



GUARDIAN[®]

Fixed Income Investor Presentation | December 2017



Notice

Forward-Looking Statements

This presentation may contain certain statements that constitute “forward-looking statements”. Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results, or other developments. Statements using verbs such as “expect,” “anticipate,” “believe” or words of similar import generally involve forward-looking statements. Forward-looking statements include statements which are based on the beliefs and assumptions of The Guardian Life Insurance Company of America (“Guardian”) concerning future levels of sales and redemptions of Guardian’s products, investment spreads and yields, or the earnings and profitability of Guardian’s activities.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Guardian’s control and many of which are subject to change. These uncertainties and contingencies could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, Guardian. Whether or not actual results differ materially from forward-looking statements may depend on numerous foreseeable and unforeseeable developments. Some may be national in scope, such as general economic conditions, changes in tax law and changes in interest rates. Some may be related to the insurance industry generally, such as pricing competition, regulatory developments and industry consolidation. Others may relate to Guardian specifically, such as credit, volatility and other risks associated with Guardian’s investment portfolio. Any forward-looking statements reflect Guardian’s views and assumptions as of the date of this presentation and Guardian disclaims any obligation to update forward-looking information, whether as a result of new information, future events, or otherwise.



Guardian Overview

Founded in New York in 1860, Guardian provides life and disability insurance, employee benefits, retirement and investment products

Dividends paid to policyholders every year since 1868

Converted to a mutual company in 1925

4th largest mutual life insurance company in the U.S. as of December 31, 2016 based on surplus according to NAIC peer-compiled data

- Surplus of \$6.9 billion as of September 30, 2017
- Total adjusted capital of \$7.5 billion as of December 31, 2016
- Total life insurance in-force of \$590.8 billion as of December 31, 2016

2 principal operating segments^(a)

- Individual Markets – Individual Life (\$3,850 million), Individual Disability (\$580 million), Individual Savings (\$925 million)
- Group and Worksite Markets – Group Insurance (\$3,769 million)

Leading market positions

- 4th largest writer of participating whole life insurance in the industry in 2016 according to LIMRA sales report
- BLICOA is a top 5 writer of Individual disability insurance according to the LIMRA Disability Income Sale survey
- Dental business ranked first in in-force PPO cases according to 2015 LIMRA survey results

(a) 2016 consolidated statutory premium income. Individual Savings segment represents Individual Annuity that was part of legacy Retirement Products and Services business including 401(k) business which was sold in September 2016.

Sources: NAIC, LIMRA, Statutory filings

Guardian Investment Highlights

Commitment to mutual status	<ul style="list-style-type: none"> ▪ Long-term financial strength and stability, and the payment of competitive dividends as primary objectives ▪ Does not experience the same short-term earnings pressures as its publicly-traded life insurance peers
Diversified product portfolio	<ul style="list-style-type: none"> ▪ Diversity of product portfolio allows it to meet the needs of its clients ▪ Provides diversification of earnings and reduces volatility in financial results
Industry-leading products	<ul style="list-style-type: none"> ▪ 4th largest writer of participating whole life insurance in 2016 according to LIMRA ▪ High net worth customer base has resulted in larger average premiums per policy than most peers ▪ Dental business ranked first in in-force PPO cases in 2015 LIMRA survey results
Highly productive career agent system	<ul style="list-style-type: none"> ▪ Career agent system consists of over 2,750 active agents as of December 31, 2016 and enjoys one of the highest retention rates in the industry ▪ Benefits include the commitment of career agents to the long-term protection of clients and the long-term financial success, financial strength and stability of Guardian
Strong balance sheet	<ul style="list-style-type: none"> ▪ Strong financial strength and capitalization, with strong insurance financial strength / claims paying ability ratings, and regulatory capital ratios in excess of required regulatory levels ▪ Investment portfolio is conservative and well-diversified, with approximately 94% of fixed-income investments rated investment grade as of September 30, 2017
Long-term track record	<ul style="list-style-type: none"> ▪ Strong and consistently profitable operating results with 2016 statutory net income of \$368 million and Q3'17 YTD statutory net income of \$270 million at the parent company level ▪ Net income and policyholder surplus increased at a CAGR of approximately 4% and 7%, respectively, from 2004 to 2016
Strong Enterprise Risk Management	<ul style="list-style-type: none"> ▪ Strong enterprise risk management culture with internal controls, reporting and oversight systems ▪ Low product risk profile with focus on participating life insurance, annually renewable group insurance, and a conservative set of product guarantees
Accomplished and deep management	<ul style="list-style-type: none"> ▪ Well-respected executives with extensive experience in the industry and at Guardian

Experienced Management Team

Name	Age	Title	Insurance Industry Experience
Deanna M. Mulligan	54	President & CEO	32
Michael N. Ferik	45	EVP, Chief Financial Officer	22
Michael Slipowitz	59	SVP, Corporate Chief Actuary & Chief Risk Officer	38
Eric R. Dinallo	54	EVP, Chief Legal Counsel	12 ^(a)
Thomas G. Sorell	62	EVP, Chief Investment Officer	27 ^(b)

Note: Ages as of December 2017.

(a) Eric Dinallo has 27 years of cumulative legal experience.

(b) Thomas Sorell has 38 years of cumulative investment experience.

Guardian Business Profile

Individual Markets

Group and Worksite Markets

Individual Life

Individual Disability

Individual Savings

Group Insurance

Products

- Whole Life
- Term Life
- Universal Life
- Variable Universal Life

- Individual Disability
- Multi-Life Disability Income

- Fixed Annuities
- Variable Annuities

- Dental
- Short- and Long-Term Disability
- Life and AD&D
- Absence Management Administration
- Vision
- Critical Illness
- Stop Loss
- Accident
- Cancer
- Dental Services

Target Markets

- Small Business Owners
- Affluent Professionals
- Executives

- Small Business Owners
- Professionals
- Executives

- Professionals
- Executives
- Affluent and Emerging Affluent Individuals

- Employer Groups
- Government Programs

Distribution

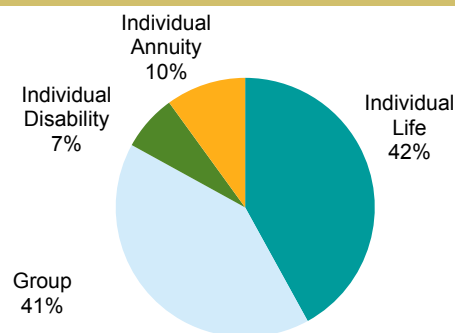
- 55 General Agencies and Guardian-managed agencies
- Over 2,750 Career Agents
- Brokers

- Career Agents
- Brokers

- Career Agents
- Brokers
- Wholesalers

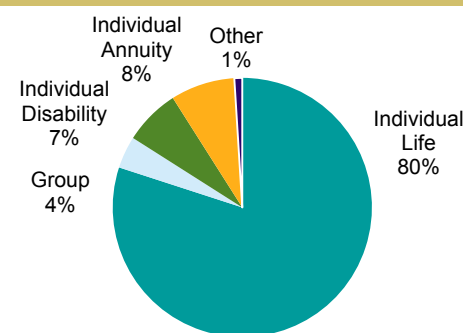
- Over 300 Group Sales and Account Management Professionals
- Over 15,500 Active Group Brokers and Benefit Consultants

2016 Consolidated premium income^(a)



Total: \$7,242 million

2016 Consolidated statutory reserves^(b)



Total: \$43,984 million

(a) Premium income is net of reinsurance. The total consolidates financial information from statutory financial statements of Guardian (parent company), BLICOA and GIAC (subsidiaries), and GAAP financial statements of FCW (subsidiary).

