

**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 1, 2011**

**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)

**3120 Breckinridge Blvd. Duluth, Georgia 30099**

(Address of Principal Executive Offices)

**(770) 381-1000**

(Registrant's telephone number, including area code)

**Not applicable.**

(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))
-

**Item 1.01 Entry Into a Material Definitive Agreement**

On November 1, 2011, Primerica, Inc. (the “Company”) entered into an agreement to repurchase 8,920,606 shares of Primerica common stock beneficially owned by Citigroup Insurance Holding Corporation (“CIHC”), an affiliate of Citigroup Inc. (“Citi”), at a purchase price of \$22.42 per share. The purchase price was determined based on the volume weighted average price of the shares of Primerica common stock since October 24, 2011. The repurchase transaction is expected to be completed on November 15, 2011. Following the repurchase transaction, CIHC will own approximately 12.5% of Primerica’s outstanding common stock and, in connection with the repurchase transaction, CIHC has agreed to a 30-day lockup of its remaining shares (subject to certain limited exceptions). A copy of the press release is attached hereto as Exhibit 99.1.

CIHC was the Company’s parent prior to completion of the Company’s initial public offering in April 2010 and affiliates of CIHC have received customary fees, commissions and expense reimbursements in connection with public offerings of the Company’s common stock. For information about the Company’s other relationships with Citi and its affiliates, see the section entitled “Related Party Transactions” included in the Company’s Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on March 31, 2011, which section is incorporated by reference herein.

**Item 2.02 Results of Operations and Financial Condition.**

On November 1, 2011, Primerica, Inc. (the “Company”) announced its results of operations for the quarter ended September 30, 2011. A copy of the press release is attached hereto as Exhibit 99.2.

The information provided pursuant to this Item 2.02, 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 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 operating revenues, operating income before income taxes, net operating income and adjusted stockholders’ equity. Operating revenues, operating income before income taxes and net operating income exclude the impact of realized investment gains and losses for all periods presented. Operating income before income taxes and net operating income exclude the expense associated with our IPO-related equity awards for all periods presented. Adjusted stockholders’ equity excludes the impact of net unrealized gains and losses on invested assets for all periods presented.

We exclude these items because they are considered unusual and not indicative of our ongoing operations. 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 online in the “Investor Relations” section of our website at <http://investors.primerica.com>.

**Item 7.01 Regulation FD Disclosure.**

On November 1, 2011, the Company posted to the “Investor Relations” section of its website certain supplemental financial information relating to the quarter ended September 30, 2011. A copy of the supplemental financial information is attached hereto as Exhibit 99.3.

The information provided pursuant to this Item 7.01, including Exhibit 99.3 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 1, 2011 – Primerica Announces Repurchase of Shares Held by Citigroup Inc.
- 99.2 Press Release dated November 1, 2011 – Primerica Reports Third Quarter 2011 Results
- 99.3 Primerica, Inc. Supplemental Financial Information – Third Quarter 2011

**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 1, 2011

**PRIMERICA, INC.**

/s/ Alison S. Rand

Alison S. Rand

Executive Vice President and Chief Financial Officer

## EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release dated November 1, 2011 – Primerica Announces Repurchase of Shares Held by Citigroup Inc.
99.2	Press Release dated November 1, 2011 – Primerica Reports Third Quarter 2011 Results
99.3	Primerica, Inc. Supplemental Financial Information – Third Quarter 2011

**Primerica Announces Repurchase of Shares Held By Citigroup Inc.**

DULUTH, Ga.--(BUSINESS WIRE)--November 1, 2011--Primerica, Inc. (NYSE:PRI) today announced that it had entered into an agreement to repurchase 8,920,606 shares of Primerica common stock beneficially owned by an affiliate of Citigroup Inc. at a purchase price of \$22.42 per share. The purchase price was determined based on the volume weighted average price of the shares of Primerica common stock since October 24, 2011. The repurchase transaction is expected to be completed on November 15, 2011. Following the repurchase transaction, Citi will own approximately 12.5% of Primerica's outstanding common stock and, in connection with the repurchase transaction, Citi has agreed to a 30-day lockup of its remaining shares (subject to certain limited exceptions).

**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 maintain the licensing of our sales representatives; our or our sales representatives' violation of or non-compliance with laws and regulations; incorrect assumptions used to price our insurance policies; the failure of our investment products to remain competitive with other investment options; 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; inadequate or unaffordable reinsurance or the failure of our reinsurers to perform their obligations; heightened standards of conduct or more stringent licensing requirements for our sales representatives; the inability of our subsidiaries to pay dividends or make distributions; the loss of key personnel; conflicts of interests due to Citi's and Warburg Pincus' significant interests in us; and general changes in economic and financial conditions, including the effects of credit deterioration and interest rate fluctuations on our invested asset portfolio. 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 families in North America. Primerica representatives assist clients in meeting their needs for term life insurance, mutual funds and other financial products. In addition, Primerica provides an entrepreneurial full or part-time business opportunity for individuals seeking to earn income by distributing its financial products. Primerica insures approximately 4.3 million lives and more than 2 million clients maintain investment accounts with the company.

**CONTACT:**

Primerica, Inc.

Press:

Mark Supic, 770-564-6329

or

Investors:

Kathryn Kieser, 770-564-7757



**Primerica Reports Third Quarter 2011 Results**

*20% growth in issued life policies*

*10% increase in new representatives obtaining a life insurance license*

*\$40.6 million of net income; diluted EPS of \$0.53*

*5% net operating income growth; diluted operating EPS of \$0.56*

*\$200 million share repurchase from Citi announced earlier today*

DULUTH, Ga.--(BUSINESS WIRE)--November 1, 2011--Primerica, Inc. (NYSE: PRI) announced today financial results for the third quarter ended September 30, 2011. Total revenues increased by 14% to \$275.8 million in the third quarter of 2011, compared with \$241.2 million in the third quarter of 2010. Net income was up 3% to \$40.6 million for the third quarter of 2011, or \$0.53 per diluted share, compared with \$39.6 million, or \$0.52 per diluted share, in the third quarter of 2010.

