A resource for individuals, families, and business owners

Guardian®

Promises should last a lifetime

Understanding the value of a life insurance company's financial strength

Choosing a life insurance company is critical.

Your life insurance policy is a promise that's only as good as the company that will honor it. The financial strength and stability of the insurer you're considering are key.

At Guardian, we take pride in our long-standing record of strong financial ratings and our ongoing commitment to our policyholders. It's important for you to know how we've consistently received high ratings — and plan to continue doing so.

Financial strength is about much more than a company's financial ratings. All of these key indicators should be considered when evaluating an insurance company.

Key indicators of financial stability

Consider important statistics when evaluating and comparing insurers. Statistics are facts that give you a holistic view of an insurance carrier and its strength.

Guardian's performance with respect to these key financial indicators demonstrates why our company is positioned strongly for the future:

- Capitalization ratio
- Net Investment Yield
- Growth and persistency of direct individual life premiums
- Total Underperforming Assets
- Growth of surplus
- Independent ratings services

Capitalization ratio

The capitalization ratio* measures financial strength and is an indicator of an insurer's ability to persevere through uncertain economic times. The capitalization ratio shows a company's capital as a percentage of net admitted assets. Most of an insurer's liabilities are composed of the reserves set aside to pay future claims. Capital represents the amount of assets in excess of those liabilities, so a high capitalization ratio indicates a higher percentage of those excess assets. A company's capitalization ratio is calculated using the following formula:

$$\frac{\textbf{Capital}}{\textbf{Net admitted assets (excluding separate account assets)}}$$

What this means to you

The higher the capitalization ratio, the more confident you can be that the company issuing the policy has the financial strength to keep its promise to you.

Company	2018	2019	2020	2021	2022	5-year average
State Farm Life Insurance Company	17.7%	19.0%	19.7%	21.5%	21.2%	19.8%
Nationwide Life Insurance Company	145.6%	18.8%	18.5%	18.2%	18.6%	17.9%
Penn Mutual Life Insurance Company	15.0%	15.0%	16.4%	17.5%	15.4%	15.9%
The Guardian Life Insurance Company of America	**14.6%**	**14.8%**	**13.8%**	**14.7%**	**14.4%**	**14.5%**
New York Life Insurance Company	14.5%	14.8%	14.0%	14.9%	14.0%	14.4%
Northwestern Mutual Life Insurance Company	12.2%	13.1%	13.1%	13.8%	13.2%	13.1%
Massachusetts Mutual Life Insurance Company	11.0%	12.3%	13.5%	14.4%	13.4%	12.9%
Pacific Life Insurance Company	13.6%	12.7%	12.3%	11.7%	10.7%	12.2%
Prudential Insurance Company of America	10.6%	10.6%	10.4%	14.8%	12.7%	11.8%
John Hancock Life Insurance Company (USA)	11.5%	11.2%	10.5%	12.0%	12.9%	11.6%
Equitable Financial Life Insurance Company	12.5%	12.9%	9.2%	9.3%	9.9%	10.8%
Lincoln National Life Insurance Company	8.6%	8.3%	8.1%	8.0%	7.5%	8.1%
Principal Life Insurance Company	8.1%	7.6%	7.9%	7.6%	6.0%	7.4%

Caution must be used in attempting to make company-to-company comparisons, as business lines and other variables may not be comparable. These metrics are not the only factors to consider when making a decision.

* All information provided was obtained from each company's statutory statements. Results include surplus notes issued.

Net Investment Yield

This yield represents the net earned rate on all invested assets, excluding realized and unrealized gains and losses. The Net Investment Yield* comes from all invested assets. It is a company's net investment income expressed as a percentage of cash and invested assets, plus accrued investment income, minus borrowed money.

What this means to you

This indicates the results from how a company invests its assets over time. It's an important sign of a company's long-term financial success.