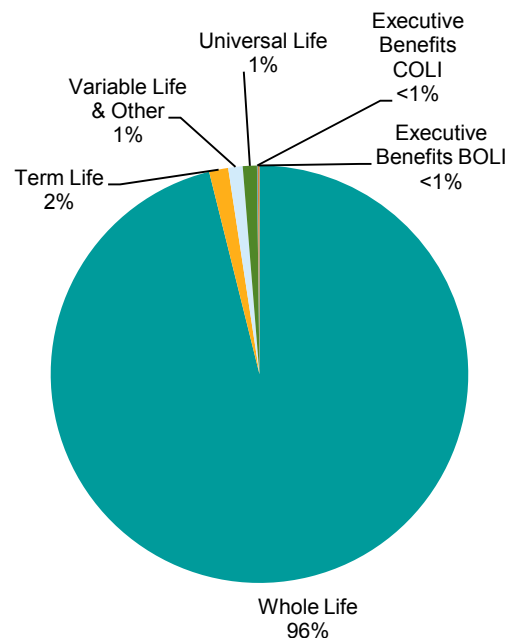
(b) Reflects general account reserves only (excludes separate account reserves).

Individual Market

Individual Life

(\$ in millions)

2016 business mix by premium income



Total premium income^(a): \$3,850 million

Description

Key products

- Participating Whole Life (96% of individual life product segment premium income in 2016)
- Term Life

Distribution model

- Highly trained, productive career agent network
- Growing brokerage business for participating products

Strategy

- Continue focus on Whole Life business while maintaining diversified product portfolio to meet wide array of needs
- Target affluent and emerging affluent market segments including professionals, business owners, small- and mid-sized businesses, corporations, banks, principals and partners
- Invest substantially to enable career agent network to more effectively run their businesses and better serve customers

Market position

- 4th largest writer of participating whole life insurance; the highest average life premium in the market by a multiple greater than 2^(b)

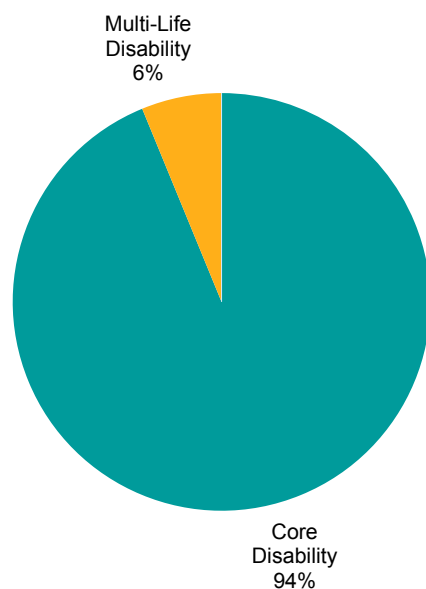
(a) Premium income is net of reinsurance.
 (b) According to the 2016 LIMRA Sales Report.

Individual Market

Individual Disability

(\$ in millions)

2016 business mix by premium income



Total premium income^(a): \$580 million

Description

Key products

- Individual Disability
- Multi-Life Disability (introduced in 2007)

Distribution model

- Career agent network and brokers
- Wholesalers for Multi-Life

Strategy

- Focus on small business owners, professionals and executives
- Multi-Life plans for measured growth
- Maintain outsourcing / reinsurance model for long-term care; long-term care block is in runoff

Market position

- BLICOA is a top 5 writer of individual disability insurance

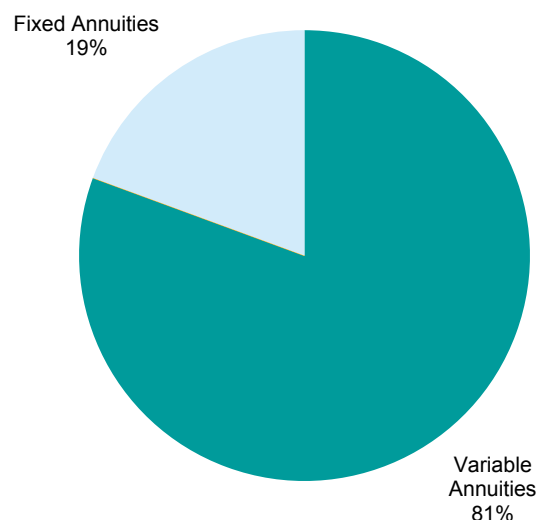
(a) Premium income is net of reinsurance.

Individual Market

Individual Savings

(\$ in billions)

2016 business mix by AUM^(a)



Total AUM: \$12.9 billion

Description

Key products^(b)

- **Annuities** – single premium deferred and immediate fixed annuities, variable annuities

Distribution model

- **Annuities** – fixed annuities sold through GIAC's wholesaling force and third-party registered broker-dealers; variable annuities are distributed primarily through Park Avenue Securities, a registered broker-dealer that Guardian indirectly wholly owns

Strategy

- Maintain strong penetration in our career agencies while capturing increasing share of select independent distribution
- Manage product portfolio to remain competitive and profitable while continuing to support customers' needs for guaranteed income for life

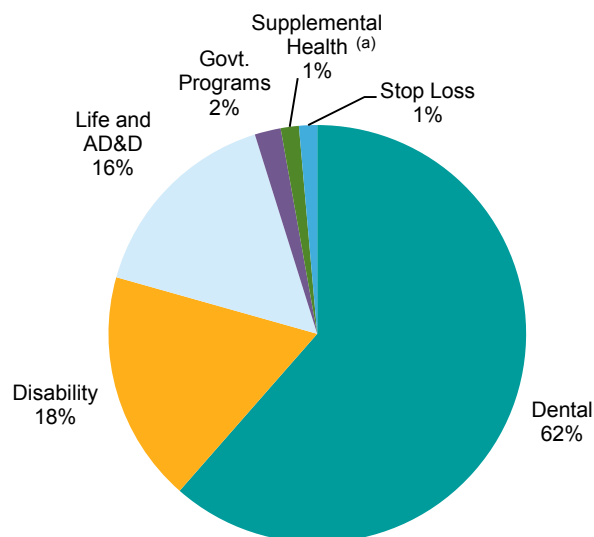
(a) 2016 AUM of Individual Savings segment after company reorganization in March 2016, and sale of 401(k) business in September 2016.

Group and Worksite Markets

Group Insurance

(\$ in millions)

2016 business mix by premium income



Total premium income^(b): \$3,769 million

(a) Medical product not offered since 2011.

(b) Premium income is net of reinsurance.

(c) DHMO products are marketed in California, Florida, Illinois, Indiana, Michigan, Missouri, New Jersey, New York, Ohio, Colorado and Texas.

