
Section 1: 8-K (PRIMERICA, INC. 8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT (Date of earliest event reported): **November 9, 2016**

PRIMERICA, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-34680
(Commission File Number)

27-1204330
(I.R.S. Employer
Identification Number)

**1 Primerica Parkway
Duluth, Georgia 30099**
(Address of Principal Executive Offices)

(770) 381-1000
(Registrant's telephone number, including area code)
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On November 9, 2016, Primerica, Inc. (the “Company”) announced its results of operations for the quarter ended September 30, 2016. A copy of the press release is attached hereto as Exhibit 99.1.

The information provided pursuant to this Item 2.02, including Exhibit 99.1 in Item 9.01, is “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section, and shall not be incorporated by reference in any filing made by the Company under the Exchange Act or the Securities Act of 1933, as amended (the “Securities Act”), except to the extent expressly set forth by specific reference in any such filings.

Use of Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company presents certain non-GAAP financial measures. Specifically, the Company presents adjusted direct premiums, other ceded premiums, operating revenues, operating income before income taxes, net operating income, adjusted stockholders’ equity and diluted operating earnings per share. Adjusted direct premiums and other ceded premiums are net of amounts ceded under coinsurance transactions that were executed concurrent with our initial public offering (the “IPO coinsurance transactions”) for all periods presented. We exclude amounts ceded under the IPO coinsurance transactions in measuring adjusted direct premiums and other ceded premiums to present meaningful comparisons of the actual premiums economically maintained by the Company. Amounts ceded under the IPO coinsurance transactions will continue to decline over time as policies terminate with this block of business. Operating revenues, operating income before income taxes, net operating income and diluted operating earnings per share exclude the impact of realized investment gains and losses for all periods presented. We exclude realized investment gains and losses in measuring operating revenues to eliminate period-over-period fluctuations that may obscure comparisons of operating results due to items such as the timing of recognizing gains and losses and other factors prior to an invested asset’s maturity that are not directly associated with the Company’s insurance operations. Adjusted stockholders’ equity excludes the impact of net unrealized investment gains and losses recorded in accumulated other comprehensive income (loss) for all periods presented. We exclude unrealized investment gains and losses in measuring adjusted stockholders’ equity as unrealized gains and losses from the Company’s invested assets are largely caused by market movements in interest rates and credit spreads that do not necessarily correlate with the cash flows we will ultimately realize when an invested asset matures or is sold.

Our definitions of these non-GAAP financial measures may differ from the definitions of similar measures used by other companies. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company’s performance. Furthermore, management believes that these non-GAAP financial measures may provide users with additional meaningful comparisons between current results and results of prior periods as they are expected to be reflective of our core ongoing business. These measures have limitations, and investors should not consider them in isolation or as a substitute for analysis of the Company’s results as reported under GAAP.

Reconciliations of non-GAAP to GAAP financial measures are included as attachments to the press release which has been posted in the “Investor Relations” section of our website at <http://investors.primerica.com>.

Item 7.01 Regulation FD Disclosure.

On November 9, 2016, the Company posted to the “Investor Relations” section of its website certain supplemental financial information relating to the quarter ended September 30, 2016. A copy of the supplemental financial information is attached hereto as Exhibit 99.2.

The information provided pursuant to this Item 7.01, including Exhibit 99.2 in Item 9.01, is “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of such section, and shall not be incorporated by reference in any filing made by the Company under the Exchange Act or the Securities Act, except to the extent expressly set forth by specific reference in any such filings.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- | | |
|------|---|
| 99.1 | Press Release dated November 9, 2016 – Primerica Reports Third Quarter 2016 Results |
| 99.2 | Primerica, Inc. Supplemental Financial Information – Third Quarter 2016 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 9, 2016

PRIMERICA, INC.

/s/ Alison S. Rand
Alison S. Rand
Executive Vice President and Chief
Financial Officer

Exhibit No.	Description
99.1	Press Release dated November 9, 2016 – Primerica Reports Third Quarter 2016 Results
99.2	Primerica, Inc. Supplemental Financial Information – Third Quarter 2016

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Section 2: EX-99.1 (PRIMERICA, INC. 8-K)

Exhibit 99.1



PRIMERICA REPORTS THIRD QUARTER 2016 RESULTS

13% growth in life insurance policies issued

10% increase in life insurance licensed representatives to 115,345

6% increase in average client asset values to a record of \$50.7 billion

25% growth in diluted EPS and diluted operating EPS to \$1.22

19.1% net income return on stockholders' equity (ROE) and 20.3% net operating income return on adjusted stockholders' equity (ROAE)

Duluth, GA, November 9, 2016 – Primerica, Inc. (NYSE: PRI) today announced financial results for the quarter ended September 30, 2016. In the third quarter, total revenues and operating revenues both increased 8% to \$383.6 million and \$383.7 million, respectively, and net income grew 18% (17% on an operating basis) to \$58.0 million compared with the third quarter of 2015. Net earnings per diluted share (EPS) and net operating earnings per diluted share both increased 25% to \$1.22 compared with \$0.98 in the third quarter of 2015, driven by earnings growth and ongoing share repurchases. ROE expanded to 19.1% and operating ROAE expanded to 20.3% in the current period versus 16.8% and 17.7%, respectively, in the prior year period.

Third quarter results reflect the continued strength in the Term Life business with ongoing growth in policies issued. Net premiums grew 12% year-over-year and claims experience was below historical levels. Investment and Savings Products (ISP) performance improved reflecting higher average client asset values, partially offset by slightly lower ISP sales versus the prior year period.

Glenn Williams, Chief Executive Officer said, “Strong core performance combined with recent share repurchases drove 25% growth in EPS and a 230 basis point increase in ROE compared to the third quarter a year ago. We delivered double-digit increases in the size of our life insurance licensed sales force and term life insurance policies issued year-over-year. Our sales force leadership, successful execution of building distribution and significant capital deployment position us to continue to deliver value for our stakeholders.”

Distribution & Segment Results
Distribution Results

	Q3 2016	Q3 2015	% Change	Q2 2016	% Change
Life Licensed Sales Force ⁽¹⁾	115,345	104,702	10%	112,365	3%
Recruits	73,706	65,945	12%	65,273	13%
New Life-Licensed Representatives	11,739	11,160	5%	12,171	(4)%
Life Insurance Policies Issued	75,374	66,658	13%	77,384	(3)%
Life Productivity ⁽²⁾	0.22	0.22	*	0.23	*
ISP Product Sales (\$ billions)	\$ 1.34	\$ 1.37	(2)%	\$ 1.47	(9)%
Average Client Asset Values (\$ billions)	\$ 50.68	\$ 47.96	6%	\$ 48.94	4%

⁽¹⁾ End of period

⁽²⁾ Life productivity equals policies issued divided by the average number of life insurance licensed representatives per month

* Not calculated

Segment Results

	Q3 2016	Q3 2015	% Change	Q2 2016	% Change
	(\$ in thousands)				
Operating Revenues: ⁽¹⁾					
Term Life Insurance	\$ 222,598	\$ 197,204	13%	\$ 210,559	6%
Investment and Savings Products	130,080	128,597	1%	132,608	(2)%
Corporate and Other Distributed Products	30,983	30,167	3%	32,387	(4)%
Total operating revenues ⁽¹⁾	<u>\$ 383,661</u>	<u>\$ 355,968</u>	8%	<u>\$ 375,553</u>	2%
Operating Income (loss) before income taxes:⁽¹⁾					
Term Life Insurance	\$ 58,137	\$ 46,519	25%	\$ 58,017	*
Investment and Savings Products	35,760	34,811	3%	36,065	(1)%
Corporate and Other Distributed Products	(5,425)	(6,118)	(11)%	(5,642)	(4)%
Total operating income before income taxes ⁽¹⁾	<u>\$ 88,472</u>	<u>\$ 75,212</u>	18%	<u>\$ 88,440</u>	*

⁽¹⁾ See the Non-GAAP Financial Measures section and the segment Operating Results Reconciliations at the end of this release for additional information.

* Less than 1%.

Life Insurance Licensed Sales Force. Strong recruiting and licensing trends in recent quarters drove 10% year-over-year growth in the life insurance licensed sales force to 115,345 representatives at the end of the third quarter. Recruiting of new representatives increased 12% and new life insurance licenses grew 5% from the year ago period. On a sequential quarter basis, recruiting increased 13% and new life insurance licenses declined 4% from the second quarter.