Company	2018	2019	2020	2021	2022	5-year average
Penn Mutual Life Insurance Company	4.91%	4.83%	4.32%	4.69%	4.70%	4.69%
John Hancock Life Insurance Company (USA)	5.18%	4.86%	4.07%	4.29%	4.32%	4.54%
New York Life Insurance Company	4.76%	4.38%	4.55%	4.76%	4.03%	4.50%
Principal Life Insurance Company	4.54%	4.40%	4.05%	4.11%	4.67%	4.35%
Nationwide Life Insurance Company	4.48%	4.32%	4.33%	4.40%	3.73%	4.25%
Massachusetts Mutual Life Insurance Company	4.64%	4.28%	4.28%	3.92%	3.94%	4.21%
Guardian Life Insurance Company of America	**4.17%**	**4.26%**	**4.04%**	**4.28%**	**3.79%**	**4.11%**
Northwestern Mutual Life Insurance Company	4.24%	4.19%	4.30%	3.71%	4.00%	4.09%
Lincoln National Life Insurance Company	4.49%	4.51%	4.06%	3.88%	3.46%	4.08%
State Farm Life Insurance Company	3.77%	3.76%	3.78%	4.30%	3.56%	3.83%
Pacific Life Insurance Company	3.93%	4.82%	3.59%	3.33%	3.09%	3.75%
Equitable Financial Life Insurance Company	7.82%	1.21%	1.69%	-0.54%	8.51%	3.74%
Prudential Insurance Company of America	4.00%	3.98%	3.41%	3.44%	3.63%	3.69%

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Growth and persistency of direct individual life premiums

Premium persistency measures the percentage of billable premium that renews on the following policy anniversary. The higher the premium persistency ratio, the better. High premium persistency indicates quality sales, a low level of replacements, and satisfied policy owners.

What this means to you

A high persistency percentage means higher premium income over time. This has a positive effect on the claims-paying ability of the insurer, helps to guarantee the company's ability to recoup its costs, and improves its chances to be profitable.

Ranked by five-year growth and persistency of direct individual life premium*

Company	2018	2019	2020	2021	2022	5-year average
Guardian Life Insurance Company of America	**95.68%**	**94.66%**	**95.09%**	**95.06%**	**96.18%**	**95.34%**
Massachusetts Mutual Life Insurance Company	95.32%	94.30%	94.05%	95.35%	95.40%	94.88%
New York Life Insurance Company	94.44%	94.41%	94.31%	95.89%	94.82%	94.77%
Northwestern Mutual Life Insurance Company	93.76%	94.18%	94.46%	95.31%	94.80%	94.50%
State Farm Life Insurance Company	92.94%	93.89%	94.05%	94.51%	93.96%	93.87%
Prudential Insurance Company of America	94.21%	92.92%	94.95%	91.85%	93.50%	93.48%
Principal Life Insurance Company	90.67%	89.55%	94.03%	94.00%	94.33%	92.52%
Equitable Financial Life Insurance Company	91.33%	93.09%	89.35%	92.93%	91.77%	91.69%
Penn Mutual Life Insurance Company	86.04%	87.75%	93.39%	93.06%	95.18%	91.08%
Nationwide Life Insurance Company	80.86%	90.88%	79.09%	93.44%	86.94%	86.24%
John Hancock Life Insurance Company (USA)	83.98%	80.82%	77.48%	84.38%	77.90%	80.91%
Pacific Life Insurance Company	72.10%	75.24%	78.65%	84.43%	76.36%	77.36%
Lincoln National Life Insurance Company	74.71%	69.80%	70.21%	82.39%	80.53%	75.53%

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Total underperforming assets

This is an indicator of the quality of the asset portfolio supporting the life insurance policies. Total Underperforming Assets* measures:

- Bonds in or near default;
- Mortgages with interest three months overdue;
- Mortgages in the process of foreclosure; and
- Real estate acquired in satisfaction of debt.

What this means to you

This is a measure of how stable a company's investments are. A lower percentage indicates fewer underperforming assets over time.

As a % of capital

Company	2018	2019	2020	2021	2022	5-year average
Lincoln National Life Insurance Company	0.0%	0.2%	0.0%	0.3%	0.0%	0.1%
State Farm Life Insurance Company	0.0%	1.1%	0.0%	0.0%	0.0%	0.2%
Penn Mutual Life Insurance Company	0.2%	0.6%	0.1%	0.1%	0.0%	0.2%
Principal Life Insurance Company	0.2%	0.1%	0.0%	0.0%	1.4%	0.3%
Northwestern Mutual Life Insurance Company	0.2%	0.2%	0.4%	0.5%	0.5%	0.3%
Nationwide Life Insurance Company	0.4%	0.3%	0.3%	0.2%	0.1%	0.3%
New York Life Insurance Company	0.2%	0.3%	0.4%	0.3%	0.8%	0.4%
Prudential Insurance Company of America	0.6%	0.3%	0.3%	0.5%	0.3%	0.4%
Guardian Life Insurance Company of America	**0.7%**	**0.3%**	**0.5%**	**0.5%**	**0.4%**	**0.5%**
John Hancock Life Insurance Company (USA)	0.4%	1.0%	0.4%	0.3%	0.3%	0.5%
Pacific Life Insurance Company	0.2%	0.5%	0.2%	1.2%	0.5%	0.5%
Equitable Financial Life Insurance Company	0.6%	0.7%	1.5%	0.5%	0.5%	0.8%
Massachusetts Mutual Life Insurance Company	1.8%	1.9%	2.0%	2.5%	1,4%	1.9%