Description

Key products

- **Dental** – PPO and Dental HMO plans offered throughout the United States^(c)
- **Disability** – long and short-term
- **Life** – death benefit for a fixed period
- **Vision** – Primarily a PPO product that provides comprehensive benefits
- **Supplemental Health** – Accident, Critical Illness and Hospital Indemnity products

Distribution model

- Long-term relationships with independent brokers through highly trained sales reps and benefit advisors
- Currently over 300 group sales and account management professionals and over 15,500 brokers with in-force group insurance product business

Strategy

- Focus on employers with up to 10,000 employees
- Expand leading presence in dental, maintain presence in life insurance and disability
- Ongoing focus on high quality customer service, product leadership, and tenured sales force
- Majority of the business is re-priceable annually

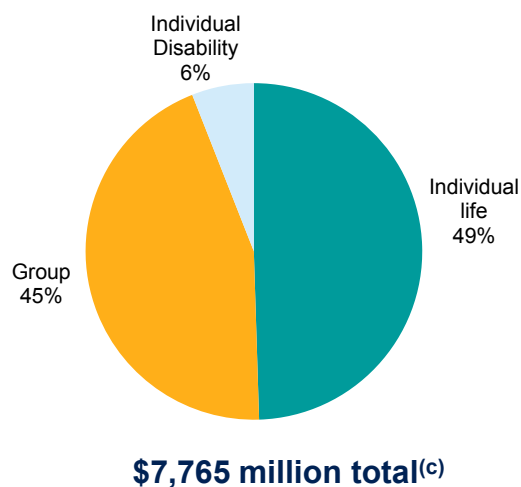
Market position

- Dental business ranked first in in-force PPO cases sold according to 2015 LIMRA survey results

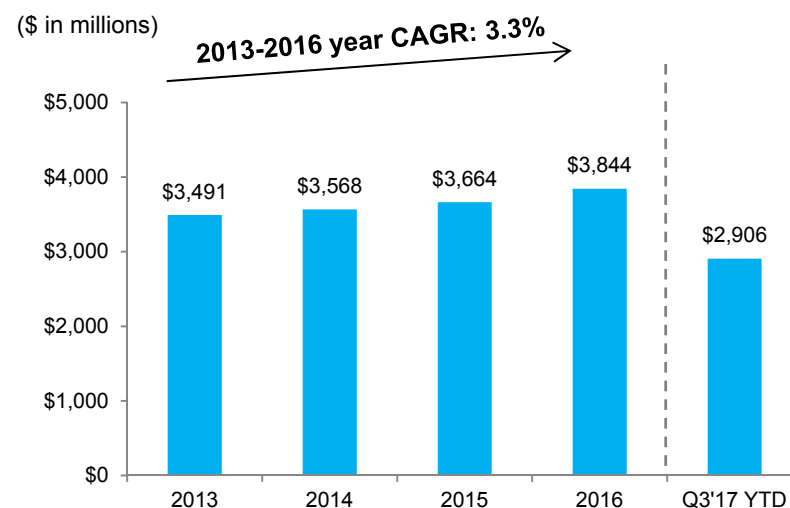
The Guardian Life Insurance Company of America ("GLIC")

Parent Company Statutory Premium Income

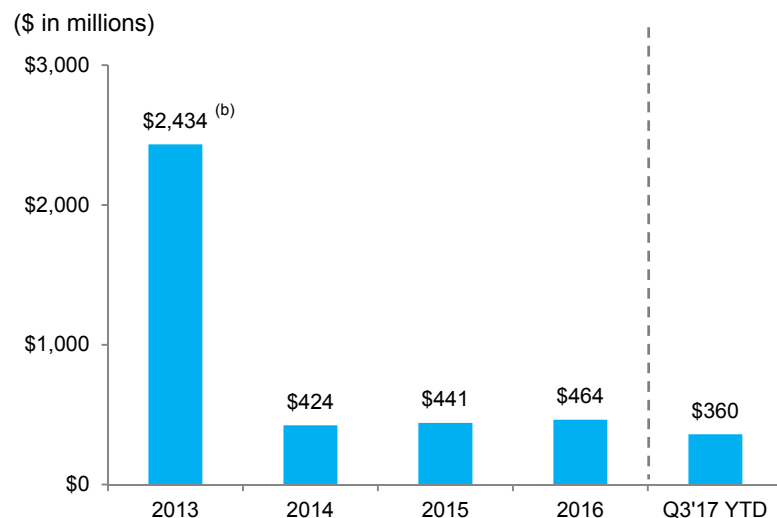
2016 statutory premium income



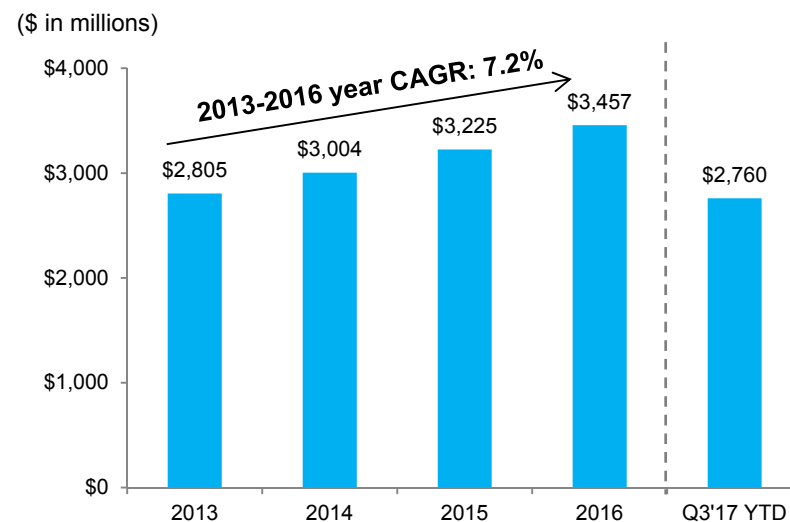
Individual Life statutory premium income



Individual Disability statutory premium income^(a)



Group statutory premium income



Note: Statutory financials for parent company level, unless otherwise stated.

- (a) BLICOA sells all individual disability income insurance products and has a reinsurance treaty with Guardian where Guardian assumes 80% of BLICOA's net individual disability business.
- (b) 2013 premiums include the impact of the BLICOA inter-company reinsurance transaction of \$2,306mm.
- (c) Excludes \$3m of reinsurance premium income.



Recent Developments

Issuance of 60 year Surplus Notes

- On January 24, 2017, Guardian issued Surplus Notes with a principal balance of \$350 million, bearing interest of 4.85% and a maturity date of January 24, 2077

Exit from Variable Annuities with Living Benefits

- As of February 2017, Guardian no longer offers variable annuities with living benefit riders

Issuance of 5 year Funding Agreement backed Guardian Life Global Funding Notes

- On May 8, 2017, Guardian Life Global Funding issued Fixed Rate Notes with a principal balance of \$400 million, bearing interest of 2.50% and a maturity date of May 8, 2022

CLO Special Purpose Vehicle

- On November 14, 2017, the second collateralized loan obligation (CLO) special purpose vehicle managed by Park Avenue Institutional Advisers LLC, a subsidiary of Guardian, issued \$456 million in equity and debt instruments, of which Guardian purchased \$42 million in equity

Recent Appointments

- Effective December 4, 2017, Eric R. Dinallo was appointed Executive Vice President, Chief Legal Counsel of Guardian and Andrew J. McMahon was appointed Executive Vice President, Strategy & Customer Development of Guardian



Financial Priorities

1

Preservation of capital and ratings

2

Enterprise risk management

3

Profitable growth

4

Productivity and expense management

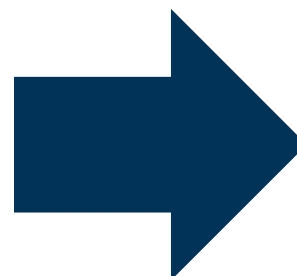
5

Continued investment in business

1

Preservation of Capital and Ratings Strong, Conservative Balance Sheet

Total surplus	\$6.9 billion
Total adjusted capital	\$7.5 billion ^(a)
Surplus notes (as % of TAC ^(a))	\$1.2 billion (16.0%)
Invested assets	\$50.1 billion
Senior debt	\$0.0 billion



Key takeaways

- Excellent financial strength
- Very high investment liquidity
- Very low leverage

Note: Financials as of September 30, 2017 unless otherwise noted.

Source: Statutory filings, SNL Financial.