Term Life Insurance. In the third quarter of 2016, term life insurance policies issued increased 13% year-over-year driven by the larger life insurance licensed sales force and productivity of 0.22 policies per life insurance licensed representative per month, which continues to be at the top end of the historical productivity range. Term Life revenues increased 13% to \$222.6 million compared with the year ago period driven by a 12% increase in net premiums from increased levels of issued policies in recent years and the growth in the in force business not subject to IPO-related coinsurance agreements. Income before income taxes grew 25% to \$58.1 million year-over-year. Claims experience during the third quarter was approximately \$3 million below historical levels and led to benefits and claims growing slower than net premiums. Persistency experience was slightly lower versus the prior year period which also contributed to slower growth in benefits and claims, but led to higher growth in deferred acquisition costs (DAC) amortization relative to net premiums. Insurance expenses grew year-over-year largely due to \$2.3 million of higher technology spending to enhance our sales force support system's mobile application and accommodate increased capacity.

Investment and Savings Products (ISP). In the third quarter, ISP revenues increased 1% to \$130.1 million and income before income taxes grew 3% to \$35.8 million compared with the year ago period. Results reflect a 2% year-over-year decline in product sales to \$1.34 billion as U.S. retail mutual fund sales increased 9% and fixed indexed annuities sales increased 32% while variable annuity sales declined 22%, consistent with industry trends. Average client asset values increased 6% to a record \$50.7 billion and account-based revenue increased 4% versus the prior year period. Positive Canadian market performance and lower segregated fund redemptions in the third quarter of 2016 led to a \$0.8 million deceleration of DAC amortization in the period, and a year-over-year improvement of \$1.7 million. ISP expenses increased from the year ago period largely due to \$1.7 million of implementation costs related to the Department of Labor's (DOL) Fiduciary Rule in the third quarter.

Corporate and Other Distributed Products (C&O). The C&O segment operating revenues were \$31.0 million, and operating losses before income taxes were \$5.4 million in the third quarter of 2016. Results were impacted by a modest increase in insurance and other expenses primarily reflecting higher employee-related expenses partially offset by a \$1.5 million negotiated reduction in the interest expense on an IPO-related reinsurance agreement. Net investment income increased \$0.3 million as the prior year period was impacted by a negative mark-to-market on the deposit asset backing an IPO-related reinsurance agreement. Net unrealized gains increased slightly to \$110.4 million at quarter-end from \$105.2 million at June 30, 2016.

Capital

Primerica repurchased \$41.0 million or approximately 743,000 shares of its common stock in the third quarter and repurchased \$131.5 million, or 2.7 million shares year-to-date through September. Primerica Life Insurance Company's statutory risk-based capital (RBC) ratio was estimated to be approximately 430% as of September 30, 2016.

Non-GAAP Financial Measures

We report financial results in accordance with U.S. generally accepted accounting principles (GAAP). We also present adjusted direct premiums, other ceded premiums, operating revenues, operating income before income taxes, net operating income, adjusted stockholders' equity and diluted operating earnings per share. Adjusted direct premiums and other ceded premiums are net of amounts ceded under coinsurance transactions that were executed concurrent with our initial public offering for all periods presented. We exclude amounts ceded under the IPO coinsurance transactions in measuring adjusted direct premiums and other ceded premiums to present meaningful comparisons of the actual premiums economically maintained by the Company. Amounts ceded under the IPO coinsurance transactions will continue to decline over time as policies terminate within this block of business. Operating revenues, operating income before income taxes, net operating income, and diluted operating earnings per share exclude the impact of realized investment gains and losses, including other-than-temporary impairments (OTTI), for all periods presented. We exclude realized investment gains and losses in measuring operating revenues to eliminate period-over-period fluctuations that may obscure comparisons of operating results due to items such as the timing of recognizing gains and losses and other factors prior to an invested asset's maturity that are not directly associated with the Company's insurance operations. Adjusted stockholders' equity excludes the impact of net unrealized investment gains and losses recorded in other comprehensive income (loss) for all periods presented. We exclude unrealized investment gains and losses in measuring adjusted stockholders' equity as unrealized gains and losses from the Company's invested assets are largely caused by market movements in interest rates and credit spreads that do not necessarily correlate with the cash flows we will ultimately realize when an invested asset matures or is sold.

The definitions of these non-GAAP financial measures may differ from the definitions of similar measures used by other companies. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating financial performance. Furthermore, management believes that these non-GAAP financial measures may provide users with additional meaningful comparisons between current results and results of prior periods as they are expected to be reflective of the core ongoing business. These measures have limitations, and investors should not consider them in isolation or as a substitute for analysis of the results as reported under GAAP. Reconciliations of non-GAAP to GAAP financial measures are attached to this release.

Earnings Webcast Information

Primerica will hold a webcast Thursday, November 10, 2016 at 10:00 am EDT, to discuss third quarter results. This release and a detailed financial supplement will be posted on Primerica's website. Investors are encouraged to review these materials. To access the webcast go to <http://investors.primerica.com> at least 15 minutes prior to the event to register, download and install any necessary software.

A replay of the call will be available for approximately 30 days on Primerica's website, <http://investors.primerica.com>.

Forward-Looking Statements

Except for historical information contained in this press release, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements contain known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from anticipated or projected results. Those risks and uncertainties include, among others, our failure to continue to attract and license new recruits, retain sales representatives or license or maintain the licensing of our sales representatives; changes to the independent contractor status of our sales representatives; our or our sales representatives' violation of or non-compliance with laws and regulations or the failure to protect the confidentiality of client information; differences between our actual experience and our expectations regarding mortality, persistency, expenses and interests rates as reflected in the pricing for our insurance policies; the occurrence of a catastrophic event that causes a large number of premature deaths of our insureds; changes in federal and state legislation, including other legislation or regulation that affects our insurance and investment product businesses, such as the DOL's recently adopted rule defining who is a "fiduciary" of a qualified retirement plan as a result of giving investment advice; our failure to meet RBC standards or other minimum capital and surplus requirements; a downgrade or potential downgrade in our insurance subsidiaries' financial strength ratings or our senior debt ratings; the effects of credit deterioration and interest rate fluctuations on our invested asset portfolio; incorrectly valuing our investments; inadequate or unaffordable reinsurance or the failure of our reinsurers to perform their obligations; the failure of, or legal challenges to, the support tools we provide to our sales force; heightened standards of conduct or more stringent licensing requirements for our sales representatives; inadequate policies and procedures regarding suitability review of client transactions; the failure of our investment products to remain competitive with other investment options or the change to investment and savings products offered by key providers in a way that is not beneficial to our business; fluctuations in the performance of client assets under management; the inability of our subsidiaries to pay dividends or make distributions; our inability to generate and maintain a sufficient amount of working capital; our non-compliance with the covenants of our senior unsecured debt; legal and regulatory investigations and actions concerning us or our sales representatives; the loss of key personnel; the failure of our information technology systems, breach of our information security or failure of our business continuity plan; and fluctuations in Canadian currency exchange rates. These and other risks and uncertainties affecting us are more fully described in our filings with the Securities and Exchange Commission, which are available in the "Investor Relations" section of our website at <http://investors.primerica.com>. Primerica assumes no duty to update its forward-looking statements as of any future date.

About Primerica, Inc.

Primerica, Inc., headquartered in Duluth, GA, is a leading distributor of financial products to middle income households in North America. Primerica representatives educate their Main Street clients about how to better prepare for a more secure financial future by assessing their needs and providing appropriate solutions through term life insurance, which we underwrite, and mutual funds, annuities and other financial products, which we distribute primarily on behalf of third parties. In addition, Primerica provides an entrepreneurial full or part-time business opportunity for individuals seeking to earn income by distributing the company's financial products. We insured approximately 5 million lives and have over 2 million client investment accounts at December 31, 2015. Primerica stock is included in the S&P MidCap 400 and the Russell 2000 stock indices and is traded on The New York Stock Exchange under the symbol "PRI".

