



To: Guardian Associates

From: Jim Suslavich, Vice President, Life Product Development & Support

Date: August 8, 2011

Subject: Introducing Juvenile Re-underwriting

<p>Introducing Juvenile Re-Underwriting</p>	<p>As part of our ongoing commitment to keep our whole life products competitive, we have enhanced our capabilities for juvenile cases to provide your clients with the opportunity to upgrade their policies. Effective immediately, we will make an offer to our policyowners to re-underwrite their juvenile policy when they reach “Adult Age” as defined in the Available Products section below.</p> <p>This memo provides more details on this new program. Note: this program is not a contractual right; terms and conditions may change in the future.</p> <p>If the insured is approved for the upgraded underwriting class:</p> <ul style="list-style-type: none"> • The base premium will not change • OYT costs will decrease; OYT rates are guaranteed for only the first two years • Future dividends will be higher because they are based on the new rating class Dividends are not guaranteed. They are declared annually by Guardian’s board of directors
<p>Program Availability</p>	<ul style="list-style-type: none"> • The policy must be one of the 2001 CSO Whole Life products shown in the <u>Available Products</u> section below • The base policy face amount must be greater than or equal to \$100,000 • Policy cannot be on Extended Term (ETI) • This program is not available for Pension Trust policies

Available Products	<p>The definition of “Adult Age”: The anniversary when the attained age of juvenile insureds equal or exceeds the ages that all rating classes are available subject to underwriting. The “Adult Age” varies by product as shown below</p> <table border="1" data-bbox="456 352 1398 720"> <thead> <tr> <th>“Adult Age”</th> <th>Available Product</th> <th>Compliance #</th> </tr> </thead> <tbody> <tr> <td rowspan="4">18</td> <td>L95 (2011 Series)</td> <td>06-WL (2011 Series)</td> </tr> <tr> <td>10 Pay WL (2011 Series)</td> <td>11-WL 10</td> </tr> <tr> <td>20 Pay WL (current Series)</td> <td>10-L20, 10-L20SN</td> </tr> <tr> <td>L65 (current Series)</td> <td>10-L65, 10-L65SN</td> </tr> <tr> <td rowspan="5">20</td> <td>L95 (2007 Series)</td> <td>06-WL</td> </tr> <tr> <td>L99</td> <td>06-WL</td> </tr> <tr> <td>L121</td> <td>06-WL</td> </tr> <tr> <td>Limited Pay Whole Life</td> <td>06-WL</td> </tr> <tr> <td>10 Pay WL (2009 Series)</td> <td>06-WL</td> </tr> </tbody> </table>	“Adult Age”	Available Product	Compliance #	18	L95 (2011 Series)	06-WL (2011 Series)	10 Pay WL (2011 Series)	11-WL 10	20 Pay WL (current Series)	10-L20, 10-L20SN	L65 (current Series)	10-L65, 10-L65SN	20	L95 (2007 Series)	06-WL	L99	06-WL	L121	06-WL	Limited Pay Whole Life	06-WL	10 Pay WL (2009 Series)	06-WL
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Underwriting Rules	<p>This program is not open to policies with face amounts under \$100,000.</p> <p>We will use <i>Simplified Issue</i> Underwriting rules for policies with face amounts of \$100,000 through \$500,000, which includes the:</p> <ul style="list-style-type: none"> • Change form • Non-med form • Authorization form <p>We will use <i>Full Underwriting</i> rules for policies with face amounts over \$500,000.</p> <p>Underwriting Decision</p> <ul style="list-style-type: none"> • If Underwriting approves the improved rating, premiums will remain the same but the dividend rates will change resulting in higher policy dividends • After the contestable period expires, no adverse action will result from applying for this improvement 																							
Client Notification	<p>An initial catch-up mailing to policyowners of any policies that have already met the program requirements was sent out on July 29th, 2011.</p> <p>The second catch-up mailing will be sent out after August 22, 2011. The affected policyowners, as well as Servicing Agents and GA’s will receive an offer letter (see Appendix A for a sample).</p> <p>In the future, letters will be sent to the policyowners prior to the anniversary when the juvenile insured reaches “Adult Age”.</p>																							

<p>How To Apply/ Accept an Offer</p>	<p>In order for a client to apply for this improvement, he/she will need to:</p> <ul style="list-style-type: none"> • Complete the following forms: <ul style="list-style-type: none"> ○ Change request – include sections 1, 6, 7 & 12 ○ Non-med, if necessary ○ HIPAA • Submit signed forms to the Home Office for processing <ul style="list-style-type: none"> ○ We require the signatures of the agent, policyowner and insured <p>After the juvenile insured reaches adult age, the policyowner can apply at any time in the future.</p>
<p>Administrative Processing</p>	<p>Upon receipt of the paperwork in the Home Office, ILSA will review the information and, if the paperwork is in good order, ILSA will forward the case to Underwriting for a decision.</p> <ul style="list-style-type: none"> • If the Underwriting decision is favorable, ILSA will process a rating change. A confirmation of the change will be sent to the insured/policyowner and applicant, if appropriate, with a copy to the servicing agent and GA • If the Underwriting decision is not favorable, ILSA will send an e-mail to the servicing agency to that effect
<p>Illustrations</p>	<p>We have added a new question to the Insured screen for inforce illustrations only. You will be able to run an inforce ledger illustrating the rating improvement three weeks before the “Adult Age.”</p> <p>This change will be included in FDP/XL 51.5 which is available through Guardian Online’s Software Download. The illustration system will be included in the CD Software Pack available in early September.</p>
<p>Questions?</p>	<p>If you have questions about any of our other products, please contact Individual Life Service and Administration 1 (800) 441 – 6455.</p>

Appendix A – Sample Letter



**Individual Life Service
& Administration**

3900 Burgess Place
Bethlehem, PA 18017
Phone: 1-800-441-6455

Current Date
Policy #
Policyowner Name
Policyowner Address1
Policyowner Address2
Policyowner Address3
Policyowner Address4

Dear Policyholder,

When you purchased your Guardian Life policy, it was issued with underwriting classes available for **juveniles**. Insured Name is now eligible to apply for a better underwriting class because the insured is now at an age where additional underwriting classes are available. Evidence of insurability must be provided to secure an improved underwriting class.

If the insured is approved for the upgraded underwriting class, the policy will offer:

- Higher annual dividend crediting
- No change in premiums, guaranteed cash value or guaranteed death benefit
- Lower OYT costs
- If the insured exercises the option to purchase additional coverage under the Guaranteed Insurability Option, any new policy may be issued with the improved underwriting class. Any riders attached to the new policy will also have the upgraded underwriting class.

Contact Your Financial Representative Now

Your agent can give you more details on this offer which could help improve the dividend performance on your policy. In addition, your agent can help you to further protect your family's financial security. Call your Guardian Financial Representative today at the number shown at the bottom of this letter.

Sincerely,

Individual Life Service and Administration

Agent: Agent Name
Agency: The Guardian Life Insurance Company
Agency Address1
Agency Address2
Agency Address3
Agency Address4
Agency Phone
Agency Code: XX