



# NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON  
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

## FOR IMMEDIATE RELEASE

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### **A.M. Best Assigns Debt Rating to Surplus Note of Guardian Life Insurance Company of America**

**OLDWICK, N.J., Oct. 13, 2009**—A.M. Best Co. has assigned a debt rating of “aa-” to the \$400 million 7.375% surplus note due September 30, 2039 of **Guardian Life Insurance Company of America** (Guardian) (New York, NY). A.M. Best also has affirmed the financial strength ratings (FSR) of A++ (Superior) and issuer credit ratings (ICR) of “aa+” of Guardian, **Guardian Insurance & Annuity Company, Inc.** (Delaware) and **Berkshire Life Insurance Company of America** (Pittsfield, MA).

The surplus note will be utilized for general corporate purposes. The outlook for all ratings is stable. (Please see below for a detailed listing of the companies and ratings.)

The ratings reflect Guardian’s superior capital levels and continued positive earnings supported by investment income and premium growth trends. The organization also has been proactive in its enterprise risk management (ERM) execution, product development initiatives, agent recruitment and in strengthening its leadership team.

While Guardian is posturing itself for future premium growth and has experienced recent success with agent recruitment, A.M. Best believes the company’s growth objectives may be challenged as conditions in the global capital markets and future economic environment remain uncertain.

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A.M. Best will continue to monitor the consistency in Guardian’s earnings including growth in its group business lines, which have recently declined due to lower sales, higher lapses and the reduced size of existing customers. Additionally, the company may be exposed to greater potential volatility given the current economic downturn.

While Guardian maintains a conservative investment portfolio, it has not been immune to the volatile investment climate and has reported small losses in its portfolio. Moreover, Guardian’s exposure to real estate-linked assets, primarily its whole loan commercial mortgage loan portfolio, may be subject to losses should further softening and deterioration occur in the commercial real estate market. A.M. Best will continue to closely monitor Guardian’s commercial mortgage portfolio; however, it is important to note, the company has not reported any delinquencies to date.

The FSRs of A (Excellent) and ICRs of “a” have been affirmed for **Guardian Life Insurance Company of America** and its following subsidiaries:

- **Family Service Life Insurance Company**
- **Park Avenue Life Insurance Company**
- **Sentinel American Life Insurance Company**

The FSR of A (Excellent) and ICR of “a+” have been affirmed for **First Commonwealth Insurance Company**.

For Best’s Credit Ratings, an overview of the rating process and rating methodologies, please visit [www.ambest.com/ratings](http://www.ambest.com/ratings).

The principal methodologies used in determining these ratings, including any additional methodologies and factors that may have been considered, can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

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