

EXAMINATION REPORT
OF
THE GUARDIAN INSURANCE & ANNUITY COMPANY, INC.
AS OF
DECEMBER 31, 2023

TRINIDAD NAVARRO
COMMISSIONER



STATE OF DELAWARE
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION
OF
THE GUARDIAN INSURANCE & ANNUITY COMPANY, INC.
AS OF
DECEMBER 31, 2023

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

Trinidad Navarro
Insurance Commissioner

Dated this 24 day of June, 2025

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May 27, 2025

Honorable Trinidad Navarro
Commissioner of Insurance
Delaware Department of Insurance
1351 West North Street, Suite 101
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Examination Certification No. 24.013, dated September 10, 2023, an examination has been made of the affairs, financial condition and management of

THE GUARDIAN INSURANCE AND ANNUITY COMPANY

hereinafter referred to as the Company or GIAC and incorporated under the laws of the State of Delaware as a stock company with its registered office located at 251 Little Falls Drive, Wilmington, Delaware. The administrative office of the Company is located at 10 Hudson Yards, New York, New York 10001.

SCOPE OF EXAMINATION

We have performed our full-scope risk-focused surveillance examination of the Company. The last examination covered the three-year period from January 1, 2016 through December 31, 2018. This examination covered the five-year period from January 1, 2019 through December 31, 2023, and encompasses a general review of transactions during the period, the Company's business policies and practices, as well as management and relevant corporate matters, with a determination

of the financial condition of the Company as of December 31, 2023. Transactions subsequent to the examination date were reviewed where deemed necessary.

The examination of the Company was performed as part of the multi-state coordinated examination of the Guardian Life Insurance Company of America (GLIC) group of insurance companies, with New York as the lead state regulator. The Company is a direct subsidiary of GLIC. The examination of the Company was conducted concurrently with that of GLIC and its affiliates as summarized below.

<u>Company Name</u>	<u>NAIC Number</u>	<u>State of Domicile</u>
The Guardian Life Insurance Company of America	64246	NY
Managed DentalGuard Inc.	52556	TX
Managed DentalGuard Inc.	11199	NJ
The Guardian Insurance and Annuity Company	78778	DE
Park Avenue Life Insurance Company	60003	DE
Family Service Life Insurance Company	74004	TX
Sentinel American Life Insurance Company	77119	TX
First Commonwealth of Missouri, Inc.	47716	MO
First Commonwealth Insurance Company	60239	IL
First Commonwealth Limited Health Svc. Co.	11221	IL
First Commonwealth Limited Health Svc. Co. of MI	12146	MI
Managed DentalGuard Inc.	14142	OH
Premier Access Insurance Company	60237	CA
Access Dental Plan of Utah, Inc.	15494	UT
Avesis Insurance Incorporated	11163	AZ

We conducted our examination in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the company and evaluate system controls and procedures used to mitigate

those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If during the course of the examination an adjustment is identified the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, pursuant to the General Corporation Laws of the State of Delaware as required by 18 *Del. C.* § 321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of this examination, consideration was given to work performed by the Company's external accounting firm PricewaterhouseCoopers, LLP (PwC). Certain auditor work papers of the 2023 PwC audit of the Company have been incorporated into the work papers of the examiners and have been utilized in determining the scope, areas of emphasis in conducting the examination, and in the area of risk mitigation and substantive testing.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings or material changes in financial statements as a result of this examination.

COMPANY HISTORY

The Company was originally incorporated on March 2, 1970, under the laws of the State of Delaware as a stock life insurance company authorized to transact the business of life, health, credit life, credit health, variable annuities and variable life insurance. The Company was founded by GLIC and remains its wholly owned subsidiary. GLIC and its subsidiaries provide financial services throughout the United States including a full range of insurance, investment, securities brokerage and other financial products and services. Principal products and services include: individual life and disability insurance; group life and health insurance; annuities; mutual funds; retirement related investments and administration and asset management and securities brokerage.

Historically, GLIC has predominately utilized the Company to market and underwrite variable deferred annuity contracts; fixed deferred and immediate annuity contracts and term and variable life insurance policies. In 2020, the Company transferred the ownership of Park Avenue Securities LLC and Hanover Square Funding LLC to GLIC.