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PRIMERICA, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	<u>September 30, 2016</u> ⁽¹⁾	<u>December 31, 2015</u>
	<i>(In thousands)</i>	
Assets		
Investments:		
Fixed maturity securities available for sale, at fair value	\$ 1,761,174	\$ 1,731,459
Fixed maturity securities held to maturity, at amortized cost	454,000	365,220
Equity securities available for sale, at fair value	47,539	47,839
Trading securities, at fair value	12,259	5,358
Policy loans	30,801	28,627
Total investments	2,305,773	2,178,503
Cash and cash equivalents	195,323	152,294
Accrued investment income	17,449	17,080
Due from reinsurers	4,161,537	4,110,628
Deferred policy acquisition costs, net	1,672,454	1,500,259
Agent balances, due premiums and other receivables	226,539	190,379
Intangible assets, net	55,766	58,318
Income taxes	29,313	35,067
Other assets	356,713	304,356
Separate account assets	2,347,816	2,063,899
Total assets	<u>\$ 11,368,683</u>	<u>\$ 10,610,783</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Future policy benefits	\$ 5,629,967	\$ 5,431,711
Unearned premiums	526	628
Policy claims and other benefits payable	246,514	238,157
Other policyholders' funds	348,975	356,123
Notes payable	372,827	372,552
Surplus note	453,247	364,424
Income taxes	215,454	148,125
Other liabilities	436,621	417,910
Payable under securities lending	95,843	71,482
Separate account liabilities	2,347,816	2,063,899
Total liabilities	10,147,790	9,465,011
Stockholders' equity:		
Common stock	460	483
Paid-in capital	66,510	180,250
Retained earnings	1,090,388	952,804
Accumulated other comprehensive income, net of income tax	63,535	12,235
Total stockholders' equity	1,220,893	1,145,772
Total liabilities and stockholders' equity	<u>\$ 11,368,683</u>	<u>\$ 10,610,783</u>

⁽¹⁾ Unaudited

PRIMERICA, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Unaudited)

	Three months ended September 30,	
	2016	2015
<i>(In thousands, except per-share amounts)</i>		
Revenues:		
Direct premiums	\$ 616,587	\$ 587,882
Ceded premiums	(399,676)	(393,987)
Net premiums	216,911	193,895
Commissions and fees	134,282	132,368
Net investment income	19,399	18,715
Realized investment gains (losses), including OTTI	(35)	(259)
Other, net	13,069	10,990
Total revenues	<u>383,626</u>	<u>355,709</u>
Benefits and expenses:		
Benefits and claims	93,022	88,599
Amortization of deferred policy acquisition costs	45,428	40,797
Sales commissions	66,700	67,402
Insurance expenses	32,837	30,266
Insurance commissions	4,709	4,619
Interest expense	7,184	8,718
Other operating expenses	45,309	40,355
Total benefits and expenses	<u>295,189</u>	<u>280,756</u>
Income before income taxes	88,437	74,953
Income taxes	30,400	25,603
Net income	<u>\$ 58,037</u>	<u>\$ 49,350</u>
Earnings per share:		
Basic earnings per share	<u>\$ 1.22</u>	<u>\$ 0.98</u>
Diluted earnings per share	<u>\$ 1.22</u>	<u>\$ 0.98</u>
Shares used in computing earnings per share:		
Basic	<u>47,008</u>	<u>50,082</u>
Diluted	<u>47,051</u>	<u>50,104</u>

PRIMERICA, INC. AND SUBSIDIARIES
Consolidated Operating Results Reconciliation
(Unaudited – in thousands, except per share amounts)

	Three months ended September 30,		% Change
	2016	2015	
Total revenues	\$ 383,626	\$ 355,709	8%
Less: Realized investment gains (losses), including OTTI	(35)	(259)	
Operating revenues	<u>\$ 383,661</u>	<u>\$ 355,968</u>	8%
Income before income taxes	\$ 88,437	\$ 74,953	18%
Less: Realized investment gains (losses), including OTTI	(35)	(259)	
Operating income before income taxes	<u>\$ 88,472</u>	<u>\$ 75,212</u>	18%
Net income	\$ 58,037	\$ 49,350	18%
Less: Realized investment gains (losses), including OTTI	(35)	(259)	
Less: Tax impact of reconciling items	12	88	
Net operating income	<u>\$ 58,060</u>	<u>\$ 49,521</u>	17%
Diluted earnings per share ⁽¹⁾	\$ 1.22	\$ 0.98	25%
Less: Net after-tax impact of operating adjustments	-	-	
Diluted operating earnings per share ⁽¹⁾	<u>\$ 1.22</u>	<u>\$ 0.98</u>	25%

⁽¹⁾ Percentage change in earnings per share is calculated prior to rounding per share amounts.

TERM LIFE INSURANCE SEGMENT
Adjusted Premiums Reconciliation
(Unaudited – in thousands)

	Three months ended September 30,	
	2016	2015
Direct premiums	\$ 608,396	\$ 579,527
Less: Premiums ceded to IPO coinsurers	319,517	323,501
Adjusted direct premiums	<u>\$ 288,879</u>	<u>\$ 256,026</u>
Ceded premiums	\$ (397,214)	\$ (391,440)
Less: Premiums ceded to IPO coinsurers	(319,517)	(323,501)
Other ceded premiums	<u>\$ (77,697)</u>	<u>\$ (67,939)</u>
Net premiums	<u>\$ 211,182</u>	<u>\$ 188,087</u>

CORPORATE AND OTHER DISTRIBUTED PRODUCTS SEGMENT
Operating Results Reconciliation
(Unaudited – in thousands)

	Three months ended September 30,	
	2016	2015
Total revenues	\$ 30,948	\$ 29,908
Less: Realized investment gains (losses), including OTTI	(35)	(259)
Operating revenues	<u>\$ 30,983</u>	<u>\$ 30,167</u>
Loss before income taxes	\$ (5,460)	\$ (6,377)
Less: Realized investment gains (losses), including OTTI	(35)	(259)
Operating loss before income taxes	<u>\$ (5,425)</u>	<u>\$ (6,118)</u>

PRIMERICA, INC. AND SUBSIDIARIES
Adjusted Stockholders' Equity Reconciliation
(Unaudited – in thousands)

	September 30, 2016	December 31, 2015
Stockholders' equity	\$ 1,220,893	\$ 1,145,772
Less: Unrealized net investment gains recorded in stockholders' equity, net of income tax	71,762	32,036
Adjusted stockholders' equity	<u>\$ 1,149,131</u>	<u>\$ 1,113,736</u>

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Section 3: EX-99.2 (EXHIBIT 99.2)

Exhibit 99.2



Supplemental Financial Information
Third Quarter 2016

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This document may contain forward-looking statements and information. Additional information and factors that could cause actual results to differ materially from any forward-looking statements or information in this document is available in our Form 10-K for the year ended December 31, 2015.

THIRD QUARTER 2016

This document is a financial supplement to our third quarter 2016 earnings release. It is designed to enable comprehensive analysis of our ongoing business using the same core metrics that our management utilizes in assessing our business and making strategic and operational decisions. Throughout this document we provide financial information that is derived from our U.S. GAAP financial statements and adjusted for three different purposes, as follows:

- Operating adjustments exclude the impact of realized investment gains and losses. We exclude realized investment gains and losses in measuring operating revenues to eliminate period-over-period fluctuations that may obscure comparisons of operating results due to items such as the timing of recognizing gains and losses and other factors prior to an invested asset's maturity that are not directly associated with the Company's insurance operations.
- Adjusted stockholders' equity refers to the removal of the impact of net unrealized gains and losses on invested assets. We exclude unrealized investment gains and losses in measuring adjusted stockholders' equity as unrealized gains and losses from the Company's invested assets are largely caused by market movements in interest rates and credit spreads that do not necessarily correlate with the cash flows we will ultimately realize when an invested asset matures or is disposed.
- IPO coinsurance transactions adjustments relate to transactions in the first quarter of 2010, where we reinsured between 80% and 90% of our business that was in-force at year-end 2009 to entities then affiliated with Citigroup Inc. ("Citi") that were executed concurrent with our IPO. We exclude amounts ceded under the IPO coinsurance transactions in measuring adjusted direct premiums and other ceded premiums to present meaningful comparisons of the actual premiums economically maintained by the Company. Amounts ceded under the IPO coinsurance transactions will continue to decline over time as policies terminate within this block of business.

Management utilizes certain non-GAAP financial measures in managing the business and believes they present relevant and meaningful analytical metrics for evaluating the ongoing business. Reconciliations of non-GAAP to GAAP financial measures are included in this financial supplement.