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Growth of surplus

Surplus is a measure of shareholders' equity. It's used to fund new business growth, support new ventures, and provide a defense against investment and operating losses. A company's ability to grow surplus is indicative of its ability to grow earnings. Bottom line, it's one sign of a well-run company.

What this means to you

The higher the number, the more you can be confident about the company's ability to pay its future claims.

Company	2022 surplus*	2018-2022 Five-year growth of surplus rate
Massachusetts Mutual Life Insurance Company	$27,941,058,515	12.2%
Nationwide Life Insurance Company	$10,191,547,169	11.4%
Penn Mutual Life Insurance Company	$2,649,812,538	9.3%
Northwestern Mutual Life Insurance Company	$29,885,140,638	7.5%
State Farm Life Insurance Company	$15,509,071,202	7.3%
Prudential Insurance Company of America	$14,046,210,410	7.1%
John Hancock Life Insurance Company (USA)	$10,837,296,885	6.0%
Guardian Life Insurance Company of America	**$8,845,421,645**	**5.8%**
Pacific Life Insurance Company	$11,671,694,114	4.7%
New York Life Insurance Company	$23,886,506,553	3.2%
Lincoln National Life Insurance Company	$8,307,501,116	1.2%
Principal Life Insurance Company	$4,301,928,739	-2.7%
Equitable Financial Life Insurance Company	$5,593,324,134	-5.5%

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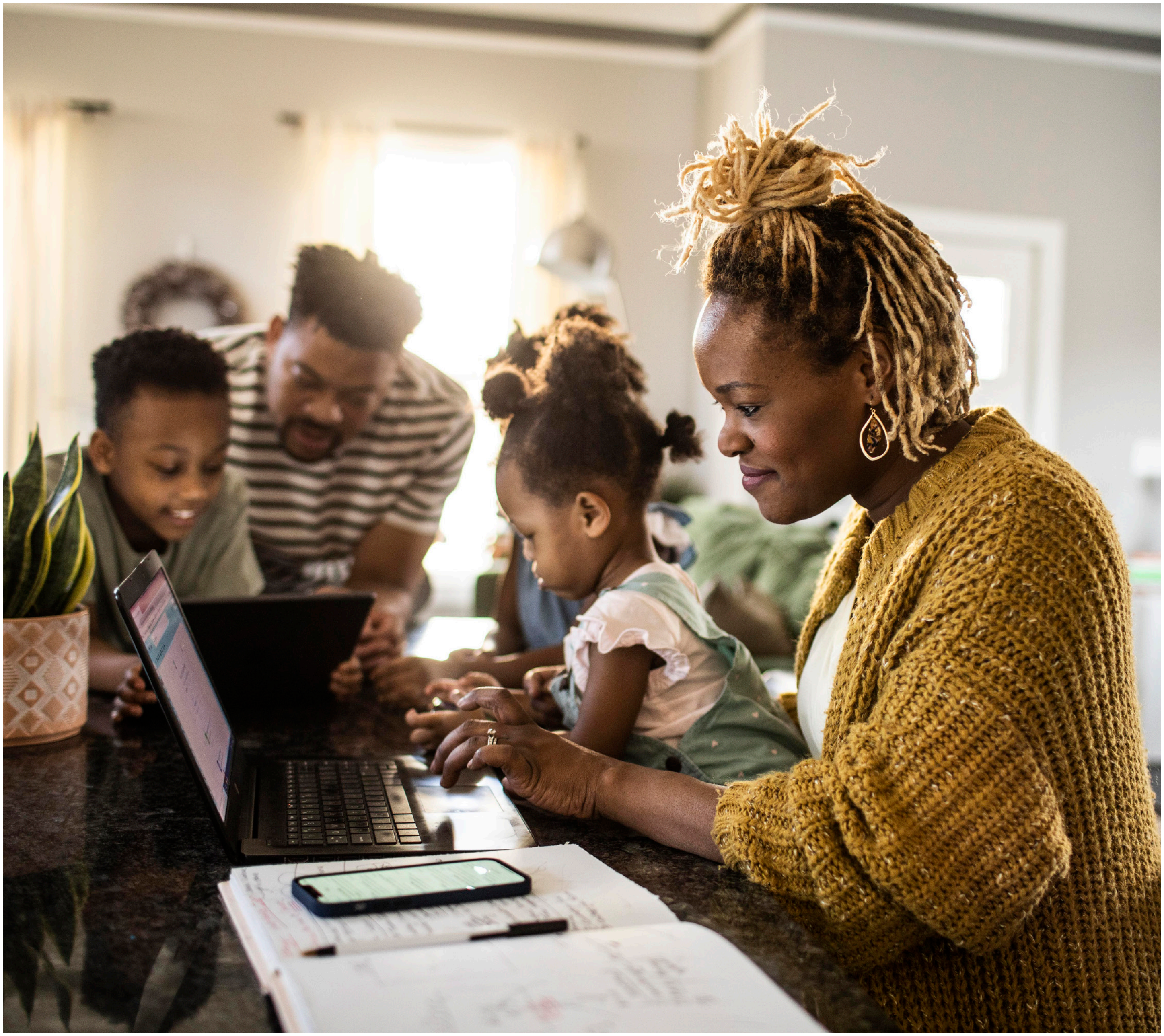


