



Revised: September 2023

### Guardian Overview:

Guardian serves 29 million people through a range of insurance and financial products. We go above and beyond to help people and their families pursue financial confidence, and we inspire well-being within our communities. We ensure companies can take care of their employees and help individuals thrive after unexpected loss. From our founding in 1860, we have believed in doing the right thing for our policyholders and customers. And as one of the largest mutual insurance companies, we know what matters most: putting the needs of our customers first. Ownership structure as a mutual company, Guardian is owned by our participating life policyholders. They can share in our financial success through annual dividends, which we have proudly paid every year since 1868 (dividends are not guaranteed).

Guardian covers over 7 million people and claims to have one of the largest provider networks with more than 120,000+ dental benefit providers at more than 420,000 locations. Additional network statistics: up 42% 5-year network growth with close to 40% discount average member savings.

### Mission

Guardian makes a difference in the lives of people when they need us most.

### Recent Guardian History

- 2014 - Guardian purchases Premier Access Insurance Company, expanding into individual dental markets.
- 2016 - Guardian completes acquisition of Avēsis, a leading government contract vision, dental, and hearing provider.
- 2017 - Guardian sets up operations in India to provide IT and ITeS services, consulting and business solutions, and help fuel growth.
- 2018 - Guardian Direct launches, helping consumers find a new, digital way to research and buy dental, vision, accident, and critical illness insurance.
- 2020 - Guardian celebrates its 160th anniversary.

### Guardian Strengths

- Stronger focus on smaller group market, but continuing to move up-market
- Use of Medical/Dental bundling and Medical/Dental integration story
- Perceived “National” DHMO
- DHMO/PPO plans with DHMO offered only in select states
- Aggressive insured pricing in select markets
- For vision Guardian offers a choice of three networks: VSP, Davis Vision, and Avesis.

### Guardian Weaknesses

- Relatively low dental market share (5.6% dental share – IBIS 2020)
- Reporting capabilities
- Management reporting tools and dashboards
- Customer service focus
- Non-medical product portfolio

### Guardian Dental Plans and Programs

All plans are available fully-insured, or Administrative Services Only (ASO). For those new to ASO, we offer a unique level-funded option that gives you cost savings with the security of a fully-insured plan. They also offer Managed Care/DHMO and Dual Choice plans in certain locations.

#### **How Guardian dental insurance goes further:**

##### Diminishing Deductible™

The deductible for our members and their dependents lowers each year until it reaches \$0 after year three.

##### Early Smiles™

A unique plan option that provides 100 percent in network coverage on Preventive, Basic and Major care for children ages 12 and under.

##### Preventive Perks™

100% coverage for preventive services with no annual maximum, and either a \$150 or \$250 annual allowance for all other dental services that can be used with more flexibility than traditional plans.

##### Local Elite™ PPO Network

Members access care through a local network of deeply discounted dentists in select markets.

##### Maximum Rollover

Allows members to roll over a portion of unused annual dental maximum for future use.

##### byte®

The at-home invisible orthodontic aligner is available at a discount for all Guardian dental members and covered as an in-network benefit for plans that include orthodontic benefits. In addition, Guardian dental members also receive a discount on BrightByte Pro LED teeth whitening kits.

##### Teledentistry

Members can access urgent dental care consultation from home.

##### Preventive Advantage and Preventive Advantage Lite

Allows members to get dental exams, cleanings, X-rays, and fluoride treatments without deductions from their annual maximum.

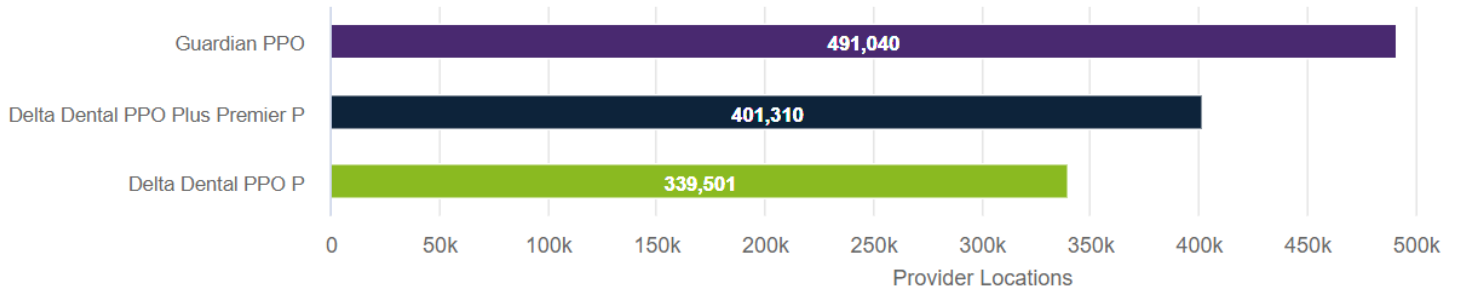
##### Jet Dental

Employers can bring mobile dental services directly to members in their office setting.