Certain items throughout this supplement may not add due to rounding and as such, may not agree to other public reporting of the respective item. Certain items throughout this supplement are noted as 'na' to indicate not applicable. Certain variances are noted as 'nm' to indicate not meaningful. Certain reclassifications have been made to prior-period amounts to conform to current-period reporting classifications. These reclassifications had no impact on net income or total stockholders' equity.

	Dec 31, 2014	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016
<i>(Dollars in thousands)</i>								
Condensed Balance Sheets								
Assets:								
Investments and cash excluding securities held to maturity	\$ 2,040,313	\$ 2,053,392	\$ 1,963,702	\$ 1,924,636	\$ 1,965,576	\$ 1,968,419	\$ 2,027,735	\$ 2,047,095
Securities held to maturity	220,000	238,000	328,000	356,000	365,220	404,860	431,000	454,000
Total investments and cash	2,260,313	2,291,392	2,291,702	2,280,636	2,330,796	2,373,279	2,458,735	2,501,095
Due from reinsurers	4,115,533	4,094,456	4,137,425	4,103,949	4,110,628	4,160,266	4,147,284	4,161,537
Deferred policy acquisition costs	1,351,180	1,377,022	1,430,508	1,465,175	1,500,259	1,559,833	1,619,236	1,672,454
Other assets	568,600	569,990	593,107	625,289	605,200	656,871	669,723	685,779
Separate account assets	2,440,303	2,386,265	2,324,980	2,086,598	2,063,899	2,264,108	2,311,124	2,347,816
Total assets	\$ 10,735,929	\$ 10,719,124	\$ 10,777,724	\$ 10,561,648	\$ 10,610,782	\$ 11,014,358	\$ 11,206,101	\$ 11,368,681
Liabilities:								
Future policy benefits	\$ 5,264,608	\$ 5,289,016	\$ 5,361,580	\$ 5,388,042	\$ 5,431,711	\$ 5,518,834	\$ 5,581,043	\$ 5,629,967
Other policy liabilities	591,719	577,951	587,687	578,322	594,908	597,057	587,565	596,015
Income taxes	140,467	157,684	156,212	152,314	148,125	177,457	199,985	215,454
Other liabilities	412,159	403,724	386,194	398,821	417,910	420,038	424,051	436,621
Notes payable	372,187	372,278	372,369	372,460	372,552	372,643	372,735	372,827
Surplus note	219,147	237,162	327,176	355,190	364,424	404,079	430,233	453,247
Payable under securities lending	50,211	55,622	63,898	83,220	71,482	87,383	91,901	95,843
Separate account liabilities	2,440,303	2,386,265	2,324,980	2,086,598	2,063,899	2,264,108	2,311,124	2,347,816
Total liabilities	9,490,803	9,479,702	9,580,097	9,414,968	9,465,010	9,841,598	9,998,636	10,147,790
Stockholders' equity:								
Common stock (\$0.01 par value) (1)	522	516	501	486	483	473	466	460
Paid-in capital	353,335	323,996	259,937	195,314	180,250	137,857	102,824	66,510
Retained earnings	795,741	830,624	871,440	912,749	952,804	989,685	1,040,860	1,090,388
Treasury stock	—	—	—	—	—	—	—	—
Accumulated other comprehensive income (loss), net:								
Net unrealized investment gains (losses) not other-than-temporarily impaired	74,307	83,401	61,742	49,889	32,106	48,747	68,473	71,827
Net unrealized investment losses other-than-temporarily impaired	(461)	(461)	(461)	(73)	(71)	(70)	(68)	(66)
Cumulative translation adjustment	21,682	1,346	4,468	(11,684)	(19,801)	(3,933)	(5,091)	(8,227)
Total stockholders' equity	1,245,126	1,239,422	1,197,626	1,146,680	1,145,772	1,172,759	1,207,465	1,220,891
Total liabilities and stockholders' equity	\$ 10,735,929	\$ 10,719,124	\$ 10,777,724	\$ 10,561,648	\$ 10,610,782	\$ 11,014,358	\$ 11,206,101	\$ 11,368,681
Reconciliation of Adjusted Stockholders' Equity to Total Stockholders' Equity								
Adjusted stockholders' equity	\$ 1,171,280	\$ 1,156,482	\$ 1,136,345	\$ 1,096,864	\$ 1,113,736	\$ 1,124,082	\$ 1,139,060	\$ 1,149,131
Reconciling items:								
Net unrealized investment gains (losses) not other-than-temporarily impaired	74,307	83,401	61,742	49,889	32,106	48,747	68,473	71,827
Net unrealized investment losses other-than-temporarily impaired	(461)	(461)	(461)	(73)	(71)	(70)	(68)	(66)
Total reconciling items	73,846	82,940	61,281	49,816	32,036	48,678	68,405	71,760
Total stockholders' equity	\$ 1,245,126	\$ 1,239,422	\$ 1,197,626	\$ 1,146,680	\$ 1,145,772	\$ 1,172,759	\$ 1,207,465	\$ 1,220,891
Adjusted Stockholders' Equity Rollforward								
Balance, beginning of period	\$ 1,216,813	\$ 1,171,280	\$ 1,156,482	\$ 1,136,345	\$ 1,096,864	\$ 1,113,736	\$ 1,124,082	\$ 1,139,060
Net Income	45,466	43,401	49,173	49,350	47,948	45,176	59,326	58,038
Shareholder dividends	(6,462)	(8,517)	(8,357)	(8,042)	(7,893)	(8,295)	(8,151)	(8,511)
Retirement of shares and warrants	(82,447)	(44,789)	(70,999)	(71,433)	(20,538)	(52,988)	(41,330)	(41,012)
Net foreign currency translation adjustment	(8,600)	(20,336)	3,121	(16,152)	(8,116)	15,867	(1,157)	(3,136)
Other, net	6,510	15,444	6,925	6,795	5,471	10,585	6,290	4,692
Balance, end of period	\$ 1,171,280	\$ 1,156,482	\$ 1,136,345	\$ 1,096,864	\$ 1,113,736	\$ 1,124,082	\$ 1,139,060	\$ 1,149,131
Deferred Policy Acquisition Costs Rollforward								
Balance, beginning of period	\$ 1,321,415	\$ 1,351,180	\$ 1,377,022	\$ 1,430,508	\$ 1,465,175	\$ 1,500,259	\$ 1,559,833	\$ 1,619,236
General expenses deferred	8,171	7,953	8,554	8,396	7,951	8,443	9,138	9,202
Commission costs deferred	67,980	70,389	78,799	79,787	77,810	81,174	89,783	91,783
Amortization of deferred policy acquisition costs	(39,544)	(36,213)	(36,383)	(40,797)	(44,334)	(43,129)	(38,720)	(45,428)
Foreign currency impact and other, net	(6,842)	(16,287)	2,516	(12,718)	(6,343)	13,086	(798)	(2,339)
Balance, end of period	\$ 1,351,180	\$ 1,377,022	\$ 1,430,508	\$ 1,465,175	\$ 1,500,259	\$ 1,559,833	\$ 1,619,236	\$ 1,672,454

(1) Outstanding common shares exclude restricted stock units.

in computing diluted operating EPS \$	42,131	\$ 48,427	\$ 49,140	\$ 49,782	\$ 45,306	\$ 56,632	\$ 57,567	\$ 8,427	17.1%	\$ 139,691	\$ 159,507	\$ 19,816	14.2%
Diluted operating income per share	0.80	0.93	0.98	1.01	0.93	1.19	1.22	0.24	24.7%	2.71	3.34	0.63	23.2%