Operating revenues increased by 15% to \$276.0 million in the third quarter of 2011, compared with \$240.2 million in the third quarter of 2010. Net operating income was up 5% to \$42.8 million, or \$0.56 per diluted share, in the third quarter of 2011, compared with \$40.9 million, or \$0.54 per diluted share, in the third quarter of 2010. The year-over-year results reflect continued growth in New Term premium and Investment and Savings Products sales and client asset values, partially offset by a higher expense base. Results were not notably impacted by interest rate trends in the quarter.

Rick Williams, Chairman of the Board and Co-Chief Executive Officer said, "We delivered solid operating results in the third quarter bolstered by strong Term Life performance and a 29% increase in Investment and Savings Product sales. Our financial strength and conservative balance sheet position us well to execute our strategy for growth and improving returns on capital. To that end we announced today a \$200 million, or 8.9 million share repurchase from Citi which will be accretive to earnings per share and return on equity while maintaining sufficient capital for future growth."

---

John Addison, Chairman of Primerica Distribution and Co-Chief Executive Officer said, “We are pleased that the initiatives announced at and the excitement generated by our June convention led to positive growth in recruiting and licensing in the third quarter. As we move towards 2012, we remain focused on supporting and building our sales force to drive continued positive financial results.”

#### Distribution Results

- Representatives recruited increased by 43% to 83,074 in the third quarter of 2011, compared with the same period a year ago and grew by 28% from the second quarter of 2011. This growth was primarily driven by a significant recruiting surge in July due to momentum from our June convention and the promotion lowering our Independent Business Application (IBA) licensing fee to \$50 from \$99 through the end of July. New life licenses grew 10% to 10,334 in the third quarter of 2011, compared with third quarter 2010 and increased 28% from the second quarter of 2011. New life license growth lagged recruiting growth primarily due to a reduction in the licensing pull-through rate, consistent with historical trends following a recruiting surge. The size of our life-licensed insurance sales force increased by 2% to 91,970 at September 30, 2011 from 90,519 at June 30, 2011.
- Life insurance policies issued increased 20% to 65,067 in the third quarter of 2011, compared with third quarter a year ago and increased by 9% from the second quarter 2011, driven by the recruiting surge and strong sales of Primerica’s new TermNow product launched at the June convention. Term Life net premium grew by 27% to \$117.8 million in the third quarter of 2011, compared with the third quarter a year ago and increased by 9% from the second quarter as we added another quarter of New Term business.
- Investment and Savings Products sales continued to grow, up 29% to \$1.06 billion in the third quarter of 2011 from \$823.9 million in the year ago quarter primarily driven by a 51% increase in variable annuity sales. Variable annuity sales continue to be positively impacted by clients redeeming older contracts (not incurring surrender charges) to purchase our current Prime Elite IV product that has an attractive guaranteed income living benefit. Sequentially, Investment and Savings Products sales declined 7% reflecting the seasonally strong second quarter. Client asset values decreased 3% to \$31.62 billion at September 30, 2011 from \$32.60 billion at September 30, 2010 and declined 12% from \$36.02 billion at June 30, 2011 primarily due to negative market movements.

#### Segment Results

Primerica operates in two primary business segments: Term Life Insurance and Investment and Savings Products, and has a third segment, Corporate and Other Distributed Products. Results for the segments are shown below.

	Actual			Operating (1)		
	Q3 2011	Q3 2010	% Change	Q3 2011	Q3 2010	% Change
<b>Revenues:</b>						
		(\$ in thousands)			(\$ in thousands)	
Term Life Insurance	\$ 141,713	\$ 115,933	22%	\$ 141,713	\$ 115,933	22%
Investment and Savings Products	97,486	83,874	16%	97,486	83,874	16%
Corporate and Other Distributed Products	36,592	41,429	-12%	36,770	40,414	-9%
Total revenues	<u>\$ 275,791</u>	<u>\$ 241,236</u>	<u>14%</u>	<u>\$ 275,969</u>	<u>\$ 240,221</u>	<u>15%</u>
<b>Income (loss) before income taxes:</b>						
Term Life Insurance	\$ 48,088	\$ 42,582	13%	\$ 48,088	\$ 42,582	13%
Investment and Savings Products	26,746	26,578	1%	26,746	26,578	1%
Corporate and Other Distributed Products	(10,983)	(7,281)	-51%	(7,496)	(5,220)	-44%
Total income before income taxes	<u>\$ 63,851</u>	<u>\$ 61,879</u>	<u>3%</u>	<u>\$ 67,338</u>	<u>\$ 63,940</u>	<u>5%</u>

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

**Term Life Insurance.** Operating revenues grew by 22% to \$141.7 million in the third quarter of 2011, compared with the same period a year ago. Operating income before income taxes increased by 13% to \$48.1 million over the prior year period primarily driven by growth in New Term premium, partially offset by continued run-off of Legacy Term premium and higher expenses. Expense growth includes approximately \$1.7 million related to the \$50 IBA licensing fee promotion mentioned above, premium related increases in taxes, licenses and fees and run-off of our Legacy block allowances. Mortality experience was slightly unfavorable while persistency improved slightly during the third quarter of 2011 versus the year ago period. The impact of low interest rates on investment income as well as DAC and reserve balances was minimal.

Sequentially, operating income before income taxes increased by 5%, or \$2.3 million, compared with the second quarter of 2011 primarily due to New Term premium growth and \$3.3 million of lower expenses in the third quarter largely reflecting the second quarter write-off of medical testing materials. Persistency was slightly lower in the third quarter of 2011, compared with the seasonally strong second quarter. Mortality was unfavorable in the third quarter of 2011, compared with favorable mortality in the previous quarter.



**Investment and Savings Products.** Operating revenues grew by 16% to \$97.5 million while operating income before income taxes of \$26.7 million was flat in the third quarter of 2011, compared with the same period a year ago. These results were driven by higher sales and higher average client asset values as well as a shift in product sales mix to higher margin U.S. variable annuity products. Operating income before income taxes was flat due to a \$2.7 million increase in Canadian segregated fund DAC amortization primarily related to negative equity returns during the third quarter of 2011 versus positive equity returns in the third quarter of 2010.

