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Guardian Reaffirms Commitment to Small Business with Enhanced Disability Offerings

Consumer Feedback Shaped Features in Overhead Expense, Disability Buy-Out Products

NEW YORK, N.Y., January 25, 2010—An upgraded suite of business disability products unveiled today by The Guardian Life Insurance Company of America (Guardian) includes unique features not offered by any other carrier—features specifically identified by owners of closely held businesses and professional practices as vitally important to keeping their businesses strong in the event that an owner or partner becomes disabled

Overhead Expense (OE) insurance—one of two new products launched today—covers typical business expenses such as rent, utilities, phone, staff salaries and other fixed costs that must be paid regardless of whether a small business owner is at work or recovering from an illness or injury. Guardian’s new OE policy offers features that address the real-world cash flow needs of business owners, including:

- An **Accelerated Benefits Feature**, available only through Guardian, that advances benefits to help cover immediate needs.
- A **Supplemental Overhead Expense Benefit Rider** that creates a pool of funds—basically, an additional month’s worth of benefits—to be used at any time expenses exceed the monthly benefit amount, even from day one of claim.

“By listening to the concerns of typical business owners, we’ve reinvented OE insurance to pay more benefits sooner and under more scenarios than our competitors,” said **Lawrence S. Hazzard**, Vice President of Product Strategy at Berkshire Life Insurance Company of America (Berkshire), the Guardian company that issues disability insurance coverage.

The second enhanced offering announced today, **Disability Buy-Out (DBO)** insurance, is designed to provide owners with the money they would need to purchase a disabled partner's ownership interest in the company or practice, allowing the business to stay healthy while everyone is treated fairly. The new DBO policy offers a number of value-added features unique to Guardian, such as:

- A **business valuation formula embedded right into the policy**, making it easier to understand how the business is valued when the policy is purchased and at the time of claim.
- A single **\$2 million issue limit**, regardless of how the policy defines the elimination period or funding method.
- A **Transfer of Coverage Option** that allows entrepreneurs to apply to get their existing DBO coverage reissued if they leave one business to start another, based on the financials and type of new business, regardless of current health status.

“Small business owners have enough on their plates already,” Hazzard noted. “We wanted to make it as easy as possible for them to keep their businesses running smoothly, even if one of the major players becomes too ill or injured to run the company.”

In addition to these unique features, the new OE and DBO policies offer a combination of other valuable benefits not found with other carriers. For example:

- Guardian has **aligned its most advantageous pricing** so that the products work in a complementary fashion for the business or practice owner.
- Both products also offer **occupational rehabilitation and workplace modification/access benefits** that can help the owner return to work as soon as possible.

Consumer Research Identified Gaps

In order to determine which important features were missing from the OE and DBO insurance coverage currently on the market, Guardian surveyed small business owners, as well as the accountants and attorneys who serve them. Insurance producers were also polled in order to validate the product development direction.

The result? “No matter what type of business they ran, the owners identified common gaps in several key areas, which we've incorporated into a business disability product portfolio that we believe is the premiere solution set for business and practice owners,” Berkshire's Hazzard said. “The richness of features and the way the policies are priced are going to make a lot of sense to the business owner—and to the insurance producers who want to help the important small-business segment of our economy succeed.”

Guardian plans to market the new OE and DBO offerings, along with the company's industry-unique Business Reducing Term (BRT) policy, under the Business ProVider umbrella.

For more information, producers should contact the nearest Guardian agency via www.GuardianLife.com/service_center/find_a_local_office.html. Each agency is staffed with at least one Disability Income Specialist, who provides local sales support and service for individual disability income insurance cases.

About Guardian

A mutual insurer founded in 1860, The Guardian Life Insurance Company of America (Guardian) and its subsidiaries are committed to protecting individuals, business owners and their employees with life, long term care insurance, disability income, group medical and dental insurance products, and offer 401(k), annuities and other financial products. Guardian operates one of the largest dental networks in the United States, and protects more than six million employees and their families at 120,000 companies. The company has more than 5,400 employees in the United States and a network of over 3,000 financial representatives in more than 80 agencies nationwide. For more information about Guardian, please visit www.GuardianLife.com.

About Berkshire

Berkshire Life Insurance Company of America, Pittsfield, Mass. (Berkshire), is a wholly owned stock subsidiary of The Guardian Life Insurance Company of America, New York, N.Y. Its key missions are to grow Guardian's disability income and long-term care lines of business and to research and develop new insurance products. More information about Berkshire can be obtained at www.BerkshireLife.com.