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	YOY Q3		YTD 2015	YTD 2016	YOY YTD		
								Change	% Change			\$ Change	% Change	
Annualized Return on Equity														
Average stockholders' equity	\$ 1,242,274	\$ 1,218,524	\$ 1,172,153	\$ 1,146,226	\$ 1,159,266	\$ 1,190,112	\$ 1,214,178	\$ 42,025	3.6%	\$ 1,210,984	\$ 1,187,852	\$ (23,132)	-1.9%	
Average adjusted stockholders' equity	\$ 1,163,881	\$ 1,146,414	\$ 1,116,605	\$ 1,105,300	\$ 1,118,909	\$ 1,131,571	\$ 1,144,095	\$ 27,491	2.5%	\$ 1,142,300	\$ 1,131,525	\$ (10,775)	-0.9%	
Net income return on stockholders' equity	14.0%	16.1%	16.8%	16.7%	15.6%	19.9%	19.1%	2.3%	nm	15.6%	18.2%	2.6%	nm	
Net income return on adjusted stockholders' equity	14.9%	17.2%	17.7%	17.4%	16.2%	21.0%	20.3%	2.6%	nm	16.6%	19.2%	2.6%	nm	
Net operating income return on adjusted stockholders' equity	14.6%	17.0%	17.7%	18.2%	16.3%	20.2%	20.3%	2.6%	nm	16.4%	19.0%	2.5%	nm	
Capital Structure														
Debt-to-capital (1)	23.1%	23.7%	24.5%	24.5%	24.1%	23.6%	23.4%	-1.1%	nm	24.5%	23.4%	-1.1%	nm	
Cash and invested assets to stockholders' equity	1.8x	1.9x	2.0x	2.0x	2.0x	2.0x	2.0x	0.1x	nm	2.0x	2.0x	0.1x	nm	
Cash and invested assets to adjusted stockholders' equity	2.0x	2.0x	2.1x	2.1x	2.1x	2.2x	2.2x	0.1x	nm	2.1x	2.2x	0.1x	nm	
Share count, end of period (2)	51,554,770	50,110,938	48,571,139	48,296,623	47,295,175	46,601,587	45,961,671	(2,609,468)	-5.4%	48,571,139	45,961,671	(2,609,468)	-5.4%	
Adjusted stockholders' equity per share \$	22.43	22.68	22.58	23.06	23.77	24.44	25.00	2.42	10.7%	22.58	25.00	2.42	10.7%	
Financial Strength Ratings - Primerica Life Insurance Co														
Moody's	A2	A2	A2	A2	A2	A2	A2	nm	nm	nm	nm	nm	nm	
S&P	AA-	AA-	AA-	AA-	AA-	AA-	AA-	nm	nm	nm	nm	nm	nm	
A.M. Best	A+	A+	A+	A+	A+	A+	A+	nm	nm	nm	nm	nm	nm	
Holding Company Senior Debt Ratings														
Moody's	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	nm	nm	nm	nm	nm	nm	
S&P	A-	A-	A-	A-	A-	A-	A-	nm	nm	nm	nm	nm	nm	
A.M. Best	a-	a-	a-	a-	a-	a-	a-	nm	nm	nm	nm	nm	nm	

(1) Debt-to-capital is that of the parent company only. Capital in the debt-to-capital ratio includes stockholders' equity and the note payable.

(2) Share count reflects outstanding common shares, including restricted shares, but excludes restricted stock units (RSUs).

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	YOY Q3		YTD 2015	YTD 2016	YOY YTD	
								\$ Change	% Change			\$ Change	% Change
<i>(Dollars in thousands)</i>													
Statement of Income													
Revenues:													
Direct premiums	\$ 577,458	\$ 588,248	\$ 587,882	\$ 591,856	\$ 597,130	\$ 612,189	\$ 616,587	\$ 28,705	4.9%	\$ 1,753,589	\$ 1,825,906	\$ 72,317	4.1%
Ceded premiums	(397,541)	(406,854)	(393,987)	(396,838)	(395,333)	(406,683)	(399,676)	(5,689)	-1.4%	(1,198,382)	(1,201,692)	(3,310)	-0.3%
Net premiums	179,918	181,394	193,895	195,018	201,797	205,506	216,911	23,016	11.9%	555,207	624,214	69,007	12.4%
Net investment income	21,173	19,075	18,715	17,546	21,238	20,389	19,399	684	3.7%	58,964	61,026	2,062	3.5%
Commissions and fees:													
Sales-based (1)	60,035	63,072	56,418	57,859	56,220	59,057	55,149	(1,269)	-2.2%	179,524	170,425	(9,099)	-5.1%
Asset-based (2)	56,837	59,144	58,794	57,144	55,306	59,541	60,759	1,964	3.3%	174,775	175,606	831	0.5%
Account-based (3)	10,452	10,994	11,445	11,605	11,309	11,611	11,899	454	4.0%	32,891	34,819	1,927	5.9%
Other commissions and fees	5,511	5,939	5,711	6,185	5,987	6,692	6,476	765	13.4%	17,162	19,155	1,993	11.6%
Realized investment (losses) gains	1,284	597	(259)	(3,361)	(783)	3,440	(35)	224	86.6%	1,623	2,623	1,000	61.6%
Other, net	9,445	10,171	10,990	11,453	11,527	12,757	13,069	2,079	18.9%	30,605	37,353	6,748	22.0%
Total revenues	344,655	350,387	355,709	353,449	362,601	378,993	383,626	27,917	7.8%	1,050,751	1,125,220	74,469	7.1%
Benefits and expenses:													
Benefits and claims	82,500	82,521	88,599	85,694	90,977	88,984	93,022	4,423	5.0%	253,621	272,983	19,363	7.6%
Amortization of DAC	36,213	36,383	40,797	44,334	43,129	38,720	45,428	4,631	11.4%	113,392	127,277	13,885	12.2%
Insurance commissions	3,189	4,145	4,619	4,388	4,147	4,472	4,709	90	1.9%	11,953	13,328	1,375	11.5%
Insurance expenses	34,361	28,740	30,265	29,664	33,130	32,906	32,837	2,571	8.5%	93,366	98,872	5,507	5.9%
Sales commissions:													
Sales-based (1)	42,442	44,595	40,036	40,809	40,327	42,040	38,276	(1,761)	-4.4%	127,074	120,643	(6,431)	-5.1%
Asset-based (2)	23,251	24,059	24,374	23,802	23,093	24,907	25,271	897	3.7%	71,683	73,272	1,588	2.2%
Other sales commissions	2,764	2,845	2,991	2,925	3,222	3,199	3,153	162	5.4%	8,600	9,574	974	11.3%
Interest expense	8,676	8,642	8,718	7,471	7,173	7,178	7,184	(1,534)	-17.6%	26,036	21,534	(4,502)	-17.3%
Other operating expenses	44,450	41,634	40,355	41,967	47,190	44,708	45,309	4,954	12.3%	126,439	137,207	10,768	8.5%
Total benefits and expenses	277,845	273,562	280,756	281,055	292,388	287,113	295,189	14,433	5.1%	832,163	874,690	42,527	5.1%
Income before income taxes	66,809	76,825	74,953	72,393	70,213	91,880	88,438	13,484	18.0%	218,588	250,531	31,943	14.6%
Income taxes	23,408	27,653	25,603	24,445	25,037	32,554	30,400	4,797	18.7%	76,664	87,991	11,326	14.8%
Net income	\$ 43,401	\$ 49,173	\$ 49,350	\$ 47,948	\$ 45,176	\$ 59,326	\$ 58,038	\$ 8,688	17.6%	\$ 141,924	\$ 162,540	\$ 20,616	14.5%
Income Before Income Taxes by Segment													
Term Life	\$ 36,076	\$ 44,689	\$ 46,519	\$ 45,925	\$ 46,081	\$ 58,017	\$ 58,136	\$ 11,617	25.0%	\$ 127,284	\$ 162,234	\$ 34,950	27.5%
Investment & Savings Products	35,044	37,746	34,811	38,482	31,691	36,065	35,759	948	2.7%	107,600	103,515	(4,086)	-3.8%
Corporate & Other Distributed Products	(4,310)	(5,610)	(6,377)	(12,014)	(7,558)	(2,202)	(5,458)	919	14.4%	(16,297)	(15,218)	1,079	6.6%
Income before income taxes	\$ 66,809	\$ 76,825	\$ 74,953	\$ 72,393	\$ 70,213	\$ 91,880	\$ 88,438	\$ 13,484	18.0%	\$ 218,588	\$ 250,531	\$ 31,943	14.6%

- (1) Sales-based - revenues or commission expenses relating to the sales of mutual funds and variable annuities
- (2) Asset-based - revenues or commission expenses relating to the value of assets in client accounts for which we earn ongoing service, distribution, and other fees
- (3) Account-based - revenues relating to the fee generating client accounts we administer

