Agreements	\$ 662,700,000	\$ 662,700,000	\$ -	XXX
(c) Other	\$ -	\$ -	\$ -	XXX
(d) Aggregate Total (a+b+c)	\$ 662,700,000	\$ 662,700,000	\$ -	\$ -

## b. Maximum Amount During Reporting Period (Current Year)

	1	2	3
	Total 2+3	General Account	Separate Accounts
1. Debt			
2. Funding Agreements	\$ 1,029,950,000	\$ 1,029,950,000	
3. Other			
4. Aggregate Total (1+2+3)	\$ 1,029,950,000	\$ 1,029,950,000	\$ -

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

## NOTES TO FINANCIAL STATEMENTS

**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		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2023	2022	2023	2022	2023	2022
(4) Components of net periodic benefit cost						
a. Service cost	\$ 7,531,856	\$ 47,098,818	\$ 549,547	\$ 2,913,188	\$ -	-
b. Interest cost	\$ 30,370,103	\$ 95,333,901	\$ 2,271,185	\$ 5,836,861	\$ -	-
c. Expected return on plan assets	\$ (29,792,305)	\$ (163,174,264)	\$ (1,339,124)	\$ (9,260,751)	\$ -	-
d. Transition asset or obligation		\$ -		\$ -	\$ -	-
e. Gains and losses	\$ 7,107,719	\$ 62,735,330	\$ 1,250,334	\$ 3,603,984	\$ -	-
f. Prior service cost or credit		\$ -	\$ (1,938,289)	\$ (6,721,142)	\$ -	-
g. Gain or loss recognized due to a settlement or curtailment		\$ 25,327,626		\$ -	\$ -	-
h. Total net periodic benefit cost	\$ 15,217,373	\$ 67,321,411	\$ 793,653	\$ (3,627,860)	\$ -	-

(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**

- A. Contingent Commitments  
No Changes.

**NOTE 15 Leases**

- A. Lessee Operating Lease:  
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.

**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.

## NOTES TO FINANCIAL STATEMENTS

## 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
<b>a. Assets at fair value</b>					
Bonds - Industrial and Misc		\$ 7,152,065			\$ 7,152,065
Common Stock - Industrial and Misc		\$ 633,570	\$ 56,555,460	\$ 31,076,672	\$ 88,265,702
Residual Tranches			\$ 37,118,837		\$ 37,118,837
Index Participation Feature			\$ 8,643,382		\$ 8,643,382
<b>Total assets at fair value/NAV</b>	\$ -	\$ 7,785,635	\$ 102,317,679	\$ 31,076,672	\$ 141,179,986

## (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
<b>a. Assets</b>										
Common Stock Industrial & Misc	\$ 39,498,160					\$38,890,200		\$ (21,832,900)		\$ 56,555,460
Residual Tranches	\$ 132,319,749		\$ (95,200,912)							\$ 37,118,837
Index Participation	\$ 4,395,080	\$ 1,766,703	\$ (59,964)			\$ 2,549,221		\$ (7,657)		\$ 8,643,383
<b>Total Assets</b>	\$ 176,212,989	\$ 1,766,703	\$ (95,260,876)	\$ -	\$ -	\$41,439,421	\$ -	\$ (21,840,557)	\$ -	\$ 102,317,680

(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 \$88,265,702 at March 31, 2023. \$0 was valued based on quoted market prices from an active market for that identical investment and \$633,570 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 \$56,555,460 were determined by using estimates and assumptions based on internally derived information. Common stocks with an aggregate fair value of \$31,076,672 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 March 31, 2023, 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.

## 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 March 31, 2023, 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.

## Residual Tranches:

The Company invests in Residual Tranches. These investments are classified as Level 3 financial instruments and are valued based on prices obtained from independent pricing sources. Typical market-observable inputs include benchmark yields, reported trades, issuer spreads, bids, offers, benchmark securities, estimated cash flows and prepayment speeds.

## 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	\$ 45,454,444,237	\$ 51,329,099,943	\$ 910,339,249	\$ 39,484,693,343	\$ 5,059,411,644	\$ 31,076,672	
Common Stock	\$ 88,265,702	\$ 88,265,702		\$ 633,570	\$ 56,555,460		
Mortgage Loans	\$ 5,969,415,364	\$ 6,331,252,677			\$ 5,969,415,364		
Surplus Notes	\$ 575,765,243	\$ 688,810,755		\$ 575,765,243			
Residual Tranches	\$ 37,118,837	\$ 37,118,837			\$ 37,118,837		
Currency Swaps (Asset)	\$ 226,139,933	\$ 130,145,163			\$ 226,139,933		
Index Participation Feature	\$ 8,643,382	\$ 8,643,382			\$ 8,643,382		
Currency Swaps (Liability)	\$ 11,100,705	\$ 11,782,165			\$ 11,100,705		

D. Not Applicable.

## NOTES TO FINANCIAL STATEMENTS

E. The mutual funds valued 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

A. Ceded Reinsurance Report  
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.  
No Changes.

B. Disclose whether accrued retrospective premium are recorded through written premium or as an adjustment to earned premium.  
No Changes.

C. Disclose the amount of net premiums written that are subject to retrospective rating features, as well as the corresponding percentage to total net premiums written.  
No Changes.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act.  
No Changes.

E. Risk Sharing Provisions of the Affordable Care Act  
No Changes.

### NOTE 25 Change in Incurred Losses and Loss Adjustment Expenses

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

	03/31/2023	12/31/2022
Balance of Unpaid A&H Claims and Claim Reserves, net of Reinsurance at January 1	\$ 4,799,293,089	\$ 4,548,885,222
Incurred related to:		
Current year	\$ 928,034,453	\$ 3,005,051,888
Prior Year	(189,928,591)	(132,552,000)
Total Incurred	\$ 738,105,862	\$ 2,872,499,888
Paid related to:		
Current year	\$ 414,364,848	\$ 1,920,502,888
Prior year	273,501,560	701,589,330
Total Paid	\$ 687,866,408	\$ 2,622,092,018
Balance of Unpaid A&H Claims and Claim Reserves, net of Reinsurance	\$ 4,849,532,543	\$ 4,799,293,092

### 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.

## NOTES TO FINANCIAL STATEMENTS

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**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.