GIAC has fourteen (14) insurance separate accounts to support certain variable and group annuity and life insurance products that it sells. Most of the separate accounts are unit investment trusts registered under the Investment Company Act of 1940. Proceeds from the sale of variable products are invested through these separate accounts in certain mutual funds specified by the contract holders.

Capitalization

The Company's Certificate of Incorporation authorizes the issuance of 20,000 shares of common stock with a par value of \$125 per share. As of December 31, 2023, the Company had 20,000 common shares issued and outstanding totaling \$2.5 million in common capital stock. All outstanding common shares of the Company are owned by GLIC. As of December 31, 2023, the

Company reported gross paid in and contributed surplus of \$861.5 million. The Company received the following capital contributions from GLIC during the examination period:

<u>Year</u>	<u>Contributions</u>
2019	\$ 100,000,000
2020	100,000,000
2021	20,000,000
2022	60,000,000
2023	-
Total	<u>\$ 280,000,000</u>

Dividends

No stockholder dividends were declared or paid by the Company during the examination period.

MANAGEMENT AND CONTROL

Directors

Pursuant to the General Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, the business and affairs of the Company must be exercised by, or under the authority of, its Board of Directors (Board). The Company's bylaws require its Board to consist of not less than three members. Directors are elected annually by the sole shareholder for a term of one year. Directors duly elected and serving as of December 31, 2023, were as follows:

<u>Name</u>	<u>Title</u>
Dominique Baede	Head of Life and Annuity The Guardian Life Insurance Company of America
Michael Nicholas Ferik	Head of Individual Markets The Guardian Life Insurance Company of America
Michael Slipowitz	Senior Vice President and Corporate Chief Actuary The Guardian Life Insurance Company of America
Kevin Molloy	Chief Financial Officer The Guardian Life Insurance Company of America

Officers

Officers were appointed in accordance with the Company's bylaws during the period under examination. The bylaws require appointment of the following officers: a President, a Vice President, a Secretary and a Treasurer. The Board may appoint other officers and agents at its discretion. Any number of offices may be held by the same person. The primary officers of the Company as required by the bylaws and as reported as of December 31, 2023, were as follows:

<u>Name</u>	<u>Title</u>
Dominique Baede	President
Carl Desrochers	Chief Financial Officer
Harris Oliner	Associate General Counsel, Corporate Secretary
Jeffrey Joseph Butscher	Chief Compliance Officer & Rule 38a-1 Chief Compliance Officer
Nicholas Liolis	Chief Investment Officer
Michael Slipowitz	Corporate Chief Actuary

Corporate Records

The recorded minutes of the shareholder and Board were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events including approval of investment transactions in accordance with 18 *Del. C.* §1304. In addition, a review of Company files indicated that written correspondence was submitted to the Department with regard to the changes in officers and directors during the period under examination in compliance with 18 *Del. C.* §4919.

Insurance Holding Company System

The Company is a member of an insurance holding company system as defined under 18 *Del. C.* §5001 (7) of the Delaware Insurance Code. The Company is a wholly owned subsidiary

The Guardian Insurance & Annuity Company, Inc.

of GLIC, which is a mutual insurance company that is wholly owned by its policyholders. The following is an abbreviated organizational chart depicting the Company's primary relationship with its direct parent GLIC as part of the holding company system as of December 31, 2023.

<u>Company</u>	<u>Domicile</u>	<u>% Ownership</u>
The Guardian Life Insurance Company of America	New York	100%
The Guardian Insurance & Annuity Company, Inc.	Delaware	

Agreements with Affiliates

Tax Allocation Agreement

Effective December 31, 2017, and covering all tax years after, GIAC and Park Avenue Life Insurance Company (PALIC) became a party to a Tax Sharing Agreement between GLIC and its subsidiaries. In accordance with the agreement, each qualifying member of the group computes its tax provision and liability on a separate return basis, but may, where applicable, recognize the benefits of net operating losses and capital losses utilized in the consolidated group. Subsidiary tax liabilities/benefits are settled after the filing of the federal income tax return. Net federal and foreign income taxes incurred for 2023 were \$36,362,318.