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	YOY Q3		YTD 2015	YTD 2016	YOY YTD	
								\$ Change	% Change			\$ Change	% Change
<i>(Dollars in thousands)</i>													
Reconciliation from Term Life Direct Premiums to Term Life Adjusted Direct Premiums													
Term Life direct premiums	\$ 569,164	\$ 579,873	\$ 579,527	\$ 584,570	\$ 589,244	\$ 604,117	\$ 608,396	\$ 28,869	5.0%	\$ 1,728,563	\$ 1,801,757	\$ 73,193	4.2%
Less: Premiums ceded to IPO Coinsurers	331,733	331,984	323,501	324,870	321,494	322,767	319,516	(3,984)	-1.2%	987,218	963,778	(23,440)	-2.4%
Term Life adjusted direct premiums	\$ 237,430	\$ 247,889	\$ 256,026	\$ 259,700	\$ 267,750	\$ 281,350	\$ 288,879	\$ 32,853	12.8%	\$ 741,346	\$ 837,979	\$ 96,633	13.0%
Reconciliation from Term Life Ceded Premiums to Term Life Other Ceded Premiums													
Term Life ceded premiums	\$(395,122)	\$(404,211)	\$(391,440)	\$(394,179)	\$(393,271)	\$(404,492)	\$(397,214)	\$ (5,774)	-1.5%	\$(1,190,772)	\$(1,194,977)	\$ (4,204)	-0.4%
Less: Premiums ceded to IPO Coinsurers	(331,733)	(331,984)	(323,501)	(324,870)	(321,494)	(322,767)	(319,516)	3,984	1.2%	(987,218)	(963,778)	23,440	2.4%
Term Life other ceded premiums	\$ (63,389)	\$ (72,227)	\$ (67,939)	\$ (69,310)	\$ (71,776)	\$ (81,725)	\$ (77,697)	\$ (9,758)	-14.4%	\$ (203,554)	\$ (231,198)	\$ (27,644)	-13.6%
Reconciliation from Total Revenues to Operating Revenues													
Total revenues	\$ 344,655	\$ 350,387	\$ 355,709	\$ 353,449	\$ 362,601	\$ 378,993	\$ 383,626	\$ 27,917	7.8%	\$ 1,050,751	\$ 1,125,220	\$ 74,469	7.1%
Less: Realized investment gains/(losses)	1,284	597	(259)	(3,361)	(783)	3,440	(35)	nm	nm	1,623	2,623	nm	nm
Operating revenues	\$ 343,370	\$ 349,790	\$ 355,968	\$ 356,809	\$ 363,384	\$ 375,553	\$ 383,661	\$ 27,693	7.8%	\$ 1,049,129	\$ 1,122,598	\$ 73,469	7.0%
Reconciliation from Income Before Income Taxes to Operating Income Before Income Taxes													
Income before income taxes	\$ 66,809	\$ 76,825	\$ 74,953	\$ 72,393	\$ 70,213	\$ 91,880	\$ 88,438	\$ 13,484	18.0%	\$ 218,588	\$ 250,531	\$ 31,943	14.6%
Less: Realized investment gains/(losses)	1,284	597	(259)	(3,361)	(783)	3,440	(35)	nm	nm	1,623	2,623	nm	nm
Operating income before income taxes	\$ 65,525	\$ 76,228	\$ 75,212	\$ 75,754	\$ 70,996	\$ 88,440	\$ 88,472	\$ 13,260	17.6%	\$ 216,965	\$ 247,908	\$ 30,943	14.3%
Reconciliation from Net Income to Net Operating Income													
Net income	\$ 43,401	\$ 49,173	\$ 49,350	\$ 47,948	\$ 45,176	\$ 59,326	\$ 58,038	\$ 8,688	17.6%	\$ 141,924	\$ 162,540	\$ 20,616	14.5%
Less: Realized investment gains/(losses)	1,284	597	(259)	(3,361)	(783)	3,440	(35)	nm	nm	1,623	2,623	nm	nm
Less: Tax impact of realized investment gains/(losses)	(450)	(215)	88	1,135	279	(1,219)	12	nm	nm	(576)	(928)	nm	nm
Net operating income	\$ 42,566	\$ 48,791	\$ 49,521	\$ 50,174	\$ 45,680	\$ 57,104	\$ 58,061	\$ 8,540	17.2%	\$ 140,878	\$ 160,845	\$ 19,968	14.2%

Segment Operating Results

								YOY Q3				YOY YTD	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	\$	%	YTD	YTD	\$	%
	2015	2015	2015	2015	2016	2016	2016	Change	Change	2015	2016	Change	Change
<i>(Dollars in thousands)</i>													
Term Life Insurance													
Revenues:													
Direct Premiums	\$ 569,164	\$ 579,873	\$ 579,527	\$ 584,570	\$ 589,244	\$ 604,117	\$ 608,396	\$ 28,869	5.0%	\$ 1,728,563	\$ 1,801,757	\$ 73,193	4.2%
Premiums ceded to IPO coinsurers (1)	(331,733)	(331,984)	(323,501)	(324,870)	(321,494)	(322,767)	(319,516)	3,984	1.2%	(987,218)	(963,778)	23,440	2.4%
Adjusted direct premiums (2)	237,430	247,889	256,026	259,700	267,750	281,350	288,879	32,853	12.8%	741,346	837,979	96,633	13.0%
Other ceded premiums (3)	(63,389)	(72,227)	(67,939)	(69,310)	(71,776)	(81,725)	(77,697)	(9,758)	-14.4%	(203,554)	(231,198)	(27,644)	-13.6%
Net premiums	174,042	175,662	188,087	190,390	195,973	199,625	211,182	23,095	12.3%	537,791	606,780	68,989	12.8%
Allocated net investment income	1,405	1,436	1,508	1,639	1,850	1,871	1,903	395	26.2%	4,348	5,624	1,276	29.3%
Other, net	6,761	7,286	7,609	8,133	8,274	9,062	9,513	1,904	25.0%	21,656	26,849	5,192	24.0%
Operating revenues	182,208	184,384	197,204	200,162	206,097	210,559	222,598	25,394	12.9%	563,796	639,253	75,457	13.4%
Benefits and expenses:													
Benefits and claims	77,990	78,268	83,816	82,158	86,795	83,835	88,800	4,984	5.9%	240,074	259,430	19,356	8.1%
Amortization of DAC	35,017	32,797	37,263	42,903	41,224	36,477	43,365	6,102	16.4%	105,077	121,067	15,990	15.2%
Insurance commissions	601	1,382	1,084	1,180	968	1,094	1,171	87	8.0%	3,067	3,234	166	5.4%
Insurance expenses	32,523	27,248	28,521	27,996	31,029	31,135	31,125	2,604	9.1%	88,292	93,288	4,995	5.7%
Operating benefits and expenses	146,132	139,695	150,685	154,237	160,016	152,541	164,462	13,777	9.1%	436,511	477,019	40,508	9.3%
Operating income before income taxes	\$ 36,076	\$ 44,689	\$ 46,519	\$ 45,925	\$ 46,081	\$ 58,017	\$ 58,136	\$ 11,617	25.0%	\$ 127,284	\$ 162,234	\$ 34,950	27.5%
Investment & Savings Products													
Revenues:													
Commissions and fees:													
Sales-based	\$ 60,035	\$ 63,072	\$ 56,418	\$ 57,859	\$ 56,220	\$ 59,057	\$ 55,149	\$ (1,269)	-2.2%	\$ 179,524	\$ 170,425	\$ (9,099)	-5.1%
Asset-based	56,837	59,144	58,794	57,144	55,306	59,541	60,759	1,964	3.3%	174,775	175,606	831	0.5%
Account-based	10,452	10,994	11,445	11,605	11,309	11,611	11,899	454	4.0%	32,891	34,819	1,927	5.9%
Other, net	1,625	1,804	1,941	2,166	2,083	2,399	2,273	332	17.1%	5,370	6,754	1,384	25.8%
Operating revenues	128,949	135,015	128,597	128,774	124,918	132,608	130,079	1,482	1.2%	392,561	387,605	(4,956)	-1.3%
Benefits and expenses:													
Amortization of DAC	1,201	2,901	3,299	552	1,919	1,704	1,636	(1,663)	-50.4%	7,400	5,258	(2,141)	-28.9%
Insurance commissions	1,971	2,182	2,957	2,731	2,631	2,884	3,001	43	1.5%	7,111	8,515	1,405	19.8%
Sales commissions:													
Sales-based	42,442	44,595	40,036	40,809	40,327	42,040	38,276	(1,761)	-4.4%	127,074	120,643	(6,431)	-5.1%
Asset-based	23,251	24,059	24,374	23,802	23,093	24,907	25,271	897	3.7%	71,683	73,272	1,588	2.2%
Other operating expenses	25,041	23,532	23,120	22,399	25,257	25,008	26,136	3,017	13.0%	71,693	76,402	4,709	6.6%
Operating benefits and expenses	93,905	97,269	93,786	90,292	93,227	96,543	94,320	534	0.6%	284,960	284,090	(871)	-0.3%
Operating income before income taxes	\$ 35,044	\$ 37,746	\$ 34,811	\$ 38,482	\$ 31,691	\$ 36,065	\$ 35,759	\$ 948	2.7%	\$ 107,600	\$ 103,515	\$ (4,086)	-3.8%
Corporate & Other Distributed Products													
Revenues:													
Direct premiums	\$ 8,295	\$ 8,376	\$ 8,355	\$ 7,286	\$ 7,886	\$ 8,072	\$ 8,191	\$ (164)	-2.0%	\$ 25,025	\$ 24,149	\$ (876)	-3.5%
Ceded premiums	(2,419)	(2,644)	(2,547)	(2,658)	(2,063)	(2,191)	(2,462)	85	3.3%	(7,610)	(6,716)	894	11.7%
Net premiums	5,876	5,732	5,808	4,628	5,823	5,881	5,729	(79)	-1.4%	17,416	17,433	18	0.1%
Allocated net investment income	19,768	17,640	17,207	15,907	19,389	18,518	17,496	288	1.7%	54,616	55,402	786	1.4%
Commissions and fees:													
Loans	42	43	37	40	44	43	36	(1)	-3.3%	122	122	0	0.2%
DebtWatchers	307	311	303	299	282	280	262	(42)	-13.8%	922	824	(98)	-10.6%
Prepaid Legal Services	2,468	2,494	2,527	2,579	2,650	2,739	2,832	306	12.1%	7,488	8,221	733	9.8%
Auto and Homeowners Insurance	1,770	2,096	1,841	2,201	1,757	2,231	1,981	140	7.6%	5,706	5,970	264	4.6%
Long-Term Care Insurance	534	583	558	599	713	638	629	71	12.7%	1,675	1,980	305	18.2%
Other sales commissions	391	412	445	466	540	762	736	291	65.3%	1,249	2,038	790	63.2%
Other, net	1,058	1,080	1,440	1,154	1,171	1,296	1,283	(157)	-10.9%	3,579	3,750	171	4.8%
Operating revenues	32,214	30,391	30,167	27,873	32,370	32,387	30,984	817	2.7%	92,772	95,740	2,968	3.2%
Benefits and expenses:													
Benefits and claims	4,510	4,253	4,783	3,536	4,182	5,149	4,222	(561)	-11.7%	13,547	13,553	7	nm
Amortization of DAC	(5)	685	235	880	(15)	539	427	192	81.7%	915	951	37	4.0%
Insurance commissions	617	581	578	477	548	494	537	(41)	-7.1%	1,775	1,579	(196)	-11.0%
Insurance expenses	1,837	1,491	1,745	1,668	2,101	1,771	1,712	(32)	-1.9%	5,073	5,585	511	10.1%
Sales commissions	2,764	2,845	2,991	2,925	3,222	3,199	3,153	162	5.4%	8,600	9,574	974	11.3%
Interest expense	8,676	8,642	8,718	7,471	7,173	7,178	7,184	(1,534)	-17.6%	26,036	21,534	(4,502)	-17.3%
Other operating expenses	19,409	18,101	17,236	19,569	21,933	19,699	19,173	1,937	11.2%	54,746	60,805	6,059	11.1%
Operating benefits and expenses	37,808	36,598	36,285	36,526	39,145	38,029	36,408	122	0.3%	110,691	113,581	2,890	2.6%
Operating income before income taxes	\$ (5,595)	\$ (6,207)	\$ (6,118)	\$ (8,653)	\$ (6,775)	\$ (5,642)	\$ (5,423)	\$ 695	11.4%	\$ (17,920)	\$ (17,841)	\$ 79	0.4%

