



# Guardian Index Participation Feature

## The Next Generation of Life

Guardian's Index Participation Feature (IPF)<sup>i</sup> rider allows Whole Life policyholders to link a portion of their paid up additions cash value to the performance of the S&P 500 Price Return Index<sup>ii</sup> (excluding dividends). Performance is measured on an Annual Point-to-Point basis, subject to cap, floor, and participation rates.

Guardian has the right to change the current cap, floor, rider charge and participation rates for upcoming index periods. Any changes will not apply to any active index period.

### Index Participation Feature Rates

| Date Declared     | Effective Date    | Cap   | Floor | Participation | Charge |
|-------------------|-------------------|-------|-------|---------------|--------|
| September 8, 2015 | September 8, 2015 | 12.5% | 4.0%  | 100%          | 2%     |

In addition to the rates shown above, the IPF index adjustment is also based on the dividend interest rate that Guardian declares each year.<sup>iii</sup>

| Dividend Year | Dividend Interest Rate |
|---------------|------------------------|
| 2017          | 5.85%                  |
| 2016          | 6.05%                  |
| 2015          | 6.05%                  |

<sup>i</sup> The Index Participation Feature (IPF) is a rider available with select Guardian participating whole life policies. With the new IPF, policyholders can now allocate between 0% and 100% of the cash value of paid-up additions (PUA) to the IPF each year. The IPF provides an adjustment to the dividend paid under the policy. This adjustment, subject to the cap rate (currently 12.5%) and floor (currently 4%), may be positive or negative based on the S&P 500 price return index performance. Adverse market performance can create negative dividend adjustments which may cause lower overall cash values than would otherwise have accrued had the IPF rider not been selected. While the adjustment provided by this rider is affected by the S&P 500 price return index, it does not participate in any stock or equity investment of the S&P 500 price return index.

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<sup>iii</sup> Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors. The total dividend calculation includes mortality experience and expense management as well as investment results.