Sequentially, operating revenues decreased by 7%, or \$7.1 million, and operating income before income taxes decreased by 12%, or \$3.7 million, primarily reflecting seasonally higher sales in the second quarter and a decline in client asset values due to negative market conditions in the third quarter.

**Corporate and Other Distributed Products.** Operating revenues decreased by 9% to \$36.8 million in the third quarter of 2011, compared with the third quarter of 2010. Operating losses before income taxes were \$7.5 million in the third quarter of 2011, compared with a \$5.2 million loss in the same period of 2010. The quarter included a \$2.7 million print inventory adjustment due to the discontinuation of carrying inventory in our print operations as the materials produced are now predominately used for internal consumption. The impact of this adjustment was partially offset by period-specific items from the prior year. Results for the third quarter of 2011 also reflect continued higher claims on short-term disability products underwritten by our New York insurance subsidiary.

#### **Taxes**

Our effective income tax rate for the third quarter of 2011 was 36.4%, compared with 36.0% for the same quarter a year ago and 35.4% in the second quarter of 2011. The higher tax rate in the third quarter of 2011 was caused by the greater net impact of U.S. tax accruals on Canadian earnings and higher contingency reserves relative to the third quarter 2010.

#### **Capital and Liquidity**

Primerica continues to be well capitalized, holding a high-quality invested asset portfolio with minimal exposure to equities and European sovereign risk. Investments and cash totaled \$2.32 billion as of September 30, 2011. Our invested asset portfolio had a net unrealized gain of \$152.7 million (net of unrealized losses of \$12.5 million) at September 30, 2011, down from a net unrealized gain of \$171.1 million (net of unrealized losses of \$5.0 million) at June 30, 2011. Net realized losses for the quarter were \$0.2 million, which included \$1.0 million of other-than-temporary impairments.

---

As of September 30, 2011, our debt-to-capital ratio remained low at 16.0%. Our ratio of cash and invested assets to adjusted stockholders equity of 1.6x at September 30, 2011, reflects the conservative nature of our balance sheet and generally the lower asset requirement and asset liability matching risk of term insurance.

The Massachusetts Division of Insurance has approved Primerica Life Insurance Company's (PLIC) request to pay a \$200 million dividend to Primerica, Inc. After payment of the dividend, PLIC's estimated statutory risk-based capital (RBC) ratio will be reduced from greater than 600% as of September 30, 2011 to approximately 420%. The company will continue to be well positioned to support existing operations and fund future growth. Primerica, Inc. intends to use the proceeds to fund the stock purchase of 8.9 million shares of Primerica, Inc. common stock from Citi at a price of \$22.42 per share. The transaction is expected to close later this month.

Net operating income return on adjusted stockholders' equity (ROAE) was 11.7% for the quarter ended September 30, 2011, down from 12.7% in the second quarter of 2011. Net income return on stockholders' equity was 10.4% for the third quarter of 2011. After giving effect to the \$200 million repurchase of Citi's shares, we estimate that our pro forma ROAE and net operating income per diluted share for the third quarter of 2011 would have been 13.1% and \$0.61, respectively.

#### **Non-GAAP Financial Measures**

We report financial results in accordance with U.S. generally accepted accounting principles (GAAP). We also present operating revenues, operating income before income taxes, net operating income and adjusted stockholders' equity. Operating revenues, operating income before income taxes and net operating income exclude the impact of realized investment gains and losses for all periods presented. Operating income before income taxes and net operating income exclude the expense associated with our IPO-related equity awards for all periods presented. Adjusted stockholders' equity excludes the impact of net unrealized gains and losses on invested assets for all periods presented. 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 our 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 our core ongoing business. These measures have limitations, and investors should not consider them in isolation or as a substitute for analysis of our 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 Wednesday, November 2, 2011 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 maintain the licensing of our sales representatives; our or our sales representatives' violation of or non-compliance with laws and regulations; incorrect assumptions used to price our insurance policies; the failure of our investment products to remain competitive with other investment options; 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; inadequate or unaffordable reinsurance or the failure of our reinsurers to perform their obligations; heightened standards of conduct or more stringent licensing requirements for our sales representatives; the inability of our subsidiaries to pay dividends or make distributions; the loss of key personnel; conflicts of interests due to Citi's and Warburg Pincus' significant interests in us; and general changes in economic and financial conditions, including the effects of credit deterioration and interest rate fluctuations on our invested asset portfolio. 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 families in North America. Primerica representatives assist clients in meeting their needs for term life insurance, mutual funds and other financial products. In addition, Primerica provides an entrepreneurial full or part-time business opportunity for individuals seeking to earn income by distributing its financial products. Primerica insures approximately 4.3 million lives and more than 2 million clients maintain investment accounts with the company.

---

**PRIMERICA, INC.**  
**Condensed Balance Sheets**  
(In thousands)

	<b>September 30, 2011 (Unaudited)</b>	<b>December 31, 2010</b>
<b>Assets</b>		
<b>Investments:</b>		
Fixed maturity securities available for sale, at fair value	\$ 2,098,065	\$ 2,081,361
Equity securities available for sale, at fair value	22,102	23,213
Trading securities, at fair value	19,685	22,767
Policy loans and other invested assets	25,993	26,243
Total investments	<u>2,165,845</u>	<u>2,153,584</u>
Cash and cash equivalents	154,027	126,038
Accrued investment income	24,372	22,328
Due from reinsurers	3,819,738	3,731,634
Deferred policy acquisition costs	1,004,545	853,211
Premiums and other receivables	181,190	168,026
Intangible assets	72,778	75,357
Other assets	308,307	307,342
Separate account assets	2,276,705	2,446,786
Total assets	<u>\$ 10,007,507</u>	<u>\$ 9,884,306</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Future policy benefits	\$ 4,557,535	\$ 4,409,183
Unearned premiums	6,477	5,563
Policy claims and other benefits payable	242,363	229,895
Other policyholders' funds	340,986	357,253
Note payable	300,000	300,000
Income taxes	136,028	136,226
Other liabilities	390,297	386,182
Payable under securities lending	185,483	181,726
Separate account liabilities	2,276,705	2,446,786
Total liabilities	<u>8,435,874</u>	<u>8,452,814</u>
<b>Stockholders' equity:</b>		
Common stock	737	728
Paid-in capital	898,945	883,168
Retained earnings	526,847	395,057
Accumulated other comprehensive income, net of income tax	145,104	152,539
Total stockholders' equity	<u>1,571,633</u>	<u>1,431,492</u>
Total liabilities and stockholders' equity	<u>\$ 10,007,507</u>	<u>\$ 9,884,306</u>

