

Questions & Answers About Our Merger With Guardian

Berkshire Life Insurance Company ("Berkshire") and The Guardian Life Insurance Company of America ("Guardian") have agreed to merge, subject to certain conditions including policyholder and regulatory approval. This Question and Answer brochure addresses some of the questions you may have about the merger. In addition, the enclosed Proxy Statement contains more detailed information about the merger. Please read the Proxy Statement carefully. If you have additional questions, please call our information agent, Morrow & Co., Inc., at 1-877-807-8896.

Q. Why is Berkshire merging with Guardian?

A. Berkshire's primary consideration in entering into the merger is the benefits that will accrue to Berkshire's policyholders. As a result of the merger, policyholders of Berkshire will become policyholders of a much larger, and financially stronger, insurance company. Berkshire believes the merger will create financial benefits that can enhance policyholder value and service.

Q. How will the merger benefit Berkshire's policyholders?

A. Policyholders will benefit from the superior financial strength and capabilities of the combined company. In addition, Berkshire believes that the aggregate amount of dividends paid in the initial years following the merger to Berkshire participating individual life insurance policyholders will be higher than the aggregate amount that Berkshire would pay to such policyholders without the merger. However, future dividends cannot be predicted with certainty. For a discussion of factors which will influence the level of dividends to be received by Berkshire's policyholders after the merger, please read the section of the Proxy Statement entitled "Dividend Principles After the Merger."

Q. Will policyholders of Berkshire become policyholders of Guardian?

A. Yes. Policyholders of Berkshire will become policyholders of Guardian and their policies will then be backed by the combined assets of the merged companies.

Q. How will Berkshire operate after the merger?

A. The legal entity, Berkshire Life Insurance Company, will cease to exist at the time of merger. A number of Berkshire's continuing operations will be conducted through a wholly owned stock subsidiary of Guardian called Berkshire Life Insurance Company of America.

This new company will retain Berkshire's brand, label and identity, will continue to be headquartered in Pittsfield, Massachusetts and will continue to be domiciled in Massachusetts.

Q. Why did Berkshire choose not to demutualize?

A. After a great deal of research, examination of the experience of other companies that did demutualize and weighing of all possible options, it was determined that it would better serve Berkshire's policyowners if the company merged with Guardian rather than demutualizing as a standalone corporate entity. Demutualization would not address Berkshire's continuing lack of size and scale.

Q. Does Guardian have any plans to demutualize?

A. At the current time, Guardian has no plans to demutualize.

Q. Does the merger mean I will have to deal with a new agent or change the way my account is serviced?

A. No. Generally, you will maintain the same agent relationship after the merger as you have now. Either Berkshire Life Insurance Company of America or Guardian will continue to service and administer policies issued by Berkshire before the merger.

Q. How will the merger affect Berkshire insurance companies and contracts?

A. Outstanding policies and obligations of Berkshire will become policies and obligations of the combined company, which will retain the name The Guardian Life Insurance Company of America. Policies will contain the same terms and conditions as they did prior to the merger, although there may be changes in voting rights for certain policyholders of Berkshire, as described in the enclosed Proxy Statement. After the merger, policies and contracts will be backed by the resources of a company which will be financially stronger than Berkshire alone. Further, the guaranteed cash values of existing policies will not change as a result of the merger, and policyholders will retain important rights that exist under their current policies.

Q. Did Berkshire seek the advice of a financial advisor?

A. In reaching its conclusion to approve the merger, Berkshire's Board of Directors relied upon, among other things, the advice of its financial advisor, Credit Suisse First Boston

Corporation ("Credit Suisse"). Credit Suisse, in its opinion, stated that the terms of the merger are fair to Berkshire's policyholders, taken as a group, from a financial point of view.

In addition, Berkshire retained Daniel J. McCarthy of the New York office of Milliman & Robertson, Inc. ("M&R") who delivered an opinion stating that the terms of the merger are fair and equitable to Berkshire's policyholders from an actuarial point of view.

The full texts of the Credit Suisse First Boston and M&R opinions are set forth as exhibits to the Proxy Statement, and you are encouraged to read the entire opinions with respect to the procedures followed, assumptions made, and the limitations of the reviews undertaken.

Q. When will the merger take place?

A. Subject to certain conditions, including regulatory approval and approval by the policyholders of both companies, it is currently expected that the merger will be completed in July of 2001.

Q. Who is entitled to vote on the merger?

A. Berkshire voting policyholders whose policies are shown on Berkshire's records as of March 31, 2001 as being issued and in force prior to such date will be entitled to vote on the merger. The number of votes you are entitled to depends on the amount and type of policies you have with Berkshire. The number of votes you will be casting by returning your proxy card is given on the card.

Q. How do I vote on the merger?

A. You may cast your vote in either of two ways: by attending the special meeting scheduled for June 22, 2001, or by proxy. Whether or not you plan to attend the special meeting, we encourage you to vote FOR the merger by completing the enclosed proxy card. Please be sure to sign, date, and return it in the accompanying envelope. If you receive more than one proxy card, please complete each card received and put them in one return envelope. Proxies must be received by 5:00 p.m., Eastern Daylight Time, on June 15, 2001.

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Berkshire