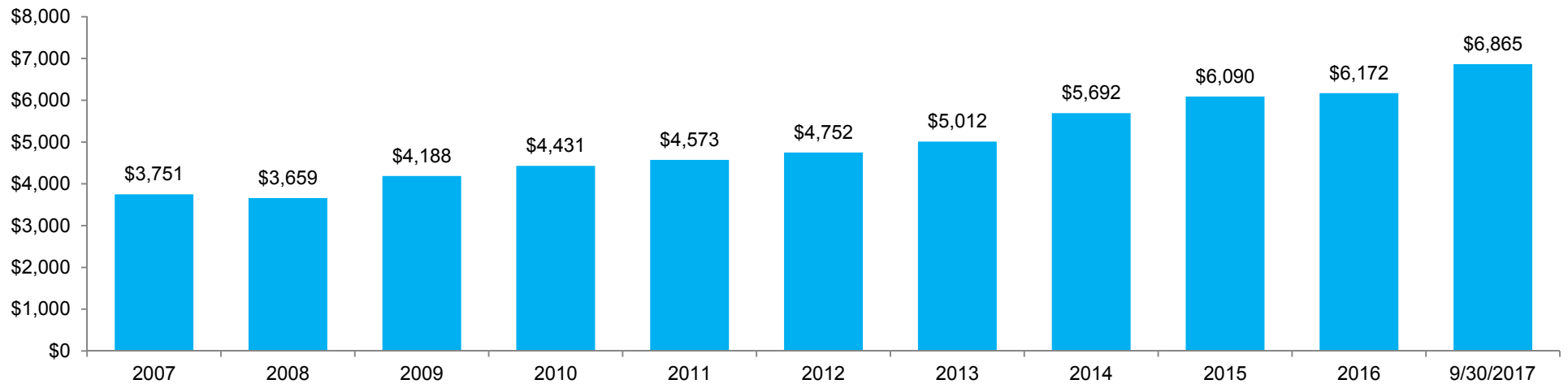
(a) Total adjusted capital as of December 31, 2016.

1

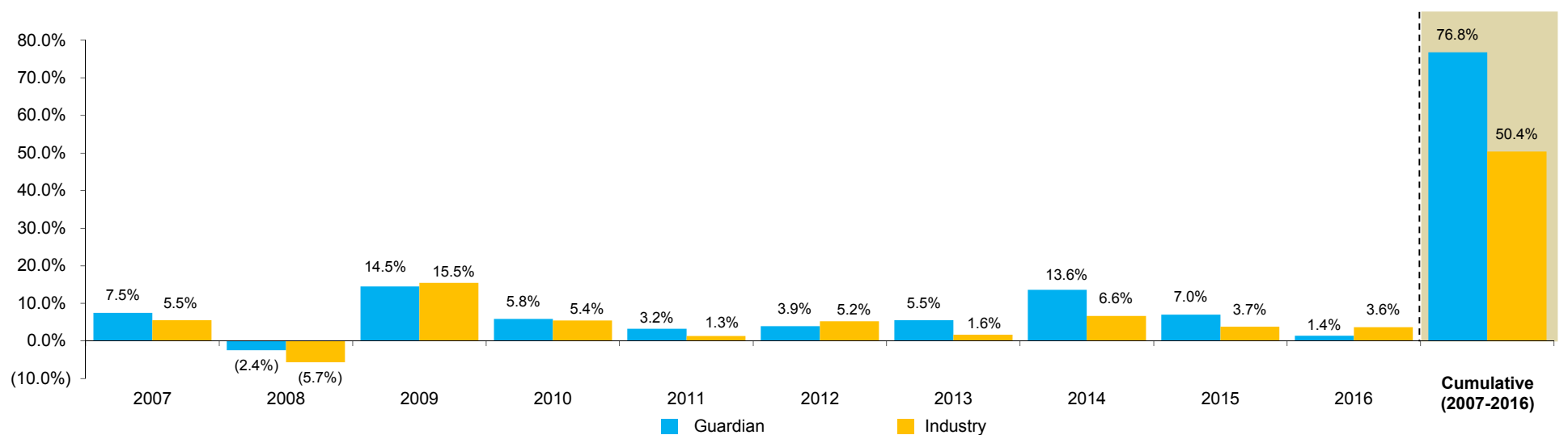
Preservation of Capital and Ratings

Proven Ability to Grow Capital

Total surplus (\$ in millions)



Increase in total surplus over time



Note: Growth in surplus includes issuance of surplus notes in 2009, 2014, and 2017. Cumulative increase in surplus is from beginning of 2007 to end of 2016. "Industry" comprises all life insurance underwriters domiciled in the U.S. that file statutory reports with NAIC.