**PRIMERICA, INC.**  
**Condensed Statements of Income**  
(Unaudited – in thousands, except per-share amounts)

	<b>Three months ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Revenues:</b>		
Direct premiums	\$ 560,739	\$ 547,444
Ceded premiums	(425,643)	(437,054)
Net premiums	135,096	110,390
Commissions and fees	100,883	89,737
Net investment income	27,103	27,855
Realized investment gains, including OTTI	(178)	1,015
Other, net	12,887	12,239
Total revenues	<u>275,791</u>	<u>241,236</u>
<b>Benefits and expenses:</b>		
Benefits and claims	64,101	49,811
Amortization of deferred policy acquisition costs	30,532	23,844
Sales commissions	46,971	42,264
Insurance expenses	15,465	11,999
Insurance commissions	4,909	5,100
Interest expense	7,000	6,968
Other operating expenses	42,962	39,371
Total benefits and expenses	<u>211,940</u>	<u>179,357</u>
Income before income taxes	63,851	61,879
<b>Income taxes</b>	23,250	22,284
Net income	<u>\$ 40,601</u>	<u>\$ 39,595</u>
<b>Earnings per share:</b>		
Basic	<u>\$ 0.54</u>	<u>\$ 0.53</u>
Diluted	<u>\$ 0.53</u>	<u>\$ 0.52</u>
<b>Shares used in computing earnings per share:</b>		
Basic	<u>73,658</u>	<u>72,259</u>
Diluted	<u>74,199</u>	<u>72,919</u>

**PRIMERICA, INC.**  
**Operating Results Reconciliation**  
(Unaudited – in thousands, except per-share amounts)

	Three months ended September 30, 2011		
	Operating Results (Non-GAAP)	Operating adjustments	Reported Results (GAAP)
<b>Revenues:</b>			
Direct premiums	\$ 560,739	\$ -	\$ 560,739
Ceded premiums	(425,643)	-	(425,643)
Net premiums	135,096	-	135,096
Commissions and fees	100,883	-	100,883
Net investment income	27,103	-	27,103
Realized investment gains, including OTTI	-	(178)	(178)
Other, net	12,887	-	12,887
Total revenues	<u>275,969</u>	<u>(178)</u>	<u>275,791</u>
<b>Benefits and expenses:</b>			
Benefits and claims	64,101	-	64,101
Amortization of DAC	30,532	-	30,532
Sales commissions	46,971	-	46,971
Insurance expenses	15,465	-	15,465
Insurance commissions	4,909	-	4,909
Interest expense	7,000	-	7,000
Other operating expenses	39,653	3,309	42,962
Total benefits and expenses	<u>208,631</u>	<u>3,309</u>	<u>211,940</u>
Income before income taxes	67,338	(3,487)	63,851
Income taxes	24,520	(1,270)	23,250
Net income	<u>\$ 42,818</u>	<u>\$ (2,217)</u>	<u>\$ 40,601</u>
Earnings per share - diluted	<u>\$ 0.56</u>		<u>\$ 0.53</u>
Diluted shares	<u>74,199</u>		<u>74,199</u>

See the Non-GAAP Financial Measures section and the segment Operating Results Reconciliations for additional information.

**PRIMERICA, INC.**  
**Operating Results Reconciliation**  
(Unaudited – in thousands, except per-share amounts)

	Three months ended September 30, 2010		
	Operating Results (Non-GAAP)	Operating adjustments	Reported Results (GAAP)
<b>Revenues:</b>			
Direct premiums	\$ 547,444	\$ -	\$ 547,444
Ceded premiums	(437,054)	-	(437,054)
Net premiums	110,390	-	110,390
Commissions and fees	89,737	-	89,737
Net investment income	27,855	-	27,855
Realized investment gains, including OTTI	-	1,015	1,015
Other, net	12,239	-	12,239
Total revenues	<u>240,221</u>	<u>1,015</u>	<u>241,236</u>
<b>Benefits and expenses:</b>			
Benefits and claims	49,811	-	49,811
Amortization of DAC	23,844	-	23,844
Sales commissions	42,264	-	42,264
Insurance expenses	11,999	-	11,999
Insurance commissions	5,099	-	5,099
Interest expense	6,968	-	6,968
Other operating expenses	36,296	3,076	39,372
Total benefits and expenses	<u>176,281</u>	<u>3,076</u>	<u>179,357</u>
Income before income taxes	63,940	(2,061)	61,879
Income taxes	23,026	(742)	22,284
Net income	<u>\$ 40,914</u>	<u>\$ (1,319)</u>	<u>\$ 39,595</u>
Earnings per share - diluted	<u>\$ 0.54</u>		<u>\$ 0.52</u>
Diluted shares	<u>72,919</u>		<u>72,919</u>

See the Non-GAAP Financial Measures section and the segment Operating Results Reconciliations for additional information.