General Operating Expense Agreement

Effective December 31, 2007, the GIAC and PALIC entered into an Amended and Restated Agreement for Services and Reimbursement Agreement with GLIC and its subsidiaries. The agreement supersedes all prior agreements for the provision of services and reimbursement between GLIC and all other parties to the agreement. In accordance with the agreement, GLIC provides office space, furniture, equipment, building utilities, clerical staff, employee benefits and any other services including but not limited to policy services, consulting services and advisory services. The agreement authorizes GLIC to enter into other agreements to provide assets or services on behalf of all parties. Expenses are allocated to the parties based on a direct basis or

through an allocation system developed by GLIC's cost accounting department utilizing assets, head count or overhead information. The agreement requires settlement within forty-five days following the end of each quarter and permits payment by offset. As of December 31, 2023, GIAC reported \$82,090,567 as an amount due to GLIC.

Commission Based Selling Agreement

Effective March 31, 2015, GIAC and Park Avenue Securities, LLC (PAS) entered into a Distribution and Service Agreement. In accordance with the agreement, PAS was appointed as the distributor and principal underwriter for the sale of the Company's variable insurance products. The agreement authorizes PAS to enter into separate agreements with unaffiliated broker-dealers to participate in the distribution of the Company's variable insurance products. As of December 31, 2023, GIAC paid commissions to PAS, which amounted to \$14,178,893.

Revenue Sharing Agreement

Effective July 1, 2018, GIAC entered into a revenue sharing agreement with Park Avenue Institutional Advisors (PAIA) whereby PAIA allocates revenue earned to GIAC for the Guardian Variable Products Trust Funds that are offered through GIAC's variable insurance products separate accounts. For the year ended December 31, 2023, such revenue amounted to \$13,252,622.

Line of Credit

Effective May 1, 2017, GIAC (Borrower) amended its revolving line of credit agreement with GLIC (Lender) Existing Letter Agreement dated December 3, 2015, to increase the amount of the line of credit from \$350,000,000 to \$750,000,000. As of the exam date, the amount of draws on the line of credit amounted to \$158,100,000 and is included in "Cash, cash equivalents and short-term investments" in the statutory balance sheet. Additionally, interest expense and commitment fees amounted to \$6,139,071 for the year ended December 31, 2023.

Investment Management Service Agreement

Effective October 1, 2023, GIAC entered into an investment management services agreement with PAIA. The amounts paid for these services in 2023 were \$9,924,813.

TERRITORY AND PLAN OF OPERATION

Products

As of December 31, 20123, the Company was licensed to conduct life and health insurance business in all fifty states and the District of Columbia. The Company's primary business is the sale of individual annuity contracts and individual term life insurance policies. The following is a summary of the Company's 2023 gross premium by product class:

<u>Product Class</u>	<u>Premium and Annuity Considerations</u>	<u>% of Premium and Annuity Considerations</u>
Individual Annuities	\$ 2,982,284,111	95.54%
Individual Life	136,782,020	4.38%
Group Annuity	1,577,626	0.05%
Group Life	858,129	0.03%
Total	<u>\$ 3,121,501,886</u>	<u>100.00%</u>

The Company's total gross premiums are primarily attributable to individual annuities consisting of fixed and variable annuity products. The Company's fixed annuity premiums consist primarily of single premium deferred annuities, single premium immediate annuities and deferred income annuities.

Variable insurance contracts are deemed to be securities under federal law and sales of these products are subject to regulation by the Securities and Exchange Commission and the Financial Industry Regulatory Authority, Inc. Most of the separate accounts are unit investment trusts registered under the Investment Company Act of 1940. Proceeds from the sale of variable products are invested through these separate accounts into certain mutual funds specified by the

contract holders. The separate accounts invest in various registered mutual funds and non-registered collective investment funds managed by an affiliated company, as well as unaffiliated third parties.