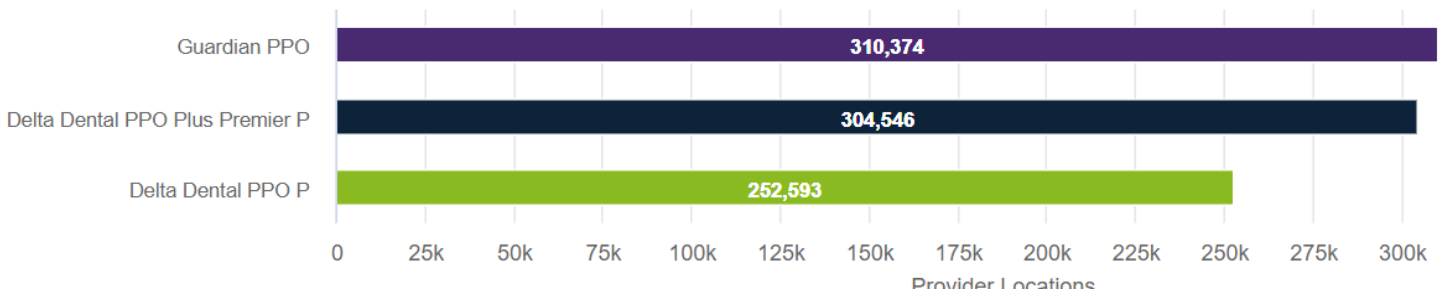
## Nationwide Network Summaries

Network360 Data as of 9/23

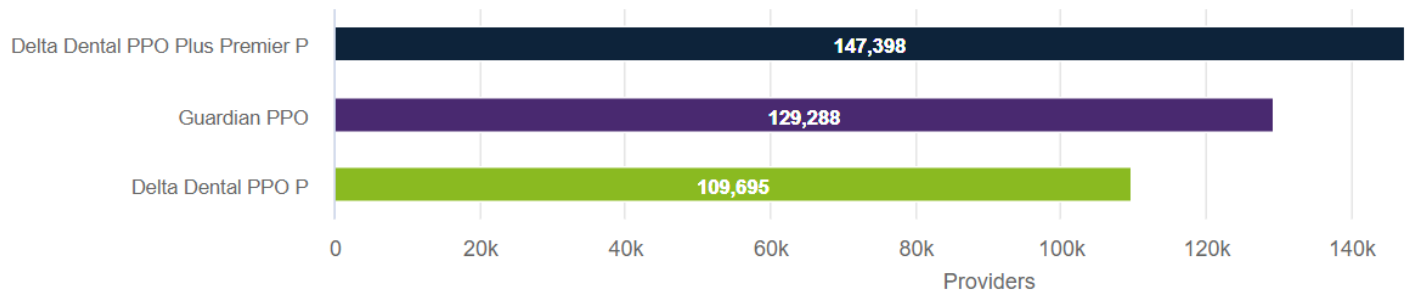
### Access Points – Network360 September 2023



### Access Points Confirmed – Network360 September 2023



### Unique Provider - Network360 September 2023



### Positioning Guidance

Highly focused on packaging multiple insurance lines together for groups with 2- 24 lives and often uses graded plans to lower claim costs.

New Dental Sales are not expected to reach profitability until year 3.

Bundling Discounts provide up to 7% off of Dental rates with no line specific support (Dental line has to get back to profitability).

Higher margin lines (Voluntary) provide greater margin and therefore bigger packaging discounts. These are the lines that matter the most. Guardian makes very little margin on any Dental

Guardian resists to give two-year rate guarantees. They charge as much for the guarantee as they would for a trend increase PLUS they limit how far they will discount. Delaying your two-year rate guarantee quote puts them in a box.

They will come off of a renewal significantly if there are high margin lines to be written.

Guardian will leverage SPC (broker bonus) to keep cases from ever seeing the light of day. Their renewal rates can't stand competitive comparison.

More than 2/3 of Guardian's Group Division profit is generated by <100 dental business in force for 5+ years. This business is consistently buried by their best producers to protect SPC bonus.

Dental renewals for the first three to four years are generally above or well above trend as they try to adequately price acquired business.

SPC is their "special sauce". Getting producers hooked on SPC was an internal strategy.

Sales reps and account managers highly leverage SPC to keep their renewals off the street. Lots of negotiations to sell as big an increase as possible while still avoiding marketing the business.

SPC's success is built on paying the same bonus schedule for new as in force business. Once a broker started building a book the bonus dollars could add up quickly.

SPC's success will be its downfall. Guardian is choking on the bonus budget due to market consolidation. That's where opportunity lies. If you take SPC out of the equation, their pricing and service do not hold up to market expectations.

Guardian India is a big operation where most of their installation and servicing is now handled. There are consistent service and syntax issues with Guardian India. All service calls are pushed to Guardian India.

Rented network and smaller discounts.

Guardian operates two separate claim shops for insured and self-insured business.

Out-of-network Reimbursement - standard is 90th percentile of R&C, but can vary from 50th to 95th percentile.