**PRIMERICA, INC.**  
**Corporate and Other Distributed Products Operating Results Reconciliation**  
**(Unaudited – in thousands)**

	<b>Three months ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
Operating revenues	\$ 36,770	\$ 40,414
Realized investment gains, including OTTI	(178)	1,015
Total revenues	<u>\$ 36,592</u>	<u>\$ 41,429</u>
Operating loss before income taxes	\$ (7,496)	\$ (5,220)
Realized investment gains, including OTTI	(178)	1,015
Other operating expense - equity awards	(3,309)	(3,076)
Loss before income taxes	<u>\$ (10,983)</u>	<u>\$ (7,281)</u>

---



**PRIMERICA, INC.**  
**Adjusted and Pro Forma Adjusted Stockholders' Equity Reconciliations**  
(Unaudited – in thousands)

	September 30, 2011	June 30, 2011
Adjusted stockholders' equity	\$ 1,474,739	1,443,590
Unrealized net investment gains recorded in stockholders' equity	96,894	103,372
Stockholders' equity	<u>\$ 1,571,633</u>	<u>1,546,962</u>
	September 30, 2011	June 30, 2011
Pro forma adjusted stockholders' equity	\$ 1,273,391	\$ 1,243,590
Citi share repurchase impact (1)	201,348	200,000
Adjusted stockholders' equity	<u>\$ 1,474,739</u>	<u>\$ 1,443,590</u>

(1) Assumes a reduction to net investment income for sales of invested assets as of July 1, 2011 with a yield approximating our June 30, 2011 fixed-income book yield (including cash) of 5.08% and a reduction to third quarter dividends paid for the 8.9 million shares repurchased.

**PRIMERICA, INC.**  
**Pro Forma Net Operating Income Reconciliation**  
(Unaudited – in thousands)

	Three Months Ended September 30, 2011
Pro forma net operating income	\$ 41,203
Citi share repurchase impact (1)	1,615
Net operating income	<u>\$ 42,818</u>

(1) Assumes sales of invested assets as of July 1, 2011 with a yield approximating our June 30, 2011 fixed-income book yield (including cash) of 5.08%.

CONTACT:  
Primerica, Inc.  
**Investor Contact:**  
Kathryn Kieser, 770-564-7757  
[investorrelations@primerica.com](mailto:investorrelations@primerica.com)  
or  
**Media Contact:**  
Mark L. Supic, 770-564-6329  
[mark.supic@primerica.com](mailto:mark.supic@primerica.com)



Supplemental Financial Information  
Third Quarter 2011

---

---

	<u>Page</u>
Preface, definition of Non-GAAP financial measures	3
Condensed balance sheets and reconciliation of balance sheet non-GAAP to GAAP financial measures	4
Financial results and other statistical data	5
Statements of income	6
Reconciliation of statement of income non-GAAP to GAAP financial measures	7
Segment operating results	8
Term Life Insurance segment - financial results, key statistics, and financial analysis	9-10
Investment and Savings Products segment - financial results, key statistics, and financial analysis	11
Investment portfolio	12-15
Five-year historical key statistics	16

---

This document may contain forward-looking statements and information. Additional information on factors that could cause results to differ materially from any forward-looking statements or information in this document is available in our preliminary prospectus supplement dated April 12, 2011 filed as an Exhibit to our Current Report on Form 8-K dated April 12, 2011.

**THIRD QUARTER 2011**

This document is a financial supplement to our third quarter 2011 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 two different purposes, as follows:

- **Operating** adjustments exclude the expense associated with equity awards granted in connection with our initial public offering (“IPO”) and the impact of realized investment gains and losses. For periods which include the first quarter of 2010, operating adjustments reflect the impact of our reinsurance and reorganization activities as if they had been effected on January 1, 2010.
- **Adjusted** when used in describing stockholders’ equity refers to the removal of the impact of net unrealized gains and losses on invested assets.

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.

The following transactions were executed in conjunction with our IPO in March and April 2010 (the “IPO-related Transactions”) and are included in our actual and/or operating results as appropriate.

**IPO-related Transactions executed in first quarter 2010:**

- On March 31, 2010, we reinsured between 80% and 90% of our business that was in-force at year-end 2009 to various affiliates of Citigroup Inc. (“Citi”) and declared extraordinary dividends to Citi.

**IPO-related Transactions executed in second quarter 2010:**

- On April 1, 2010, Citi contributed the legal entities comprising our business to us. We issued approximately 75.0 million shares of common stock and warrants exercisable for approximately 4.1 million additional shares of our common stock to Citi. Additionally, we issued a \$300.0 million note to Citi, due March 31, 2015 and bearing interest at 5.5% annually.
- On April 1, 2010, our common stock began trading under the ticker symbol “PRI” on the New York Stock Exchange.
- On April 1, 2010, Citi sold approximately 24.6 million shares of our common stock (after giving effect to the over-allotment option) to the public in the IPO.
- On April 1, 2010, Citi contributed approximately 5.0 million shares back to us, which we granted in the form of equity awards to certain of our management and sales force leaders. Of these, approximately 200,000 shares were granted to replace unvested Citi awards.
- On April 15, 2010, Citi sold approximately 16.4 million shares and the warrants to purchase approximately 4.1 million additional shares of our common stock to private equity funds managed by Warburg Pincus LLC (“Warburg Pincus”) for a purchase price of \$230.0 million (the “private sale”). Following the IPO and the private sale, certain historical Citi equity awards immediately vested.
- Effective as of April 1, 2010, we made elections under Section 338(h)(10) of the Internal Revenue Code, which resulted in changes to our deferred tax balances and reduced stockholders’ equity.
- Prior to April 2010, our federal income tax return was consolidated into Citi’s federal income tax return. In anticipation of our corporate reorganization, we entered into a tax separation agreement with Citi and prepaid our estimated tax liability to Citi. In accordance with the tax separation agreement, Citi will indemnify the Company and its subsidiaries against any federal, state or local income tax liability for any taxable period ending on or before April 7, 2010, the closing date of the IPO. Our advance tax payments paid to Citi exceeded our actual tax liabilities. As a result, we recorded the overpayment as a return of capital resulting in a reduction of tax assets and a reduction of stockholders’ equity.

Certain items throughout this supplement may not add due to rounding. 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.