In addition to the broker/dealer originating sales, the Company may also market and sell certain products through GLIC's exclusive agent workforce. GLIC's distribution model for individual products is focused on career agents, supervised by General Agents (GA) and career development managers in fifty (50) general agencies and GLIC-managed agencies. This is a critical element of GLIC's business model. GLIC's career agent system consists of over 2,500 active agents as of December 31, 2023, which is one of the highest retention rates in the industry. As of year-end 2023, each GA operation has exclusive affiliation with GLIC, although many do not advertise their corporate name as a GLIC agency. GA's may sell a product of another company if a product is not offered by GLIC or one of its subsidiaries

Product Distribution

The Company's variable products are predominantly sold by either registered sales representatives of its affiliated broker-dealer or registered sales representatives of unaffiliated broker-dealer firms that have entered into sales agreements with the Company or its affiliated principal distributor. Meanwhile, fixed annuity products are distributed through affiliated and unaffiliated broker-dealers and insurance-licensed entities. Affiliated broker-dealer sales representatives are also licensed insurance agents within GLIC's exclusive agent workforce.

REINSURANCE

The Company's net premium breakout by product for the year ending December 31, 2023, was as follows:

<u>Direct</u>		<u>Percent</u>
Individual Life Insurance	\$ 136,782,020	4.38%
Individual Annuities	2,982,284,111	95.54%
Group Life Insurance	858,129	0.03%
Group Annuities	1,577,626	0.05%
Total Direct	<u>\$ 3,121,501,886</u>	<u>100.00%</u>
 <u>Ceded</u>		
Individual Life Insurance	\$ 27,790,918	1.15%
Individual Annuities	2,386,619,418	98.82%
Group Life Insurance	772,316	0.03%
Group Annuities	-	0.00%
Total Ceded	<u>\$ 2,415,182,652</u>	<u>100.00%</u>
Net Premium	<u>\$ 706,319,234</u>	

Unaffiliated Reinsurance

Swiss Re

Guaranteed Lifetime Withdrawal Benefit Riders written through December 2008 and issued prior to September 2008 are reinsured under a 90% coinsurance agreement.

Munich American Reassurance Company

Certain Guaranteed Minimum Death Benefit Riders issued through December 2009 are 100% reinsured.

Chubb Tempest Life Insurance, LTD

Guaranteed Minimum Income Benefit Riders are 100% reinsured. Earning Benefit Riders issued through December 2009 are 100% reinsured with Chubb Tempest Life Reinsurance, LTD.

Swiss Re/Munich Re/SCOR/Gen Re

GIAC retains up to \$2,000,000 of term life insurance per insured, so the excess is reinsured 100% on a yearly renewable term (YRT) basis to a pool of these four reinsurers.

Talcott Resolution Life Insurance Company

On October 4, 2022, GIAC executed a Master Transaction Agreement with Talcott Resolution Life Insurance Company (Talcott) related to reinsuring the Company's variable annuity business. The general account liabilities are 100% indemnity reinsurance on a coinsurance basis and the Separate Account liabilities are reinsured on a modified coinsurance (Modco) basis. This is a typical structure for reinsurance agreements related to variable annuity business. As separate account assets are legally segregated from general account assets, it is typical to have a Modco structure for separate account reinsurance as the assets backing the liabilities cannot legally be transferred to the reinsurer. Variable annuity sales with guaranteed living benefits were discontinued in 2017 and were ceded 100% to Talcott in November 2022. On November 1, 2022, GIAC closed on a variable annuity block reinsurance transaction with Talcott. Under the terms of the indemnity reinsurance transaction, GIAC ceded a 100% quota share of virtually all liabilities related to its variable annuity contracts, including fixed payout options elected by this block after the transaction closing date. The general account liabilities were reinsured on a coinsurance basis and the separate account liabilities are reinsured on a Modco basis.

Commonwealth Annuity and Life Insurance Company

Effective April 11, 2023, GIAC entered into a Fixed Annuity Reinsurance Quota Share Coinsurance Agreement on its Individual Single Premium Fixed Annuity product "Guardian Fixed Target Annuity III (SPDA III)" with Commonwealth Annuity and Life Insurance Company (CwA) with an effective date of April 11, 2023. Under the Reinsurance Agreement, GIAC cedes 50 - 90% of the premium, claims and expenses to CwA for new business written after the effective date of the reinsurance agreement. The initial period for this agreement is the earlier of twelve (12) months from the effective date or when aggregate reinsurance premiums of \$3.0 billion is reached.