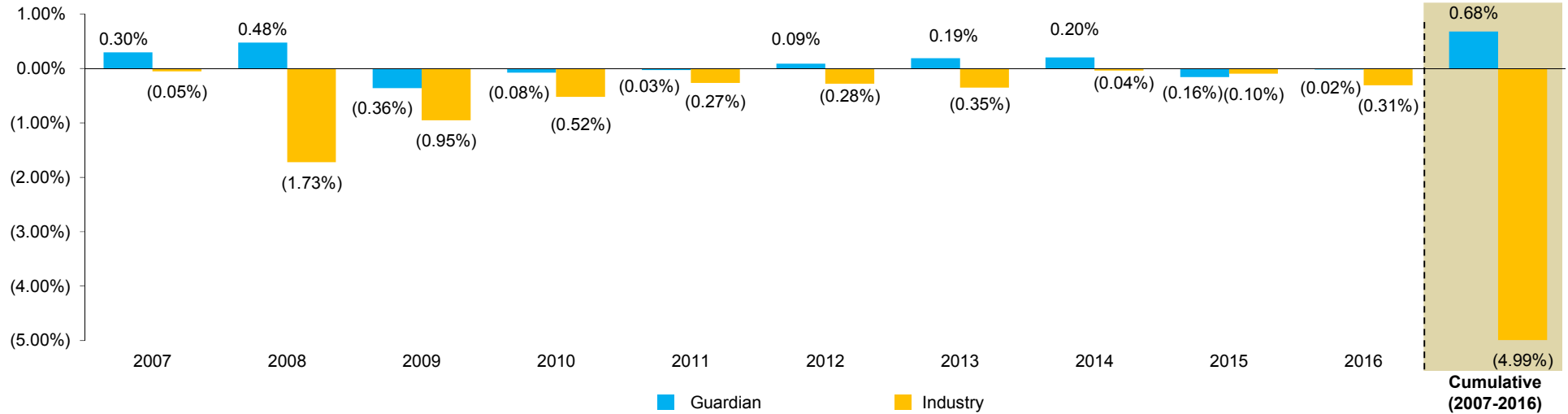
Source: SNL Financial

1

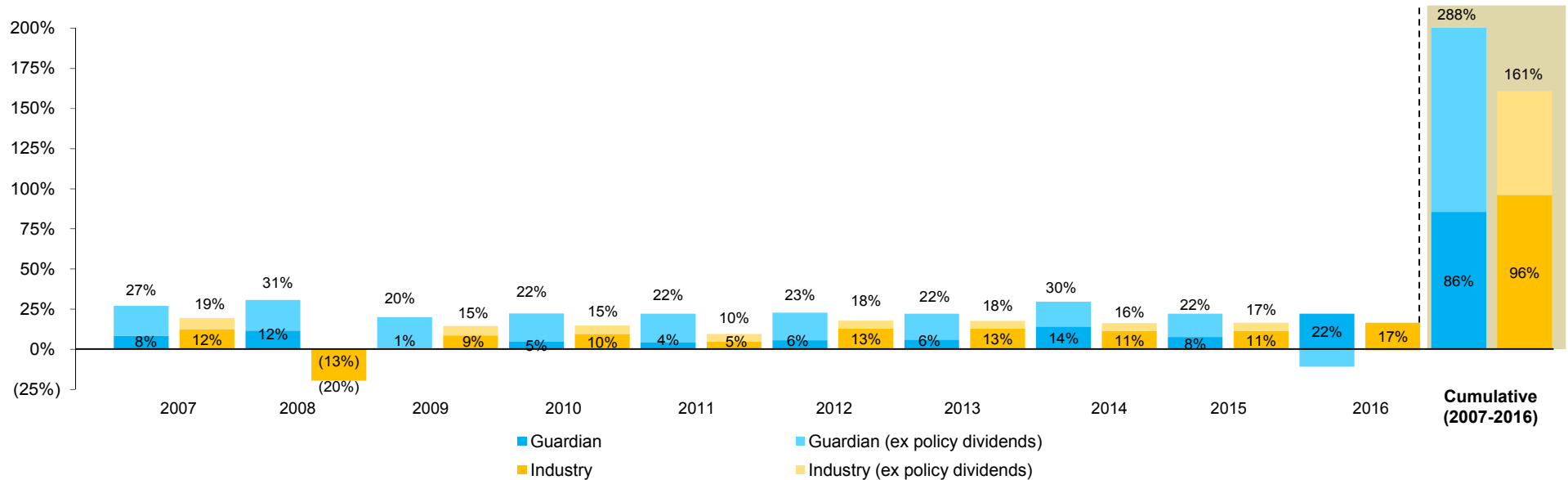
Preservation of Capital and Ratings

Proven Ability to Withstand Stress Scenarios

Net realized capital gains / (losses) as a % of BOP invested assets



Net income as a % of BOP surplus



Note: "Industry" comprises all life insurance underwriters domiciled in the U.S. that file statutory reports with NAIC.

Source: SNL Financial

1

Preservation of Capital and Ratings

Consistently Top-Tier Financial Strength Ratings

Agency	Current	
	Guardian Financial Strength	Outlook
A.M. Best	A++ (Superior – highest of 15 ratings) Upgraded in November 2008 from A+	Stable
Fitch	AA+ (Very Strong – 2nd highest of 21 ratings) Upgraded in October 2007 from AA	Stable
Moody's	Aa2 (Excellent – 3rd highest of 21 ratings) Since 2003	Stable
S&P	AA+ (Very Strong – 2nd highest of 22 ratings) Upgraded in July 2008 from AA	Stable

- Guardian's ratings profile has been strong across all agencies over the last 10 years

Enterprise Risk Management

Low Enterprise Risk Profile

Guardian risk profile

- Very low product risk profile
 - Participating life insurance
 - Annual renewal of Group products
 - Conservative set of product guarantees
- Well managed investment portfolio
 - Diversified investments within asset classes
 - Avoided structured finance securities that were adversely impacted during the credit crisis
 - Dynamic hedging program protects capital
 - Strong focus on asset liability management
- Very low liquidity and withdrawal risks
- Very strong capital position
- Demonstrated willingness and ability to change course if risks dictate; as evidenced by exit from long-term care, medical products and Executive Benefits – COLI; and restrained Variable Annuity sales (exited from Variable Annuities with Living Benefit riders as of March 31, 2017)

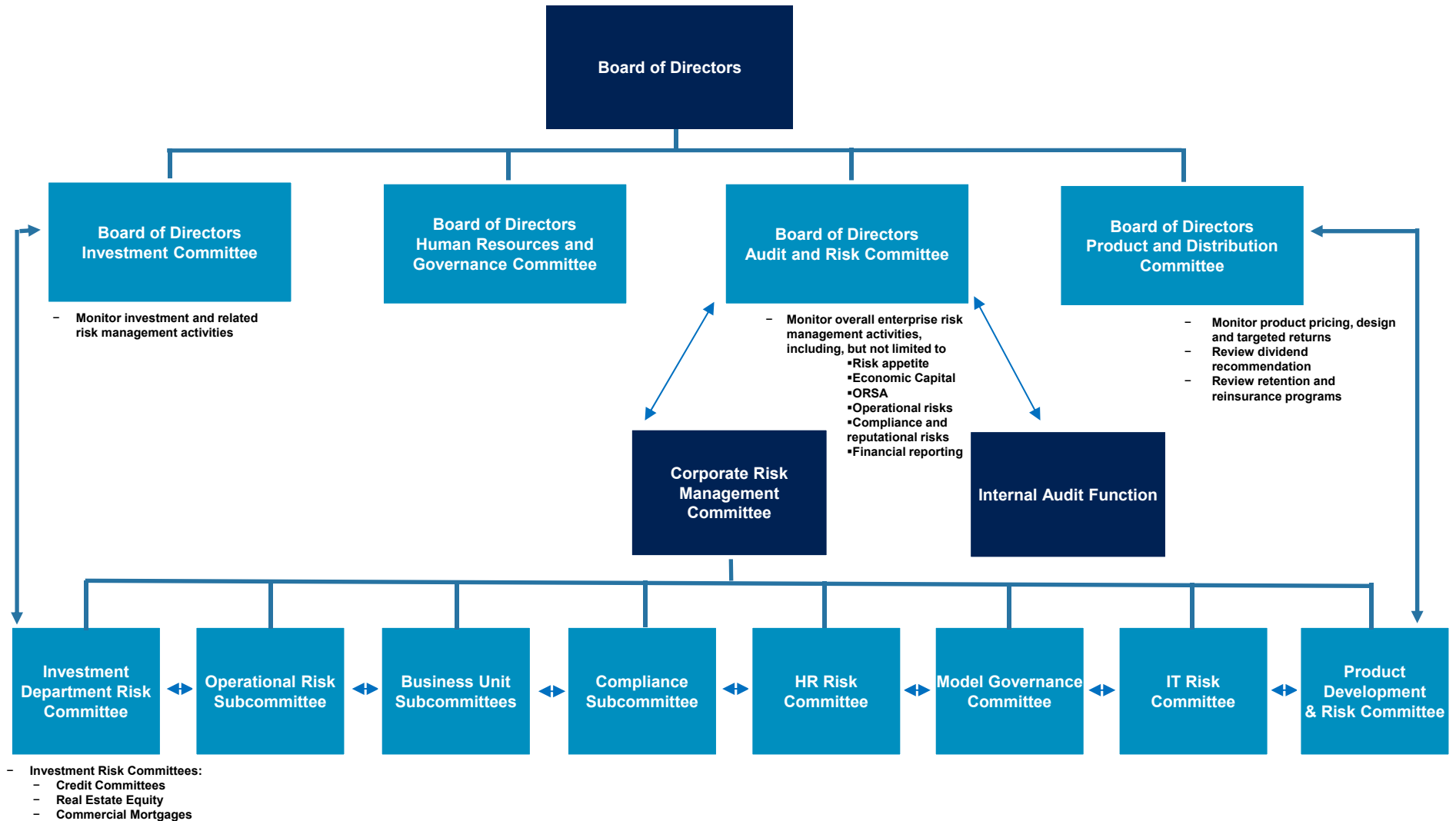
Recent focus

- Investments
- Economic Capital
- Stress Scenario Testing
- Risk Appetite
- New Products
- Operational Risk
- Compliance
- Cyber-security

2

Enterprise Risk Management Formal Risk Governance Structure

Guardian has a formal risk governance and organizational structure to monitor and manage enterprise risk with assigned responsibilities