	(2) Mar 31, 2010	(3) Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011
<i>(Dollars in thousands)</i>							
<b>Condensed Balance Sheets</b>							
<b>Assets:</b>							
Investments and cash	\$ 2,983,780	\$ 2,275,564	\$ 2,284,127	\$ 2,279,621	\$ 2,330,098	\$ 2,297,013	\$ 2,319,873
Due from reinsurers	3,595,239	3,639,298	3,694,015	3,731,634	3,770,966	3,795,348	3,819,738
Deferred policy acquisition costs	702,429	745,322	798,335	853,211	908,600	966,094	1,004,545
Income taxes	56,114	—	—	—	—	—	—
Other assets	523,584	554,950	610,518	573,055	582,080	567,482	586,646
Separate account assets	2,222,267	2,098,936	2,301,896	2,446,786	2,582,881	2,544,429	2,276,705
Total assets	\$ 10,083,413	\$ 9,314,070	\$ 9,688,891	\$ 9,884,307	\$ 10,174,625	\$ 10,170,366	\$ 10,007,507
<b>Liabilities:</b>							
Future policy benefits	\$ 4,248,277	\$ 4,286,258	\$ 4,349,375	\$ 4,409,183	\$ 4,470,185	\$ 4,532,615	\$ 4,557,535
Other policy liabilities	630,294	608,307	609,047	592,711	604,487	588,202	589,826
Income taxes	—	129,776	127,732	136,226	142,780	130,283	136,028
Other liabilities	1,106,834	412,141	395,762	386,182	397,561	364,533	390,297
Note payable	—	300,000	300,000	300,000	300,000	300,000	300,000
Payable under securities lending	129,042	161,056	208,765	181,726	186,089	163,342	185,483
Separate account liabilities	2,222,267	2,098,936	2,301,896	2,446,786	2,582,881	2,544,429	2,276,705
Total liabilities	\$ 8,336,714	\$ 7,996,474	\$ 8,292,577	\$ 8,452,814	\$ 8,683,983	\$ 8,623,404	\$ 8,435,874
<b>Stockholders' equity:</b>							
Common stock (\$0.01 par value)(1)	—	727	727	728	732	736	737
Paid-in capital	1,312,072	870,706	882,676	883,169	889,654	894,018	898,945
Retained earnings	300,531	304,075	342,920	395,057	446,767	488,521	526,847
Treasury stock	—	—	—	—	—	—	—
Accumulated other comprehensive income (loss), net:							
Net unrealized investment gains (losses) not other-than-temporarily impaired	85,265	97,505	120,949	98,322	96,543	105,647	99,257
Net unrealized investment losses other-than-temporarily impaired	(4,245)	(3,703)	(2,883)	(2,275)	(2,275)	(2,275)	(2,363)
Cumulative translation adjustment	53,076	48,286	51,925	56,492	59,221	60,315	48,210
Total stockholders' equity	1,746,699	1,317,596	1,396,314	1,431,493	1,490,642	1,546,962	1,571,633
Total liabilities and stockholders' equity	\$ 10,083,413	\$ 9,314,070	\$ 9,688,891	\$ 9,884,307	\$ 10,174,625	\$ 10,170,366	\$ 10,007,507
<b>Reconciliation of Adjusted Stockholders' Equity to Total Stockholders' Equity</b>							
Adjusted stockholders' equity	\$ 1,665,679	\$ 1,223,794	\$ 1,278,248	\$ 1,335,446	\$ 1,396,374	\$ 1,443,590	\$ 1,474,739
Reconciling items:							
Net unrealized investment gains (losses) not other-than-temporarily impaired	85,265	97,505	120,949	98,322	96,543	105,647	99,257
Net unrealized investment losses other-than-temporarily impaired	(4,245)	(3,703)	(2,883)	(2,275)	(2,275)	(2,275)	(2,363)
Total reconciling items	81,020	93,802	118,066	96,047	94,268	103,372	96,894
Total stockholders' equity	\$ 1,746,699	\$ 1,317,596	\$ 1,396,314	\$ 1,431,493	\$ 1,490,642	\$ 1,546,962	\$ 1,571,633
<b>Deferred Policy Acquisition Costs Rollforward</b>							
Balance, beginning of period	\$ 2,789,905	\$ 702,429	\$ 745,322	\$ 798,335	\$ 853,211	\$ 908,600	\$ 966,094
General expenses deferred	16,095	15,061	14,876	14,481	14,123	16,946	15,340
Commission costs deferred	77,208	56,831	57,232	65,285	60,296	66,661	66,302
Amortization of deferred policy acquisition costs	(91,756)	(22,899)	(23,844)	(29,536)	(25,556)	(27,385)	(30,532)
Transferred to reinsurers	(2,099,941)	—	—	—	—	—	—
Foreign currency impact and other, net	10,918	(6,100)	4,750	4,646	6,527	1,272	(12,659)
Balance, end of period	\$ 702,429	\$ 745,322	\$ 798,335	\$ 853,211	\$ 908,600	\$ 966,094	\$ 1,004,545

(1) Outstanding common shares exclude restricted stock units.

(2) The balance sheet as of March 31, 2010 reflects the impact of the Citi reinsurance transactions executed on March 31, 2010. The Citi reinsurance transactions were given retroactive effect to January 1, 2010. As a result, the first quarter 2010 balance sheet includes a return of capital to Citi equally offsetting the income attributable to the underlying policies earned between January 1, 2010 and March 31, 2010. The first quarter 2010 balance sheet also reflects the extraordinary dividends declared on March 31, 2010.

(3) The balance sheet as of June 30, 2010 reflects the issuance of the Citi note, reductions to stockholders' equity and corresponding changes in deferred tax balances as a result of the 338(h)(10) elections, and a reduction in stockholders' equity as a result of reflecting our overpayment of estimated taxes to Citi as a return of capital.

