

Wire: Moody's Investor (BMP) Date: Jul 29 2009 19:02:09
Moody's affirms Guardian Life's Aa2 IFSR (stable outlook)

New York	New York
Ann G. Perry	Robert Riegel
VP - Senior Credit Officer	Managing Director
Financial Institutions Group	Financial Institutions Group
Moody's Investors Service	Moody's Investors Service
JOURNALISTS: 212-553-0376	JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653	SUBSCRIBERS: 212-553-1653

Moody's affirms Guardian Life's Aa2 IFSR (stable outlook)

New York, July 29, 2009 -- Moody's Investors Service has affirmed the Aa2 insurance financial strength (IFS) ratings of Guardian Life Insurance Company of America (Guardian Life) and its subsidiary Guardian Insurance and Annuity Company, Inc. (GIAC) (collectively, Guardian). The outlook on the ratings is stable.

Moody's said that the rating affirmation reflects Guardian's strong business profile, which is supported by its stable block of individual life insurance business and career-agent distribution, as well as the company's relatively low exposure to higher risk assets. The Aa2 IFS rating also reflects the company's low asset/liability management and liquidity risk as a result of the non-interest sensitive nature of its liability mix. In addition, the rating agency noted the company's modest financial leverage (no outstanding debt), excellent capitalization (NAIC Risk Based Capital of 447% as of year-end 2008), and consistent earnings in its group non-medical business all contributed to Guardian's strong credit profile.

According to Moody's Vice President and Senior Credit Officer, Ann Perry, "A key factor in Guardian's stable ratings outlook is its strong regulatory capital position, even under investment stress scenarios. In addition, Guardian's credit profile benefits from a high degree of financial flexibility through its participating policyholder dividend mechanism on its large block of whole life insurance policies."

Commenting on Guardian's investment portfolio, Moody's said that Guardian has a high quality bond portfolio, relatively modest exposure to non-agency RMBS securities and a manageable CMBS exposure. However, the rating agency noted that Guardian's exposure to real estate limited partnerships and commercial mortgage loans could expose the company to investment losses given the current recessionary environment.

Moody's noted that the company's strengths are tempered by Guardian's exposure to low-margined variable products and non-life insurance lines of business, which could produce earnings volatility. The non-life insurance businesses include the small case group medical and non-medical business, and the individual disability business.

According to Moody's, given Guardian's somewhat limited market presence and national brand, and its strategy, which relies heavily on group non-medical products in its business profile and earnings mix, upward rating pressure is unlikely. However, upward ratings pressure could emerge if Guardian was able to sustain ROEs in the 10 -- 15% range without increasing the risk profile of its liabilities.

On the other hand, the rating agency said that one or more of the following could result in downward rating pressure: NAIC RBC of less than 350%, below investment grade bond exposure of more than 10% of cash and invested assets, combined unaffiliated common stock and limited partnership exposure of more than 10% of cash and invested assets, or return on equity of less than 5%.

The following ratings were affirmed with a stable outlook:

Guardian Life Insurance Company of America -- Aa2 insurance financial strength rating;

Guardian Insurance and Annuity Company, Inc. -- Aa2 insurance financial strength rating.

Moody's last rating action took place on May 19, 2006, when the insurance financial strength ratings of Guardian Life Insurance Company of America and its subsidiary Guardian Insurance and Annuity Company, Inc. were affirmed at Aa2 (stable outlook).

The principal methodology used in rating the issuers covered by this press release is "Moody's Global Rating Methodology for Life Insurers", which can be found at www.moodys.com in the Credit Policy & Methodologies directory, in the Rating Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating these issuers can also be found in the Credit Policy & Methodologies directory.

As of March 31, 2009, Guardian Life Insurance Company of America, headquartered in New York, reported statutory assets of about \$29 billion and total capital of approximately \$3.6 billion.

Moody's insurance financial strength ratings are opinions of the ability of insurance companies to pay punctually senior policyholder claims and obligations.

For more information, visit our website at www.moodys.com/insurance.

CREDIT RATINGS ARE MIS'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE

INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

Copyright 2009, Moody's Investors Service, Inc. and/or its licensors and affiliates including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling. MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moody.com under the heading "Shareholder Relations - Corporate

Governance - Director and Shareholder Affiliation Policy."
Moody's Investors Service Pty Limited does not hold an Australian financial services licence under the Corporations Act. This credit rating opinion has been prepared without taking into account any of your objectives, financial situation or needs. You should, before acting on the opinion, consider the appropriateness of the opinion having regard to your own objectives, financial situation and needs.

end

Provider ID: 00500571
-0- Jul/29/2009 23:02 GMT

Copyright (c) 2009

END OF STORY 1