Substantial network growth due to swaps and leasing arrangements. Their organic growth can be challenged.

Guardian has been pushing EMMA, their self-serve on-boarding process. It is more time and effort on the part of the producer. Not particularly well received by most brokers. It is a more efficient system for brokers who embrace the process.

For vision Guardian offers a unique Dual Choice option that allows groups of 50 or more eligible employees the choice between two vision networks.

### Limitations and Exclusion Differences

**The following contract provisions may be present in a Guardian contract. Look for potential exclusions and "non-standard of care" plan provisions.**

Closed list of covered services

Grade late entrant provision

Harmful habit (thumb sucking appliance) often covered as type 1 service

2 combined cleanings (regular & periodontal maintenance).

Can and does split endodontic, periodontics and oral surgery services.

36-month restoration limitation after age 19

Naturally functioning tooth limitation.

Lifetime limits (GTR, root canal retreatments, apicoectomy, pulp caps, graft, other).

Surgical extractions and root canal therapy are generally in class C (major).

Detailed and comprehensive oral exams paid as periodic exam.

Work In Progress: For services started before and continuing through case/carrier transition, Guardian will apply the extension of benefits time frame to service that have more than one day for treatment. This means that within that time frame Root Canals, Crowns, Inlays, Onlays, Bridges and ALL Prosthetics, will be denied and referred to the prior carrier for payment.

Anterior Fillings: includes reimbursement for composite fillings on Anterior teeth only. However, their definition of anterior teeth does not include Bicuspids (pre-molars).

Implants: this is a common exclusion in Guardian's contract. If they include it, it's a 2-3% load to the rates.

General Anesthesia: will reimburse for General Anesthesia and IV Sedation when in conjunction with a cutting procedure, but will not accommodate Special Needs Children.

Impacted Wisdom Teeth: will reimburse for impacted wisdom teeth but not if Asymptomatic

### Other relevant Guardian Positioning from their website

New York, New York (May 10, 2022) – The Guardian Life Insurance Company of America (Guardian®), one of the nation's largest life insurers and a leading provider of employee benefits, today announced the launch of new, modern dental benefits that are designed to inspire well-being, provide consumer value, and make dental care more accessible.

Access to good dental benefits is increasingly critical to one's ability to feel, think, and perform their best. But with limited benefits dollars, especially at small businesses, employers understandably want to make the most of their investment and choose plans employees will desire and use. That's why Guardian conducted extensive consumer research to determine plan features and benefits that will help motivate utilization and make better oral health more attainable. Guardian dental plans are designed to help members improve their oral health and overall well-being.

By listening closely to consumers, plan holders, and brokers, Guardian developed new dental offerings including:

Features that promote good oral care for the long term, with Diminishing Deductible, which reduces each year the member is on the plan until it's \$0 after three years.

Early Smiles, providing 100% network coverage for preventive, basic, and major care for children through age 12.

Affordable plan options, such as 100% coverage for preventive care with a flexible allowance for additional care and access to a new local network of dentists offering greater savings to help members save in select markets. These options may help businesses that previously were unable to offer dental benefits due to cost restrictions.

NEW YORK, N.Y., October 5, 2021 – Guardian Life (Guardian) and Cressey & Company LP (Cressey), announce a strategic partnership to accelerate growth for Avēsis, a Guardian subsidiary focused on dental, vision and hearing benefits within the government and commercial sector. As a strategic partner, Cressey, a private investment firm focused on building leading healthcare services and information technology businesses, will make a significant investment to accelerate Avēsis' product development efforts, deliver new customer experiences, and expand in existing and new markets.

"Avēsis is now uniquely positioned to leverage Cressey's outstanding experience and expertise in the fast-growing Medicare and Medicaid space, and its track record of forging winning industry partnerships," said Chris Smith, Head of Group Benefits at Guardian. "By joining forces, Cressey and Guardian will create an expanded platform that meets the needs of our customers and will transform Avēsis as a preferred partner in dental, vision, and hearing benefits for government and commercial markets."

Acquired by Guardian in 2016, Avēsis has grown from 5.8 million to 8.1 million customers in government and 9.2 million customers overall, including customers administered under Medicaid, CHIP and Medicare Advantage programs. Avēsis currently has partnerships with managed care organizations holding government contracts in 13 states

BOSTON, MA, Oct. 27, 2020 – Virtudent, Inc. (www.virtudent.com), the leading provider of teledentistry services, and The Guardian Life Insurance Company of America (Guardian Life) have announced a partnership to provide teledentistry services to Guardian members nationwide.

Approximately 7 million Guardian PPO members will now have access to 24/7 teledentistry services through the co-branded teledentistry solution by accessing Guardian Teledentistry online or by calling 1-800-506-8305. The teledentistry service provides members with a virtual option to help with dental issues, such as diagnose an emergency, prescribe necessary antibiotics, and find the best care option for other dental issues. This can be helpful for members who don't live close to their dentist or for those who need an after-hours consultation.