The agreement remains in place, for new business, after the initial period (remaining term) unless terminated by either party (GIAC or CwA). In the event the agreement is terminated for new business, the reinsurance agreement remains in place for existing business. This adds to the previous agreements where GIAC reinsures its single premium fixed immediate annuity policies issued on and after October 2, 2020, and fixed deferred income annuity policies issued on and after November 16, 2020, to CwA.

American General Life Insurance Company

GIAC reinsures its fixed indexed annuity policies issued on and after March 2, 2022, to American General Life Insurance Company (American General Life). GIAC cedes 80% quota share of the premiums, and American General Life reimburses GIAC for the quota share of the liabilities, expenses in the form of an expense allowance, provides a statutory reserve credit based on the quota share, and provides a ceding allowance as a percentage of ceded account value.

Affiliated Reinsurance

Through various reinsurance agreements which are predominately written on a Coinsurance and Modco basis the Company cedes 90% of its life products on a first dollar basis to GLIC. In addition, there are various agreements written on a YRT basis where the Company ceded amounts in excess of their maximum retention limits of \$1,000,000 on its life products after retaining the first dollar quota share amount to GLIC.

Ameritas Cession 401K Business

Effective September of 2016 the Company entered into an indemnity reinsurance agreement with Ameritas Life Insurance Company (Ameritas). Under the terms of the agreement the Company ceded 100% of its 401(k) business to Ameritas with the provision that once all required regulatory approvals had been received this business was to be novated to

Ameritas. Effective August 31, 2018, the Company entered into a recapture and assumption reinsurance agreement with Ameritas and Ameritas Life Insurance Company of NY (Ameritas NY). Under this agreement the Company recaptured the 401(k) business related to New York policyholders from Ameritas and novated all the New York contracts to Ameritas NY, on the assumption effective date, November 30, 2018. The 401(k) business excluding the business related to the New York policyholders were novated to Ameritas on August 31, 2018, September 28, 2018, November 30, 2018, March 29, 2019 and November 30, 2019. These transactions were approved by the Department. All Group 401(k) business was fully novated to Ameritas as of November 29, 2019.

FINANCIAL STATEMENTS

The Company's financial statements, as reported and filed by the Company with the Department, are reflected in the following sections:

- Assets as of December 31, 2023
- Liabilities, Surplus and Other Funds as of December 31, 2023
- Summary of Operations for the year ended December 31, 2023
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2018 to December 31, 2023

Assets
As of December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets	Notes
Bonds	\$ 3,501,316,969	\$ -	\$ 3,501,316,969	
Mortgage loans - first liens	586,974,138		586,974,138	
Cash \$ (11,173,088) and cash equivalents \$219,948,550	208,775,462		208,775,462	
Contract loans	79,269,963		79,269,963	
Derivatives	555,534			
Other Invested Assets	277,372,628		277,372,628	
Receivables for securities	411,096		411,096	
Subtotals, cash and invested assets	\$ 4,654,675,791	\$ -	\$ 4,654,675,791	
Investment income due and accrued	41,901,502		41,901,502	
Uncollected premiums and agents' balances	(2,193,790)	23,040	(2,216,830)	
Deferred premiums	(7,070,266)		(7,070,266)	
Amounts recoverable from reinsurers	159,300		159,300	
Funds held by or deposited with reinsured companies	60,773		60,773	
Other amounts receivable under reinsurance contracts	4,978,726		4,978,726	
Current federal and foreign income tax recoverable and interest thereon	11,979,274		11,979,274	
Net deferred tax asset	56,779,822	24,114,650	32,665,172	
Guaranty funds receivable or on deposit	2,809,348		2,809,348	
Receivables from parent; subsidiaries and affiliates	238		238	
Health care and other amounts receivable	354,292		354,292	
Aggregate write-ins for other than invested assets:				
Amounts due from custodial banks	5,404,067		5,404,067	
Miscellaneous receivables	5,244,826		5,244,826	
State tax recoverable	1,670,888		1,670,888	
Suspense accounts	215,719		215,719	
Modco receivables	38,381		38,381	
Disallowed interest maintenance reserve	10,278,275	10,278,275	-	
Total Assets Excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	\$ 4,787,287,165	\$ 34,415,965	\$ 4,752,871,201	
From Separate Accounts, Segregated Accounts and Protected Cell Accounts	7,040,251,508		7,040,251,508	1
Total Assets	\$ 11,827,538,673	\$ 34,415,965	\$ 11,793,122,708	