- (1) Premiums ceded to IPO coinsurers - premiums ceded to IPO coinsurers under the IPO coinsurance transactions excluding any reimbursements from the IPO coinsurers on previously existing reinsurance agreement
- (2) Adjusted direct premiums - direct premiums net of premiums ceded to IPO coinsurers
- (3) Other ceded premiums - premiums ceded to non-IPO coinsurers net of any applicable reimbursements from the IPO coinsurers

(Dollars in thousands)

Term Life Insurance Operating Income Before Income Taxes	Q1	Q2	Q3	Q4	Q1	Q2	Q3	YOY Q3		YTD	YTD	YOY YTD	
	2015	2015	2015	2015	2016	2016	2016	\$ Change	% Change	2015	2016	\$ Change	% Change
Revenues:													
Direct Premiums	\$ 569,164	\$ 579,873	\$ 579,527	\$ 584,570	\$ 589,244	\$ 604,117	\$ 608,396	\$ 28,869	5.0%	\$1,728,563	\$1,801,757	\$ 73,193	4.2%
Premiums ceded to IPO coinsurers (1)	(331,733)	(331,984)	(323,501)	(324,870)	(321,494)	(322,767)	(319,516)	3,984	1.2%	(987,218)	(963,778)	23,440	2.4%
Adjusted direct premiums (2)	237,430	247,889	256,026	259,700	267,750	281,350	288,879	32,853	12.8%	741,346	837,979	96,633	13.0%
Other ceded premiums (3)	(63,389)	(72,227)	(67,939)	(69,310)	(71,776)	(81,725)	(77,697)	(9,758)	-14.4%	(203,554)	(231,198)	(27,644)	-13.6%
Net premiums	174,042	175,662	188,087	190,390	195,973	199,625	211,182	23,095	12.3%	537,791	606,780	68,989	12.8%
Allocated net investment income	1,405	1,436	1,508	1,639	1,850	1,871	1,903	395	26.2%	4,348	5,624	1,276	29.3%
Other, net	6,761	7,286	7,609	8,133	8,274	9,062	9,513	1,904	25.0%	21,656	26,849	5,192	24.0%
Operating revenues	182,208	184,384	197,204	200,162	206,097	210,559	222,598	25,394	12.9%	563,796	639,253	75,457	13.4%
Benefits and expenses:													
Benefits and claims	77,990	78,268	83,816	82,158	86,795	83,835	88,800	4,984	5.9%	240,074	259,430	19,356	8.1%
Amortization of DAC	35,017	32,797	37,263	42,903	41,224	36,477	43,365	6,102	16.4%	105,077	121,067	15,990	15.2%
Insurance commissions	601	1,382	1,084	1,180	968	1,094	1,171	87	8.0%	3,067	3,234	166	5.4%
Insurance expenses	32,523	27,248	28,521	27,996	31,029	31,135	31,125	2,604	9.1%	88,292	93,288	4,995	5.7%
Operating benefits and expenses	146,132	139,695	150,685	154,237	160,016	152,541	164,462	13,777	9.1%	436,511	477,019	40,508	9.3%
Operating income before income taxes	\$ 36,076	\$ 44,689	\$ 46,519	\$ 45,925	\$ 46,081	\$ 58,017	\$ 58,136	\$ 11,617	25.0%	\$ 127,284	\$ 162,234	\$ 34,950	27.5%
Total Term Life Insurance - Financial Analysis													
Primary direct premiums (4)	\$ 156,714	\$ 167,118	\$ 177,307	\$ 180,664	\$ 189,540	\$ 202,830	\$ 211,137	\$ 33,830	19.1%	\$ 501,140	\$ 603,508	\$102,368	20.4%
Legacy direct premiums (5)	412,449	412,754	402,220	403,906	399,704	401,287	397,258	(4,962)	-1.2%	1,227,424	1,198,249	(29,175)	-2.4%
Total direct premiums	\$ 569,164	\$ 579,873	\$ 579,527	\$ 584,570	\$ 589,244	\$ 604,117	\$ 608,396	\$ 28,869	5.0%	\$1,728,563	\$1,801,757	\$ 73,193	4.2%
Premiums ceded to IPO coinsurers	\$ 331,733	\$ 331,984	\$ 323,501	\$ 324,870	\$ 321,494	\$ 322,767	\$ 319,516	\$ (3,984)	-1.2%	\$ 987,218	\$ 963,778	\$ (23,440)	-2.4%
% of Legacy direct premiums	80.4%	80.4%	80.4%	80.4%	80.4%	80.4%	80.4%	nm	nm	80.4%	80.4%	nm	nm
Benefits and claims, net (6)	\$ 141,379	\$ 150,494	\$ 151,755	\$ 151,468	\$ 158,571	\$ 165,560	\$ 166,497	\$ 14,742	9.7%	\$ 443,628	\$ 490,629	\$ 47,000	10.6%
% of adjusted direct premiums	59.5%	60.7%	59.3%	58.3%	59.2%	58.8%	57.6%	nm	nm	59.8%	58.5%	nm	nm
DAC amortization & insurance commissions	\$ 35,619	\$ 34,179	\$ 38,347	\$ 44,083	\$ 42,193	\$ 37,572	\$ 44,537	\$ 6,189	16.1%	\$ 108,145	\$ 124,301	\$ 16,156	14.9%
% of adjusted direct premiums	15.0%	13.8%	15.0%	17.0%	15.8%	13.4%	15.4%	nm	nm	14.6%	14.8%	nm	nm
Insurance expenses, net (7)	\$ 25,762	\$ 19,962	\$ 20,912	\$ 19,863	\$ 22,755	\$ 22,072	\$ 21,612	\$ 700	3.3%	\$ 66,636	\$ 66,439	\$ (197)	-0.3%
% of adjusted direct premiums	10.9%	8.1%	8.2%	7.6%	8.5%	7.8%	7.5%	nm	nm	9.0%	7.9%	nm	nm
Total Term Life operating income before income taxes	\$ 36,076	\$ 44,689	\$ 46,519	\$ 45,925	\$ 46,081	\$ 58,017	\$ 58,136	\$ 11,617	25.0%	\$ 127,284	\$ 162,234	\$ 34,950	27.5%
Term Life operating margin (8)	15.2%	18.0%	18.2%	17.7%	17.2%	20.6%	20.1%	nm	nm	17.2%	19.4%	nm	nm