Financial Results and Other Statistical Data

PRIMERICA, INC.  
Financial Supplement

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	YOY Q3		YTD 2011
								\$ Change	% Change	
<i>(Dollars in thousands, except per-share data)</i>										
<b>Earnings per Share</b>										
Basic earnings per share:										
Weighted-average common shares and fully vested equity awards	na	71,843,588	72,259,352	72,453,126	72,671,481	73,457,333	73,658,253	1,398,901	1.9%	73,264,528
Net income	na	\$ 22,008	\$ 39,595	\$ 52,889	\$ 52,467	\$ 44,023	\$ 40,600	\$ 1,006	2.5%	\$ 137,091
Less income attributable to unvested participating securities	na	(928)	(1,540)	(2,051)	(2,103)	(1,284)	(1,144)	396	25.7%	(4,341)
Net income used in computing basic EPS	na	\$ 21,080	\$ 38,055	\$ 50,838	\$ 50,364	\$ 42,739	\$ 39,457	\$ 1,402	3.7%	\$ 132,750
Basic earnings per share	na	\$ 0.29	\$ 0.53	\$ 0.70	\$ 0.69	\$ 0.58	\$ 0.54	\$ 0.01	1.7%	\$ 1.81
Net operating income	na	\$ 37,199	\$ 40,913	\$ 45,217	\$ 48,629	\$ 44,999	\$ 42,817	\$ 1,904	4.7%	\$ 136,445
Less operating income attributable to unvested participating securities	na	(1,569)	(1,591)	(1,753)	(1,949)	(1,313)	(1,206)	385	24.2%	(4,320)
Net operating income used in computing basic operating EPS	na	\$ 35,631	\$ 39,322	\$ 43,464	\$ 46,680	\$ 43,686	\$ 41,611	\$ 2,289	5.8%	\$ 132,125
Basic operating income per share	na	\$ 0.50	\$ 0.54	\$ 0.60	\$ 0.64	\$ 0.59	\$ 0.56	\$ 0.02	3.8%	\$ 1.80
Diluted earnings per share:										
Weighted-average common shares and fully vested equity awards	na	71,843,588	72,259,352	72,453,126	72,671,481	73,457,333	73,658,253	1,398,901	1.9%	73,264,528
Dilutive impact of warrants	na	890,777	660,066	786,628	1,154,597	743,814	541,184	(118,882)	-18.0%	830,342
Shares used to calculate diluted EPS	na	72,734,365	72,919,418	73,239,754	73,826,078	74,201,147	74,199,437	1,280,019	1.8%	74,094,870
Net income	na	\$ 22,008	\$ 39,595	\$ 52,889	\$ 52,467	\$ 44,023	\$ 40,600	\$ 1,006	2.5%	\$ 137,091
Less income attributable to unvested participating securities	na	(917)	(1,527)	(2,030)	(2,072)	(1,272)	(1,136)	391	25.6%	(4,295)
Net income used in computing diluted EPS	na	\$ 21,091	\$ 38,068	\$ 50,859	\$ 50,395	\$ 42,751	\$ 39,464	\$ 1,397	3.7%	\$ 132,796
Diluted earnings per share	na	\$ 0.29	\$ 0.52	\$ 0.69	\$ 0.68	\$ 0.58	\$ 0.53	\$ 0.01	1.9%	\$ 1.79
Net operating income	na	\$ 37,199	\$ 40,913	\$ 45,217	\$ 48,629	\$ 44,999	\$ 42,817	\$ 1,904	4.7%	\$ 136,445
Less operating income attributable to unvested participating securities	na	(1,550)	(1,578)	(1,735)	(1,920)	(1,301)	(1,198)	379	24.1%	(4,275)
Net operating income used in computing diluted operating EPS	na	\$ 35,649	\$ 39,335	\$ 43,482	\$ 46,709	\$ 43,698	\$ 41,619	\$ 2,283	5.8%	\$ 132,170
Diluted operating income per share	na	\$ 0.49	\$ 0.54	\$ 0.59	\$ 0.63	\$ 0.59	\$ 0.56	\$ 0.02	4.0%	\$ 1.78

In April 2010, Primerica issued shares, warrants, and equity awards to complete the transactions related to our corporate reorganization. Both the vested and unvested equity awards maintain nonforfeitable dividend rights that result in dividend payment obligations on a one-to-one ratio with common shares for any future dividend declarations. These awards are deemed participating securities for calculating EPS.

As a result of issuing equity awards that are deemed participating securities, we calculate EPS using the two-class method. Under the two-class method, we allocate earnings to common shares and to fully vested equity awards. Earnings attributable to unvested equity awards, along with the corresponding share counts, are excluded from EPS reflected on our consolidated statements of income. In calculating basic EPS, we deduct any dividends on and undistributed earnings allocated to unvested equity awards from net income and then divide the result by the weighted average number of common shares and fully vested equity awards outstanding for the period.

We determine the potential dilutive effect of warrants on EPS using the treasury-stock method. Under this method, we utilize the exercise price to determine the amount of cash that would be available to repurchase shares if the warrants were exercised. We then use the average market price of our common shares during the reporting period to determine how many shares we could repurchase with the cash raised from the exercise. The net incremental share count issued represents the potential dilutive securities. We then reallocate earnings to common shares and fully vested equity awards incorporating the increased, fully diluted share count to determine diluted EPS.

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	YOY Q3		YTD 2011
								\$ Change	% Change	
<b>Annualized Return on Equity</b>										
Average stockholders' equity	na	\$ 1,296,220	\$ 1,356,955	\$ 1,413,904	\$ 1,461,068	\$ 1,518,802	\$ 1,559,298	\$ 202,343	14.9%	\$ 1,513,056
Average adjusted stockholders' equity	na	\$ 1,208,809	\$ 1,251,021	\$ 1,306,847	\$ 1,365,910	\$ 1,419,982	\$ 1,459,165	\$ 208,144	16.6%	\$ 1,415,019
Net income return on stockholders' equity	na	6.8%	11.7%	15.0%	14.4%	11.6%	10.4%	-1.3%	nm	12.1%
Net income return on adjusted stockholders' equity	na	7.3%	12.7%	16.2%	15.4%	12.4%	11.1%	-1.5%	nm	12.9%
Net operating income return on adjusted stockholders' equity	na	12.3%	13.1%	13.8%	14.2%	12.7%	11.7%	-1.3%	nm	12.9%
<b>Capital Structure</b>										
Debt-to-capital (1)	na	18.5%	17.7%	17.3%	16.8%	16.2%	16.0%	-1.7%	nm	16.0%
Cash and invested assets to stockholders' equity	na	1.7x	1.6x	1.6x	1.6x	1.5x	1.5x	(0.2x)	nm	1.5x
Cash and invested assets to adjusted stockholders' equity	na	1.9x	1.8x	1.7x	1.7x	1.6x	1.6x	(0.2x)	nm	1.6x
Share count, end of period (2)	na	72,729,617	72,727,173	72,843,213	73,187,837	73,603,111	73,740,120	1,012,947	1.4%	73,740,120
Adjusted stockholders' equity per share	na	\$ 16.83	\$ 17.58	\$ 18.33	\$ 19.08	\$ 19.61	\$ 20.00	\$ 2.42	13.8%	\$ 20.00
<b>Financial Strength Ratings - Primerica Life Insurance Company</b>										
Moody's	na	na	na	na	na	A2	A2	nm	nm	nm
S&P	AA	AA-	AA-	AA-	AA-	AA-	AA-	nm	nm	nm

