**Media Statement**

Guardian Holdings Limited wishes to advise the public on recent malicious social media content concerning the reserves of our Jamaican Life subsidiary. We would like to take the opportunity to present the facts for the matter.

Guardian Life Limited (GLL) for a considerable period of time had been the only life insurance company in Jamaica with an employee filing the office of the Appointed Actuary. In August 2018, the board of GLL examined the merits of retaining that position, versus using the services of an external Actuary who is drawn from one of the reputable actuarial firms. The Board decided that it was in the best interest of the Company to appoint an external Actuary who is a partner of an international firm as its Appointed Actuary for the following reasons:

1. The Company would have access to more experienced actuarial capabilities;
2. The Company would have access to a greater pool of actuaries and expertise in the latest actuarial techniques;
3. The Company would have a greater level of continuity as it removes the exposure to reliance on one person; and
4. Such change would create an environment for peer review of the work being done.

Having decided to outsource the function, the Board unanimously approved the revocation of the appointment of the incumbent Appointed Actuary of the Company on August 15, 2018. Consequent on this decision, the position of Vice President, Actuary was made redundant.

The now former Appointed Actuary subsequently filed suit against GLL, its President, Guardian Holdings Limited (GHL) and Eckler Consultants and Actuaries (the provider of the new Appointed Actuary) seeking twenty-four (24) orders against the Defendants. As part of her claim she applied for an injunction to freeze the Company’s bank accounts and to compel GLL to reverse the release of actuarial reserves that it had made earlier that year. She claimed that GLL and its President acted improperly in releasing the actuarial reserve because she did not authorize it.

GLL and its President opposed the application, which was dismissed by the Honourable Mr. Justice Batts on September 21, 2018. In dismissing her application, the Judge stated that she “had no real prospect of succeeding at trial” and also ordered her to pay GLL’s and its President’s legal costs.

**External Audit**

The International Standards on Auditing (ISAs) require that auditors are independent, fulfil their ethical responsibilities relevant to an audit and obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error.

Ernst & Young audited the consolidated financial statements of Guardian Life Limited and its subsidiaries (the “Group”) and the company financial statements of Guardian Life Limited (“the Company”), which comprise the consolidated and company statements of financial position as at December 31, 2018, and the consolidated and company statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.
Media Statement (continued)

Their opinion dated March 4, 2019, stated that the financial statements gave a true and fair view of the financial position of the Group and the Company as at December 31, 2018, and of the Group’s and the Company’s financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Jamaican Companies Act.

Internal Audit and Regulatory Reviews
The Board of Directors and management of GLL have continuously focused on the effectiveness of the company’s operations and on ensuring proper governance, strong internal controls and adherence to the laws and regulations governing the conduct of insurance business in Jamaica.

The outsourcing of the internal audit function to Pricewaterhouse Coopers, a leading audit and advisory firm in Jamaica over ten years ago, has facilitated and augmented the discharge of this responsibility. Pricewaterhouse Coopers has leveraged their international technical and accounting expertise to make recommendations which have been implemented, as necessary.

Operating in a highly regulated environment, GLL files with its regulators, the Financial Services Commission (FSC), monthly and quarterly financial statements and returns, variance explanations and investment details, as well as the Annual Returns and Audited Financial Statements. The Company is also subject to regulatory audits and reviews at the behest of the FSC.

The Payment of Dividends & Solvency
There is absolutely no truth to any suggestions/allegations of impropriety in the payment of dividends by GLL out of retained earnings to its parent GHL. Over the last five years GLL has consistently paid dividends to GHL while ensuring optimal capital management and solvency.

Below are the dividend payments and solvency ratios achieved by GLL over the past five years:

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<tbody>
<tr>
<td>Dividends</td>
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<tr>
<td>J$M</td>
<td>1,503</td>
<td>1,486</td>
<td>1,865</td>
<td>3,537</td>
<td>1,258</td>
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<td>Solvency</td>
<td>245%</td>
<td>202%</td>
<td>218%</td>
<td>213%</td>
<td>214%</td>
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Jamaica’s Insurance Act, 2001, Section 118 (excerpt) mandates the following:
“No shareholders’ dividend shall be paid by any local company while its assets are less than the amount required for solvency by section 53 ...” In section 53 insolvency is defined as occurring “any time the value of assets of a registered insurer does not exceed its liabilities by such amount as the Commission may prescribe”.

The FSC has prescribed that life insurers maintain a minimum ratio of available to required capital of 150%. GLL, however, has a target minimum ratio of 175% while achieving in excess of 200% annually since 2014.