Independent ratings services

All the key indicators noted earlier are evaluated for each insurance company by independent ratings services. Their ratings are widely viewed as indicators of financial strength and stability. And they provide a common ground for valid comparisons.

There are major ratings agencies that evaluate and publish ratings for insurance companies: Moody's, Standard & Poor's (S&P), and A.M. Best Company.

What this means to you

Independent ratings agencies look well beyond company financials. They also conduct face-to-face interviews with senior executives of each firm they rate in order to assess the company's values.

Guardian's financial strength and ratings

Our financial ratings are clear.* When you compare our financial strength across companies, we are consistently near the top. That's because as a mutual company, the interests of our policyholders guide our decisions. Striking the right balance between managing risk and generating healthy long-term returns is one of our highest priorities.

Another way to evaluate a company is by its Comdex[1] score, which defines a company's financial strength as a percentage based on its current financial strength ratings.

Guardian's Comdex score reaffirms our financial strength and how we are positioned as one of the carriers in the top tier of the industry.

What this means to you

Our financial ratings have been reaffirmed for more than 10 years, including during times of extreme economic uncertainty.

Our success is your success. We put you, the policyholder, top of mind with every decision we make. Our current Comdex score should help you feel confident that we will be here for the long term.

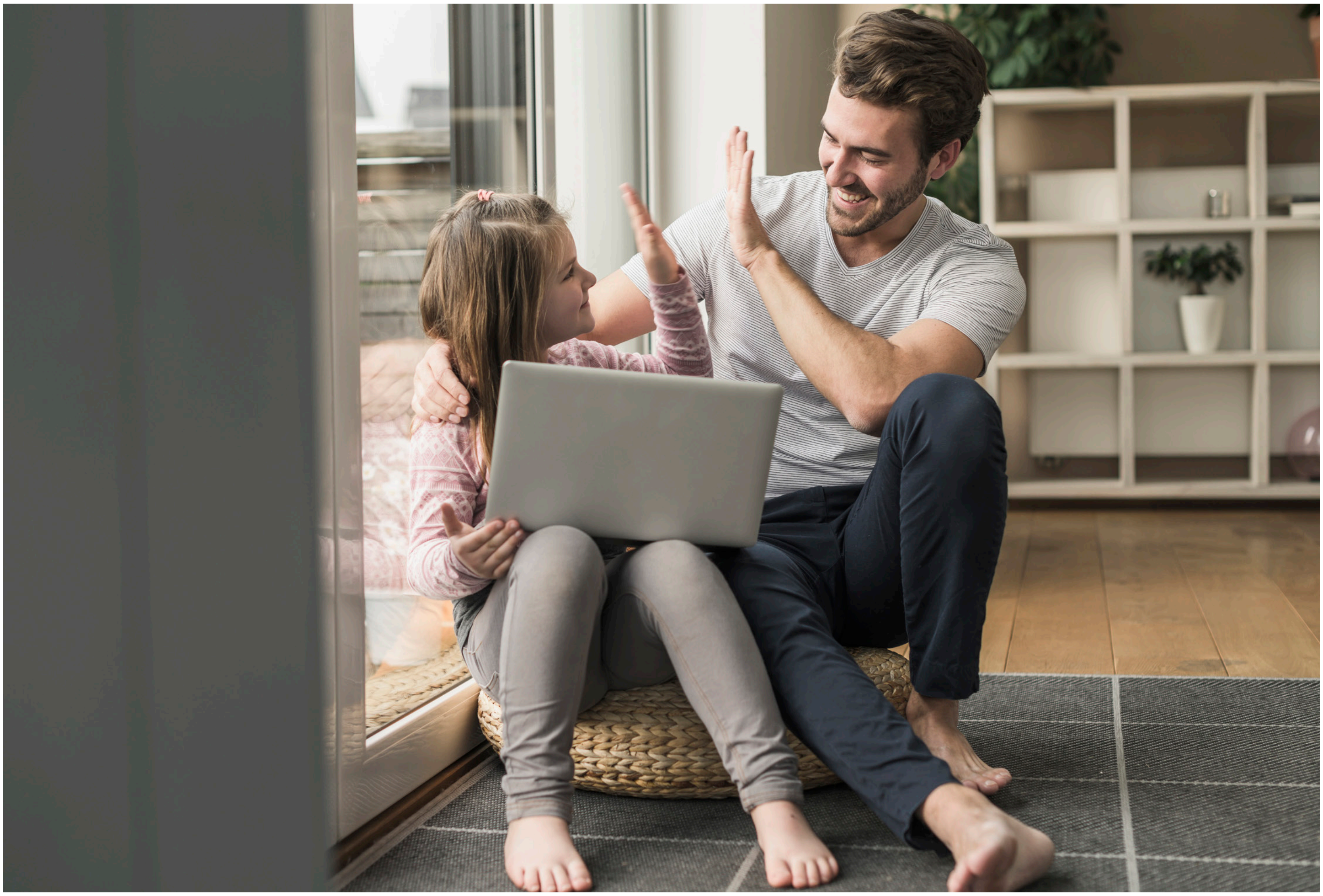
Company	S&P	Moody's	A.M. Best	Comdex
New York Life Insurance Company	AA+	Aaa	A++	100
Northwestern Mutual Life Insurance Company	AA+	Aaa	A++	100
Guardian Life Insurance Company of America	**AA+**	**Aa1**	**A++**	**99**