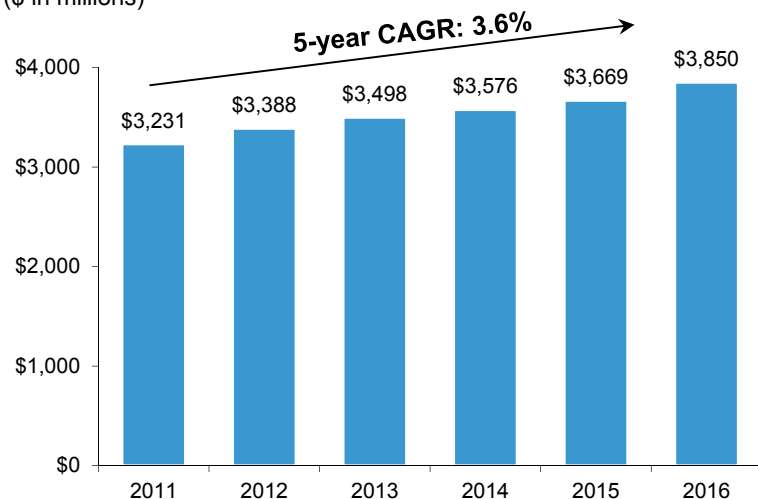


Profitable Growth

Premium / Assets Under Management Growth

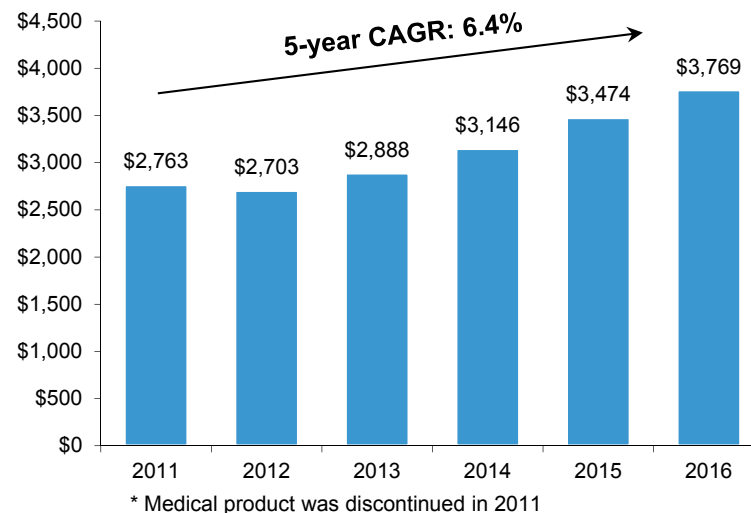
Individual Life

(\$ in millions)



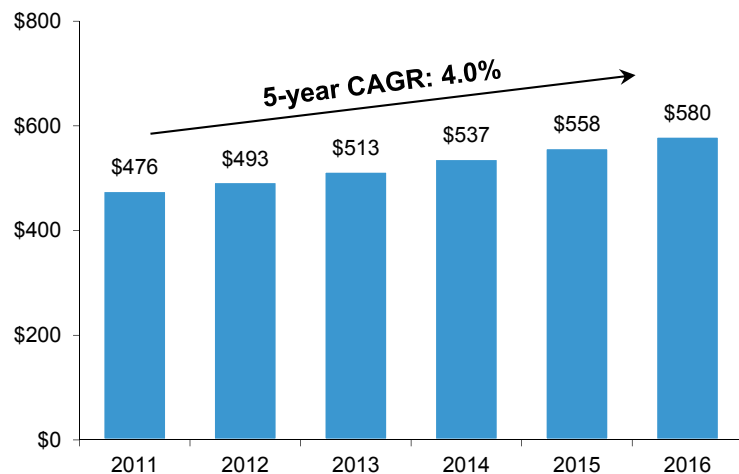
Group

(\$ in millions)



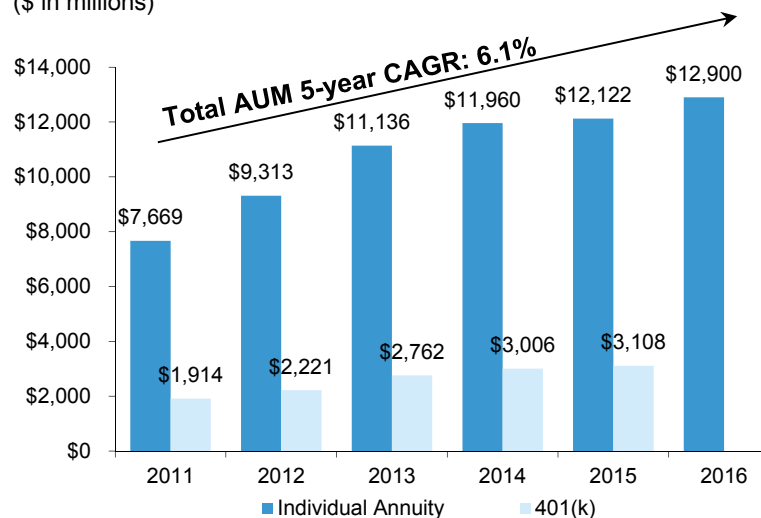
Individual Disability

(\$ in millions)



Retirement Products and Services (AUM)^(a)

(\$ in millions)

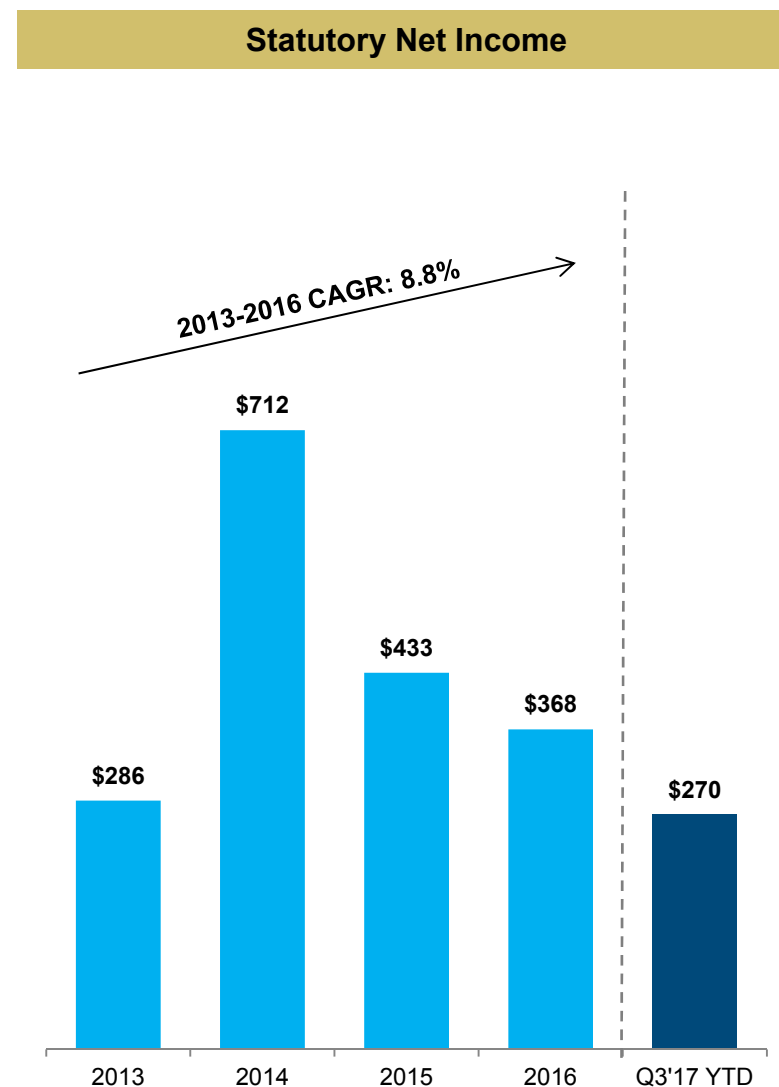


(a) Represents legacy Retirement Products and Services business including 401(k) business which was sold in September 2016.

