



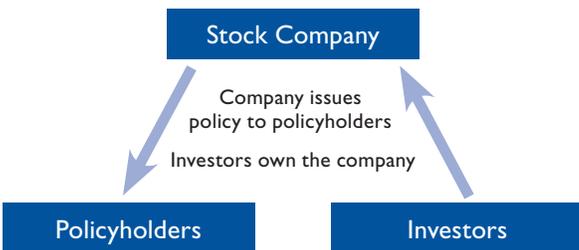
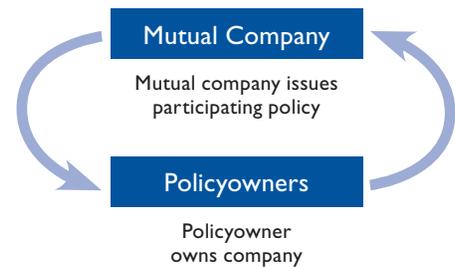
Life Insurance Carrier Company Structures

Who owns the company issuing your life insurance policy *matters* — here's *why*

Individuals considering the purchase of a life insurance policy often compare different companies' features. One important feature is a company's structure — it determines not only who owns the company, but often, how operating decisions are made. There are multiple types of company ownership, each with different implications for your policy's long-term performance.

The Guardian Life Insurance Company is a mutual company.

A **Mutual Company** is wholly owned by its participating policyholders. The mutual company acts for, and is ultimately responsible to, its policyholders — so the interests of the company and policyowners are aligned. At Guardian, mutuality is our cornerstone. It guides every decision we make, from our strong emphasis on values to our focus on long-term financial strength.¹

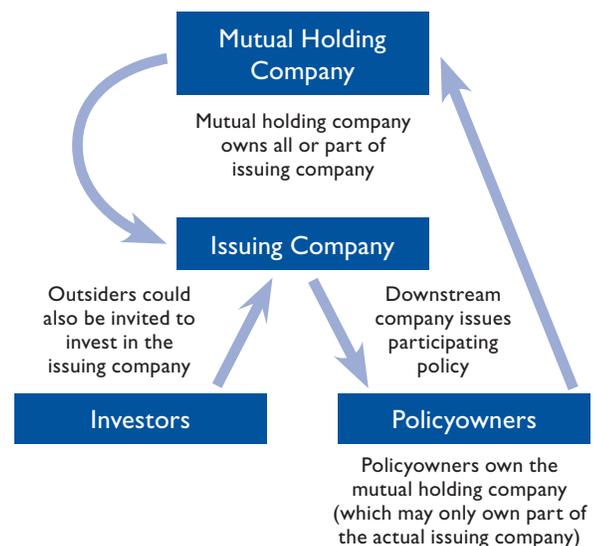


A **Stock Company** is owned by outside shareholders, with the company's stock often available to buy/sell on public exchanges like the New York Stock Exchange. With this structure, the shareholders own the company and expect long-term capital appreciation. Company management is accountable to shareholders; policyowners have no ownership stake in the company — unless they purchase shares of the company. In addition, many stock companies can be wholly or majority owned as a subsidiary by a related or unrelated company, such as a private equity firm or a foreign insurance company.

Some carriers have elected to reorganize as a Mutual Holding Company (MHC). MHCs have a blend of mutual company and stock company attributes.

A **Mutual Holding Company** is a hybrid form of company structure allowed in many jurisdictions (and prohibited in some). These companies, which share features of both stock and mutual companies, often feature multiple levels of operating and holding companies, some of which are owned by policyholders and some of which may be owned by outside shareholders. While policyholders retain some form of ownership in mutual holding companies, there is also the presence (or potential presence) of outside shareholders.

Some companies have elected to reorganize as an MHC because they believe that it will allow them to pursue business strategies that require additional capital that they cannot otherwise access. Policyholders who purchase policies in an MHC stock subsidiary after the reorganization do not have any direct ownership in the intermediate stock holding company (which controls the stock life insurance company), or the stock life insurance company itself; the only ownership interest is in the holding company.



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¹ Financial information concerning The Guardian Life Insurance Company of America as of December 31, 2013 on a statutory basis: Admitted Assets = \$42.1 Billion; Liabilities = \$37.1 Billion (including \$32.7 Billion of Reserves); and Surplus = \$5.0 Billion.

Guardian's View of Mutual Holding Companies — and the Mutual Structure

As a New York State-domiciled insurer, Guardian cannot reorganize to an MHC structure since MHCs are not authorized by New York State. Nevertheless, we believe that a mutual company structure best aligns with our primary strategy, which is to deliver low net cost, high-quality life insurance products to our policyholders — who are also our owners. Our view is that when a company reorganizes to an MHC structure, policyholders' interests can be diluted as a result of stock offerings.

Guardian firmly believes that the mutual company structure best serves the long-term interests of our policyholders — and that we are able to deliver superior customer value because of our mutuality, not in spite of it.

For more information, call your Guardian representative today.



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