Massachusetts Mutual Life Insurance Company	AA+	Aa3	A++	98
State Farm Life Insurance Company	AA	Aa1	A++	98
Prudential Insurance Company of America	AA-	Aa3	A+	95
Pacific Life Insurance Company	AA-	Aa3	A+	95
John Hancock Life Insurance Company (USA)	AA-	A1	A+	93
Penn Mutual Life Insurance Company	A+	Aa3	A+	93
Nationwide Life Insurance Company	A+	A1	A+	90
Principal Life Insurance Company	A+	A1	A+	90
Equitable Financial Life Insurance Company	A+	A1	A	82
Lincoln National Life Insurance Company	A+	A1	A	82

Ratings are as of December 31, 2022 and are subject to change.

Caution must be used in attempting to make company-to-company comparisons, as business lines and other variables may not be comparable. These metrics are not the only factors to consider when making a decision.

* Financial information concerning Guardian as of December 31, 2022, on a statutory basis: Admitted Assets= $76.0 Billion; Liabilities = $67.2 Billion (including $55.0 Billion of Reserves); and Surplus = $8.8 Billion.

[1] Comdex is not a rating but a composite of all ratings that a company has received from the three major ratings agencies (A.M. Best, Standard & Poor's, Moody's, and Fitch). Comdex represents a company's percentile standing on a scale of 1 to 100 (with 100 being the best) in 2022 in relation to other companies that have been rated by the major agencies.



Guardian's 2022[1] key accomplishments

- Guardian declared one of the highest total dividends in company history — $1.26 billion.[2]
- Guardian approved $7 billion in total benefits and dividends, demonstrating our ability to continuously operate for the benefit of our policyholders.
- We ended the year with assets under management of $90.1 billion.
- We increased life insurance in force to $833 billion, reflecting our overall business growth.
- Moody's upgraded our financial strength rating to Aa1 and our Comdex score increased to 99 out of a possible 100. Other major credit rating agencies reaffirmed our already strong ratings.