3

Profitable Growth Increased Capital Generation

	Year ended December 31,				
(\$ in millions)	2013	2014	2015	2016	Q3'17 YTD
Premiums ^(a)	\$8,734 ^(a)	\$6,999	\$7,334	\$7,768	\$6,028
Net investment income	1,765	2,146 ^(b)	1,985	2,052	1,530
Other income	407	397	376	421	252
Total revenue	\$10,906	\$9,542	\$9,695	\$10,241	\$7,882
Benefit payments to policyholders	3,659	3,858	4,104	4,293	3,338
Total benefits and expenses	9,781	8,027	8,289	8,885	6,863
Gain from operations before taxes and dividends	\$1,125	\$1,515	\$1,406	\$1,356	\$1,019
Net income	\$286	\$712	\$433	\$368	\$270



Note: Statutory financials for parent company level.

(a) Represents premiums, annuity considerations and fund deposits. 2013 premiums include the impact of the BLICOA inter-company reinsurance transaction of \$2,306 million.

(b) Includes BLICOA dividend in 2014 of \$304 million.

Guardian's profitability has been consistently above peer mutual average, while the company continues efforts to reduce expenses and invest in profitable growth areas

Guardian performed favorably in 2016 compared to its main competitors (Northwestern Mutual, New York Life, MassMutual):

- #2 in ROC pre-tax before dividend with 19.8% in 2016 (vs. peer average of 15.9%)
- #1 in ROC pre-tax after dividend with 8.5% in 2016 (vs. peer average of 3.4%)
- #2 in ROA pre-tax before dividend with 2.1% in 2016 (vs. peer average of 1.5%)
- #1 in ROA pre-tax after dividend with 0.9% in 2016 (vs. peer average of 0.3%)
- #1 in pre-tax Operating Income as percentage of premium after dividend with 9.1% in 2016 (vs. peer average of 3.5%)

Expense ratios^(a) for Guardian's core business were in line with or better than peer mutual average in 2016

- Individual Life: 18.3% (ranks #2, peer average: 22.6%)

(a) Expense ratios include general insurance expenses and commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).
Source: SNL Financial

5

Continued Investment in Business

Acquisitions that expand service platform and strengthen Guardian's ability to deliver key products and services

Strategic Rationale

STX Healthcare Management (Aug 2016)	<ul style="list-style-type: none"> ▪ Integrated into Guardian's Access Dental Services ("ADS") business, operating within the Group and Worksite Markets organization ▪ Adds directly-managed dental care centers to Guardian's portfolio
Avēsis Incorporated (Jan 2016)	<ul style="list-style-type: none"> ▪ Provides significant synergies with Guardian's extensive benefits portfolio, as well as those of Guardian's subsidiaries Premier Access Insurance Company and Access Dental Services ▪ Strengthens Guardian's government programs business with an experienced management team possessing deep knowledge of the market, a scalable operating and technology platform, existing relationships with leading managed care organizations and a broad product portfolio
Aon Hewitt's absence-management admin business (Dec 2015)	<ul style="list-style-type: none"> ▪ Makes Reed Group the industry's premier absence management services provider, surpassing the previous largest third-party administrator in size and capability ▪ Enhances Reed Group's capacity, expertise, technology and resources
Premier Access Insurance Company (Aug 2014)	<ul style="list-style-type: none"> ▪ Strengthens Guardian's existing Dental PPO and Dental HMO network in several states ▪ Extends Guardian's reach into the state-run Medicaid and CHIP dental markets which are expected to grow significantly ▪ Gains a dental presence on six individual state exchanges, complementing existing offering on 48 of the small business health ("SHOP") exchanges

Continued investments to increase distribution productivity and capacity

Distribution system	<ul style="list-style-type: none"> ▪ Guardian has invested significant resources in expanding and strengthening its distribution system, including expansion into the Worksite market, where consumers are increasingly purchasing insurance products; and facilitating the succession of general agencies ▪ Management team remains committed to distribution excellence to generate profitable growth for the company
Client service	<ul style="list-style-type: none"> ▪ Specific customer segments are targeted via appropriate channels, leveraging technology to deliver products and service more efficiently ▪ Guardian remains committed to providing superior service that has been recognized by such organizations as J.D. Power and DALBAR

Guardian Investment Portfolio Objectives

Guiding principles

- Competitive policyholder dividends
 - Strategic asset allocation
 - Tactical execution
 - Investment results

- Protecting capital and financial strength ratings
 - Effective risk management
 - Achieving return objectives within risk constraints

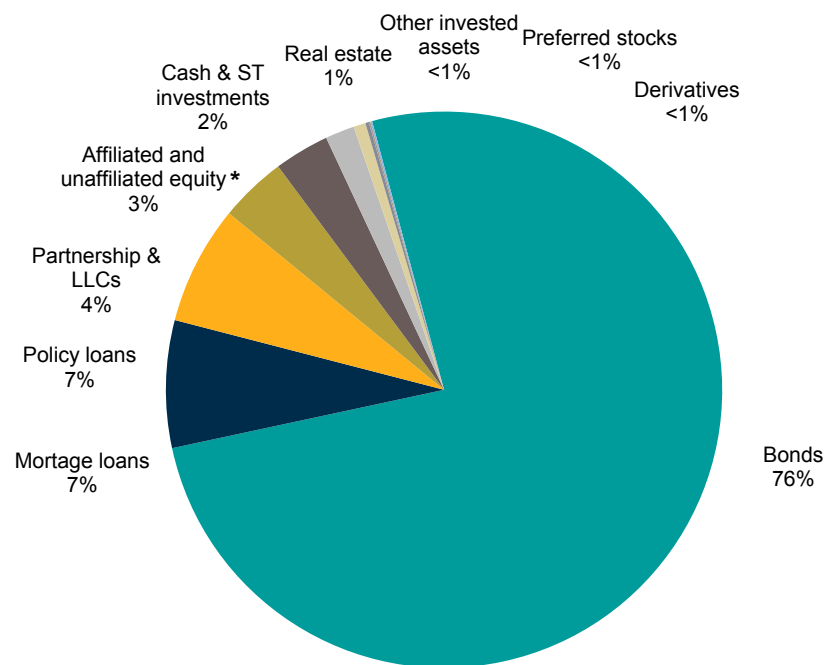
- Product support
 - Asset liability management (ALM)
 - New products – pricing, hedging

Investment guidelines

- Well-diversified portfolios with risk limits
- Dynamic hedging program protects capital
- Actively manage credit and portfolio risks
- Conduct independent research
- Constantly identify and manage emerging risks
- Strong risk management culture, controls, reporting and oversight
- Experienced asset class specialists

High Quality Investment Portfolio

Invested assets by type



\$50.1 billion total

Highlights

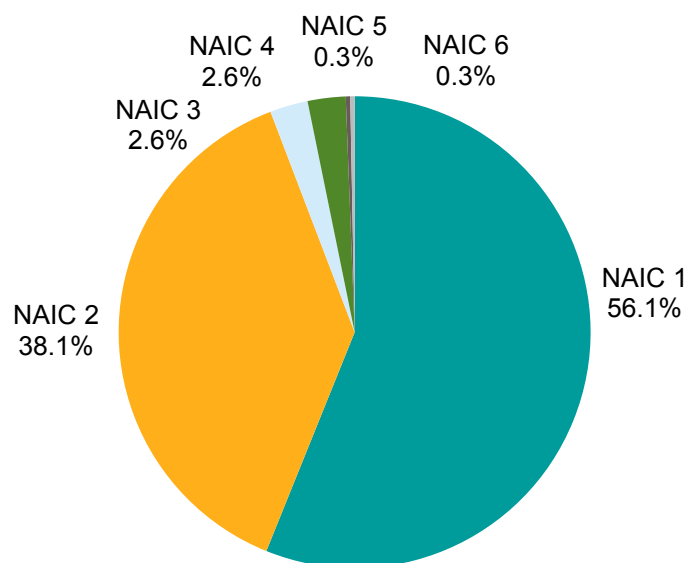
- Strong fixed income credit quality
- Approximately 94% of bond portfolio rated investment grade

Note: Financials as of September 30, 2017 unless otherwise noted. Percentages may not sum to 100% due to rounding.