Liabilities, Surplus and Other Funds
As of December 31, 2023

		Notes
Aggregate reserve for life contracts	\$ 3,790,832,228	2
Liability for deposit-type contracts	102,532,748	2
Contract claims: Life	9,762,368	2
Premiums and annuity considerations for life and accident and health contracts received in advance	2,929,374	
Contract liabilities not included elsewhere: Other amounts payable on reinsurance, including \$9,815,619 ceded	9,815,619	
Commissions to agents due or accrued-life contracts	2,964,938	
General expenses due or accrued	135,830	
Transfers to Separate Accounts due or accrued (net)	(8,391,260)	
Unearned Investment Income	235,103	
Amounts withheld or retained by company as agent or trustee	3,582,769	
Remittances and items not allocated	90,076,022	
Borrowed money and interest thereon	158,471,965	
Miscellaneous liabilities: Asset Valuation Reserve	73,539,084	
Payable to parent, subsidiaries and affiliates	17,092,706	
Payable for securities	15,932,146	
Aggregate write-ins for liabilities:		
Miscellaneous receivables	4,700,645	
Reserve for special litigation expense	781,600	
Miscellaneous reinsurance receivables	163,977	
Total liabilities excluding protected cell liabilities	<u>\$ 4,275,157,863</u>	
From Separate Accounts Statement	<u>7,034,414,242</u>	
Total Liabilities	<u>\$ 11,309,572,105</u>	
Common capital stock	<u>\$ 2,500,000</u>	
Gross paid in and contributed surplus	861,500,000	
Unassigned funds (surplus)	<u>(380,449,396)</u>	
Surplus (including \$5,837,266 in Separate Account Statement)	<u>\$ 481,050,604</u>	
Capital and Surplus	<u>\$ 483,550,604</u>	
Liabilities, Capital and Surplus	<u><u>\$ 11,793,122,708</u></u>	

Summary of Operations
For the Year Ended December 31, 2023

Premiums and annuity considerations	\$ 707,100,415
Net investment income	164,160,299
Amortization of Interest Maintenance Reserve	1,764,792
Separate Accounts net gain from operations	2,522,501
Commissions and expense allowances on reinsurance ceded	115,539,347
Reserve adjustments on reinsurance ceded	(188,026,734)
Miscellaneous Income	193,709,991
Aggregate write-ins for miscellaneous income:	
Service fees	16,294,921
Miscellaneous Income	13,710,178
Other reserve adjustments on reinsurance	(1,072,706,706)
Total	<u>\$ (45,930,996)</u>
Death Benefits	34,553,206
Annuity benefits	225,954,876
Disability benefits and benefits under accident and health contracts	50,500
Surrender benefits and withdraws for life contracts	43,977,706
Interest and adjustments on contract or deposit-type contract funds	2,830,203
Increase in aggregate reserves	521,351,090
Totals	<u>\$ 828,717,581</u>
Commissions on premiums, annuity considerations, and deposit-type contract funds	123,750,429
General insurance expenses	105,599,922
Insurance taxes, licenses, and fees, excluding federal income taxes	12,926,293
Increase in loading on deferred and uncollected premiums	12,826,832
Net transfers to or (from) Separate Accounts net of reinsurance	(1,066,704,230)
Aggregate write-ins for deductions:	
Other miscellaneous expenses	2,095,661
Fines and penalties of regulatory authorities	12
Totals	<u>\$ 19,212,498</u>
Net gain from operations before dividends to policyholders and federal income taxes	(65,143,493)
Net gain from operations after dividends to policyholders and before federal income taxes	(65,143,493)
Federal and foreign income taxes incurred (excluding tax on capital gains)	(37,569,917)
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	(27,573,576)
Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$2,066,684 (excluding taxes of \$54,542 transferred to the IMR)	(2,570,994)
Net Income	<u><u>\$ (30,144,570)</u></u>