[1] All dollar amounts shown are as of December 31, 2022.

[2] Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors.

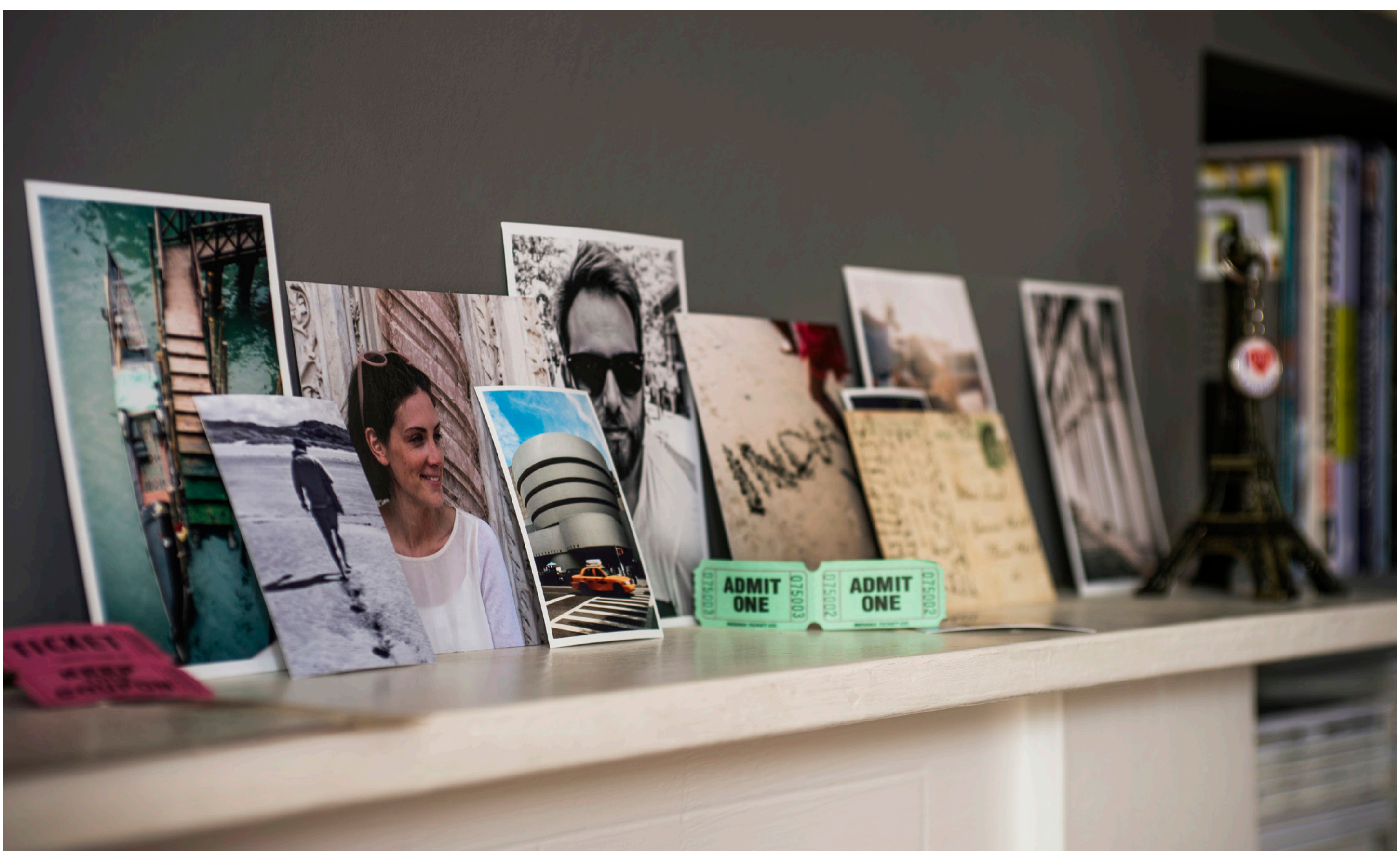
Our promise to you

Now that you have the information to compare the strength of today's top insurers, you can more confidently select a company with a time-tested long-term track record.

At the heart of who we are — our commitment to you

Guardian remains committed to performing as a well-run mutual company. In our view, it's the best way to deliver our products and services to you and to better serve your long-term goals.

The combination of our mutuality, our people, and our financial strength will continue to serve all our policyholders for decades to come.



The Guardian Life Insurance Company of America

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