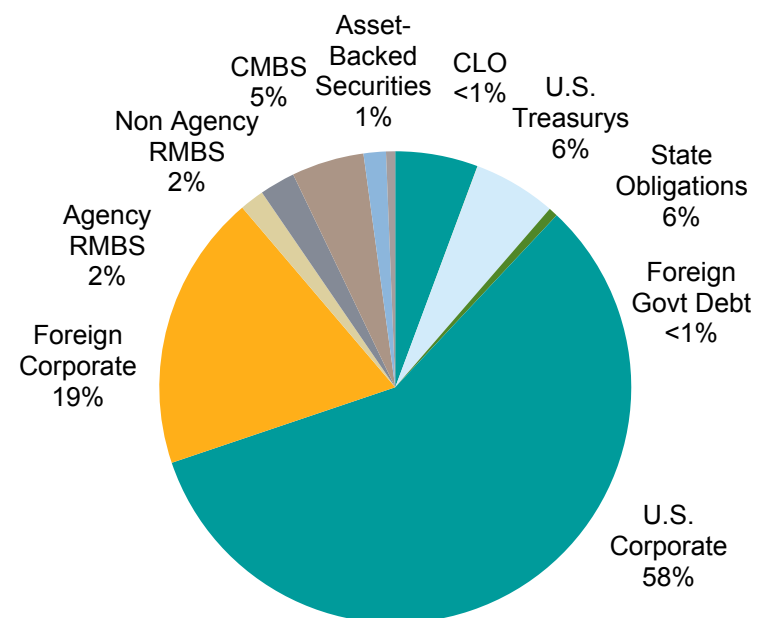
* Unaffiliated equity = 1.1%.

Breakdown of Fixed-Maturity Securities

By NAIC designation



By Allocation



\$38.0 billion total

Note: Financials as of September 30, 2017.

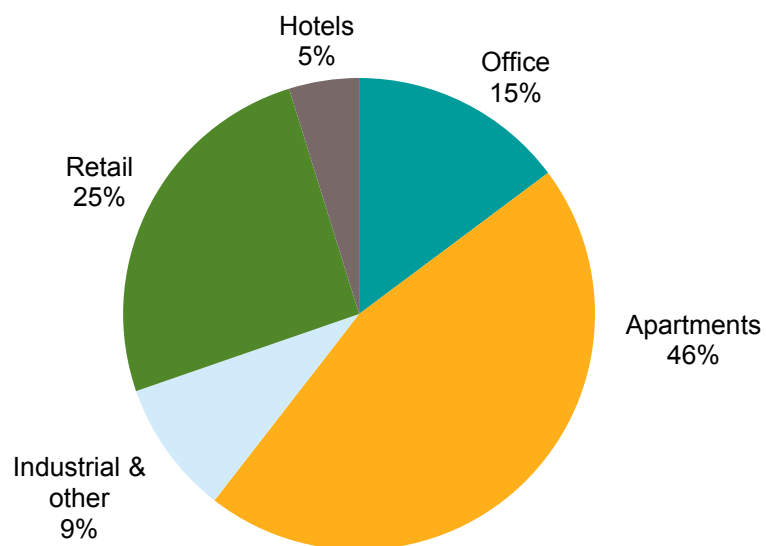
Collateralized Securities are Highly Rated

(\$ in millions)	Mortgage-Backed and Other Asset-Backed Securities					Carrying Value						
	September 30, 2017					NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Total
	Carrying Value	% of Total	Fair Value	% of Total	Gains/ (Losses)							
Residential Mortgage-Backed Securities:												
Government Agency	\$634	14.9%	\$643	14.8%	\$9	\$634	\$ –	\$ –	\$ –	\$ –	\$ –	\$634
Non-Agency RMBS	923	21.6%	992	22.8%	69	758	20	6	14	8	118	923
CMBS	1,885	44.2%	1,892	43.5%	8	1,885	–	–	–	–	–	1,885
Asset Backed Securities (ABS)	583	13.7%	583	13.4%	0	525	57	1	–	–	–	583
Collateralized Loan Obligations (CLO)	237	5.6%	238	5.5%	1	237	–	–	–	–	–	237
Total	<u>\$4,262</u>	<u>100.0%</u>	<u>\$4,349</u>	<u>100.0%</u>	<u>\$87</u>	<u>\$4,039</u>	<u>\$77</u>	<u>\$7</u>	<u>\$14</u>	<u>\$8</u>	<u>\$118</u>	<u>\$4,262</u>

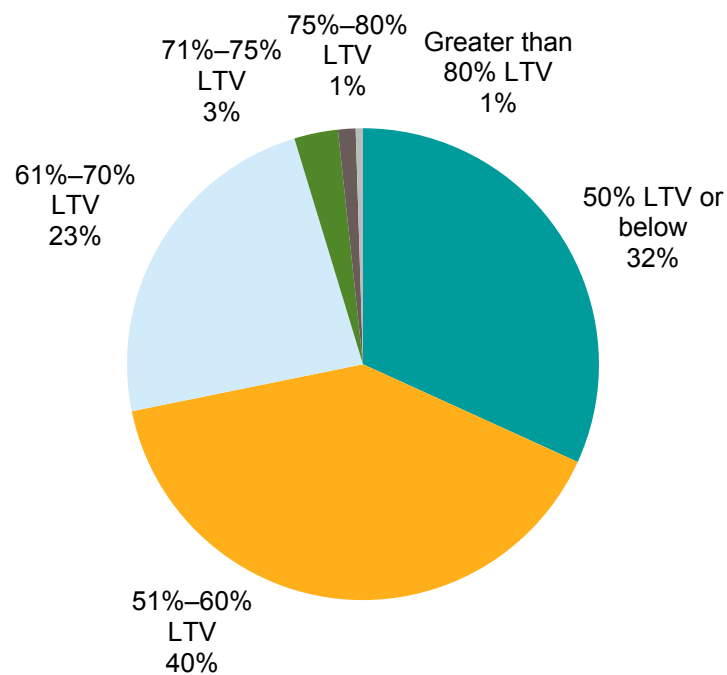
Note: Financials as of September 30, 2017.

Composition of Mortgage Loan Portfolio

By Type



By LTV Range



\$3.7 billion total

Note: Financials as of September 30, 2017. Percentages may not sum to 100% due to rounding.



Appendix

Additional Financial Information

Financial Summary

(\$ in Millions)	2012	2013	2014	2015	2016	Q3'17 YTD
Selected Income Statement Data						
Premiums, Considerations and Deposits	\$5,998	\$8,734	\$6,999	\$7,334	\$7,768	\$6,028
Net Investment Income	1,728	1,765	2,146	1,985	2,052	1,530
Total Revenue	7,967	10,906	9,542	9,695	10,241	7,882
Total Benefits and Expenses	6,891	9,781	8,027	8,289	8,885	6,863
Net Income	253	286	712	433	368	270
Selected Balance Sheet Data						
Total Invested Assets	\$35,479	\$37,711	\$40,633	\$43,180	\$46,919	\$50,098
Total Assets	37,529	42,066	45,296	48,121	51,884	55,227
Total Reserves	28,621	32,685	34,856	37,031	39,369	41,251
Surplus Notes	396	396	845	845	845	1,192
Capital and Surplus	4,752	5,012	5,692	6,090	6,172	6,865

Note: Statutory financials for parent company level.

Source: Statutory filings, SNL Financial



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