Reconciliation of Capital and Surplus
For the Period from the Prior Examination
As of December 31, 2018 to December 31, 2023

	Common Capital Stock	Gross Paid-in and Contributed Surplus	Unassigned Funds (Surplus)	Total
12/31/2018	\$ 2,500,000	\$ 581,500,000	\$ (128,686,897)	\$ 455,313,103
12/31/2019 (1)			(39,800,409)	(39,800,409)
12/31/2019 (2)		100,000,000		100,000,000
12/31/2020 (1)			(88,556,599)	(88,556,599)
12/31/2020 (2)		100,000,000		100,000,000
12/31/2021 (1)			1,915,291	1,915,291
12/31/2021 (2)		20,000,000		20,000,000
12/31/2022 (1)			(54,797,680)	(54,797,680)
12/31/2022 (2)		60,000,000		60,000,000
12/31/2023 (1)			(70,523,102)	(70,523,102)
	<u>\$ 2,500,000</u>	<u>\$ 861,500,000</u>	<u>\$ (380,449,396)</u>	<u>\$ 483,550,604</u>

(1) Change in net unrealized capital gains (losses), change in net unrealized foreign exchange capital gain (loss), change in net deferred income tax, change in non-admitted assets, change in asset valuation reserve, other changes in surplus in separate account statement and aggregate write-ins for gains and losses in surplus.

(2) Surplus adjustment: Paid in

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION

There were no changes made to the Financial Statements as a result of this examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Note 1:

Separate Account Statement Assets \$7,040,251,508

For the year ended December 31, 2023, the Company reported separate account assets from the following product lines:

	<u>Product</u>	<u>Legally Insulated Assets</u>
Individual variable assets		\$ 6,462,213,435
Variable life products		569,227,374
Group Variable Annuities/Group Variable Funding Agreements for Qualified Retirements Plans		8,810,698
Total		<u>\$ 7,040,251,508</u>

Separate account assets are clearly identified and distinct from other assets of the Company. The assets of the separate accounts are not charged with liabilities arising out of any other business of the Company. However, certain obligations of the separate accounts, including the promise to make annuity and death benefit payments remain obligations of the Company. Assets of the separate accounts are stated primarily at market value of the underlying investments and corresponding contract owner obligations.

Note 2:

Aggregate Reserve for Life Contracts	\$ 3,790,833,228
Liability for Deposit-type Contracts	\$ 102,532,748
Contract Claims – Life Contracts	\$ 9,762,369

The examination liabilities in the captioned items are the same as those balances reported by the Company as of December 31, 2023. The examination analysis of life and accident and health reserves was conducted in accordance with Generally Accepted Actuarial Principles and Statutory Accounting Principles, including NAIC Accounting Practices and Procedures Manual, Statement of Statutory Accounting Principles No. 51, 52 and 54.

SUBSEQUENT EVENTS

There were no significant subsequent events considered that would affect the financial statements of the Company.

SUMMARY OF RECOMMENDATIONS

There were no recommendations as a result of this examination.

The assistance and cooperation of examiners representing the states on the coordinated examination is acknowledged. In addition, the assistance of the consulting actuarial firm, INS Consultants, Inc., the consulting information systems specialist firm, INS Services, Inc., the Company's outside audit firm, PwC and the Company's management and staff was appreciated and is acknowledged.

Respectfully submitted,



Albert M. Piccoli, Sr., CFE
Examiner In-Charge
State of Delaware



James M. Perkins, CFE
Supervising Examiner
State of Delaware

The Guardian Insurance & Annuity Company, Inc.

I, Albert M. Piccoli, Sr., CFE., hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Certification 24.013.

A handwritten signature in cursive script, reading "Albert M. Piccoli, Sr.", positioned above a horizontal line.

Albert M. Piccoli, Sr., CFE