- (1) Premiums ceded to IPO coinsurers - premiums ceded to IPO coinsurers under the IPO coinsurance transactions excluding any reimbursements from the IPO coinsurers on previously existing reinsurance agreements
- (2) Adjusted direct premiums - direct premiums net of premiums ceded to IPO coinsurers
- (3) Other ceded premiums - premiums ceded to non-IPO coinsurers net of any applicable reimbursements from the IPO coinsurers
- (4) Primary direct premiums - direct premiums not subject to the 2010 IPO coinsurance transactions
- (5) Legacy direct premiums - direct premiums subject to the 2010 IPO coinsurance transactions
- (6) Benefits and claims, net - benefits & claims net of other ceded premiums which are largely YRT
- (7) Insurance expenses, net - insurance expenses net of other net revenues
- (8) Term Life operating margin - Term Life operating income before income taxes as a percentage of adjusted direct premiums

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	YOY Q3		YTD 2015	YTD 2016	YOY YTD	
								\$ Change	% Change			\$ Change	% Change
<i>(Dollars in thousands, except as noted)</i>													
Key Statistics													
Life-insurance licensed sales force, beginning of period	98,358	98,145	101,008	104,702	106,710	108,220	112,365	11,357	11.2%	98,358	106,710	8,352	8.5%
New life-licensed representatives	7,486	10,439	11,160	10,547	9,666	12,171	11,739	579	5.2%	29,085	33,576	4,491	15.4%
Non-renewal and terminated representatives	(7,699)	(7,576)	(7,466)	(8,539)	(8,156)	(8,026)	(8,759)	(1,293)	-17.3%	(22,741)	(24,941)	(2,200)	-9.7%
Life-insurance licensed sales force, end of period	98,145	101,008	104,702	106,710	108,220	112,365	115,345	10,643	10.2%	104,702	115,345	10,643	10.2%
Estimated annualized issued term life premium (\$mills) (1):													
Premium from new policies	\$ 45.1	\$ 55.3	\$ 54.5	\$ 57.4	\$ 54.0	\$ 63.1	\$ 61.9	\$ 7.5	13.7%	\$ 155.0	\$ 179.1	\$ 24.1	15.6%
Additions and increases in premium	12.8	14.0	13.7	14.4	14.0	15.4	15.2	1.4	10.4%	40.5	44.6	4.0	10.0%
Total estimated annualized issued term life premium	\$ 57.9	\$ 69.3	\$ 68.2	\$ 71.8	\$ 68.0	\$ 78.6	\$ 77.1	\$ 8.9	13.0%	\$ 195.5	\$ 223.6	\$ 28.1	14.4%
Issued term life policies	55,677	68,097	66,658	69,627	66,376	77,384	75,374	8,716	13.1%	190,432	219,134	28,702	15.1%
Estimated average annualized issued term life premium per policy (1)(2)	\$ 811	\$ 813	\$ 817	\$ 825	\$ 814	\$ 816	\$ 822	\$ 4	0.5%	\$ 814	\$ 817	\$ 3	0.4%
Term life face amount in-force, beginning of period (\$mills)	\$ 681,927	\$ 678,517	\$ 688,163	\$ 689,316	\$ 693,194	\$ 704,632	\$ 714,756	\$ 26,593	3.9%	\$ 681,927	\$ 693,194	\$ 11,267	1.7%
Issued term life face amount (3)	17,181	20,585	20,321	21,023	19,790	23,145	22,775	2,454	12.1%	58,088	65,710	7,622	13.1%
Terminated term life face amount	(13,344)	(12,064)	(13,659)	(14,513)	(13,814)	(12,700)	(14,407)	(748)	-5.5%	(39,068)	(40,921)	(1,853)	-4.7%
Foreign currency impact, net	(7,247)	1,125	(5,509)	(2,632)	5,462	(321)	(962)	4,547	82.5%	(11,631)	4,179	15,810	nm
Term life face amount in-force, end of period	\$ 678,517	\$ 688,163	\$ 689,316	\$ 693,194	\$ 704,632	\$ 714,756	\$ 722,162	\$ 32,846	4.8%	\$ 689,316	\$ 722,162	\$ 32,846	4.8%

(1) Estimated annualized issued term life premium - estimated as average premium per \$1,000 of face amounts issued on new policies and additions (before free look returns) multiplied by actual face amount issued on new policies, rider additions and face amount increases.

(2) In whole dollars

(3) Issued term life face amount - includes face amount on issued term life policies, additional riders added to existing policies, and face increases under increasing benefit riders

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(Dollars in thousands, except as noted)

Investment & Savings Products Operating Income Before Income Taxes	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	YOY Q3		YTD 2015	YTD 2016	YOY YTD		
								\$ Change	% Change			\$ Change	% Change	
Revenues:														
Commissions and fees:														
Sales-based	\$ 60,035	\$ 63,072	\$ 56,418	\$ 57,859	\$ 56,220	\$ 59,057	\$ 55,149	\$ (1,269)	-2.2%	\$179,524	\$170,425	\$ (9,099)	-5.1%	
Asset-based	56,837	59,144	58,794	57,144	55,306	59,541	60,759	1,964	3.3%	174,775	175,606	831	0.5%	
Account-based	10,452	10,994	11,445	11,605	11,309	11,611	11,899	454	4.0%	32,891	34,819	1,927	5.9%	
Other, net	1,625	1,804	1,941	2,166	2,083	2,399	2,273	332	17.1%	5,370	6,754	1,384	25.8%	
Operating revenues	128,949	135,015	128,597	128,774	124,918	132,608	130,079	1,482	1.2%	392,561	387,605	(4,956)	-1.3%	
Benefits and expenses:														
Amortization of DAC	1,201	2,901	3,299	552	1,919	1,704	1,636	(1,663)	-50.4%	7,400	5,258	(2,141)	-28.9%	
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Asset-based	23,251	24,059	24,374	23,802	23,093	24,907	25,271	897	3.7%	71,683	73,272	1,588	2.2%	
Other operating expenses	25,041	23,532	23,120	22,399	25,257	25,008	26,136	3,017	13.0%	71,693	76,402	4,709	6.6%	
Operating benefits and expenses	93,905	97,269	93,786	90,292	93,227	96,543	94,320	534	0.6%	284,960	284,090	(871)	-0.3%	
Operating income before income taxes	\$ 35,044	\$ 37,746	\$ 34,811	\$ 38,482	\$ 31,691	\$ 36,065	\$ 35,759	\$ 948	2.7%	\$107,600	\$103,515	\$ (4,086)	-3.8%	