A.M. Best	A+	A+	A+	A+	A+	A+	A+	A+	nm	nm	nm
Fitch	A+	A+	A+	A+	A+	A+	A+	A+	nm	nm	nm
<b>Holding Company Senior Debt Ratings</b>											
Moody's	na	na	na	na	na	Baa2	Baa2	Baa2	nm	nm	nm
S&P	na	na	na	na	na	A-	A-	A-	nm	nm	nm
A.M. Best	na	na	na	na	na	a-	a-	a-	nm	nm	nm

- (1) 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).

Statements of Income

PRIMERICA, INC.  
Financial Supplement

	(4)							YOY Q3		YTD 2011
	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	\$ Change	% Change	
<i>(Dollars in thousands)</i>										
<b>Statement of Income</b>										
<b>Revenues:</b>										
Direct premiums	\$ 537,845	\$ 547,455	\$ 547,444	\$ 548,330	\$ 552,069	\$ 560,881	\$ 560,739	\$ 13,295	2.4%	\$ 1,673,689
Ceded premiums	(148,119)	(447,213)	(437,054)	(417,981)	(422,238)	(435,564)	(425,643)	11,411	2.6%	(1,283,445)
Net premiums	389,726	100,242	110,390	130,349	129,831	125,317	135,096	24,706	22.4%	390,244
Net investment income	82,576	27,991	27,855	26,688	28,626	27,229	27,103	(752)	-2.7%	82,958
Commissions and fees:										
Sales-based (1)	36,363	36,301	32,941	37,001	43,128	44,904	42,244	9,303	28.2%	130,276
Asset-based (2)	38,014	39,445	37,602	52,412	44,825	45,348	41,996	4,394	11.7%	132,170
Account-based (3)	10,208	10,317	10,620	10,545	10,432	11,811	10,140	(480)	-4.5%	32,382
Other commissions and fees	7,105	7,162	8,574	8,331	7,731	6,635	6,502	(2,071)	-24.2%	20,868
Realized investment (losses) gains	31,057	374	1,015	1,700	327	2,035	(178)	(1,193)	-117.5%	2,184
Other, net	11,893	12,466	12,239	12,362	11,452	11,816	12,886	647	5.3%	36,154
Total revenues	606,942	234,299	241,236	279,387	276,352	275,095	275,790	34,554	14.3%	827,237
<b>Benefits and expenses:</b>										
Benefits and claims	170,735	45,124	49,811	52,033	57,635	57,272	64,101	14,290	28.7%	179,008
Amortization of DAC	91,756	22,899	23,844	29,536	25,556	27,385	30,532	6,688	28.0%	83,473
Insurance commissions	6,371	4,233	5,100	4,205	5,000	4,219	4,909	(191)	-3.7%	14,128
Insurance expenses	37,529	10,083	11,999	15,887	9,552	19,154	15,465	3,466	28.9%	44,171
Sales commissions:										
Sales-based (1)	26,203	25,998	23,474	25,319	30,547	31,378	29,627	6,153	26.2%	91,552
Asset-based (2)	12,715	12,911	12,232	20,271	15,451	15,111	13,805	1,573	12.9%	44,368
Other sales commissions	4,963	4,603	6,558	4,676	4,358	3,674	3,538	(3,020)	-46.0%	11,570
Interest expense	—	6,928	6,968	6,976	6,997	6,998	7,000	32	nm	20,995
Other operating expenses	36,268	65,183	39,371	39,962	40,111	41,743	42,962	3,591	9.1%	124,816
Total benefits and expenses	386,541	197,961	179,357	198,865	195,207	206,934	211,940	32,583	18.2%	614,081
Income before income taxes	220,402	36,338	61,879	80,522	81,145	68,161	63,850	1,971	3.2%	213,156
Income taxes	77,116	14,330	22,284	27,633	28,678	24,138	23,250	966	4.3%	76,066
Net income	\$ 143,286	\$ 22,008	\$ 39,595	\$ 52,889	\$ 52,467	\$ 44,023	\$ 40,600	\$ 1,005	2.5%	\$ 137,090
<b>Income Before Income Taxes by Segment</b>										
Term Life	\$ 160,367	\$ 44,095	\$ 42,581	\$ 52,000	\$ 57,649	\$ 45,781	\$ 48,088	\$ 5,507	12.9%	\$ 151,518
Investment & Savings Products	25,447	26,735	26,578	34,769	31,039	30,470	26,746	168	nm	88,255
Corporate & Other Distributed Products	34,587	(34,492)	(7,280)	(6,247)	(7,543)	(8,090)	(10,984)	(3,704)	-50.9%	(26,617)
Income before income taxes	\$ 220,402	\$ 36,338	\$ 61,879	\$ 80,522	\$ 81,145	\$ 68,161	\$ 63,850	\$ 1,971	3.2%	\$ 213,156

- (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
- (4) Excludes the effect of the reinsurance and reorganization transactions we executed in connection with and subsequent to our IPO. As such, ceded premiums, net investment income, benefits and claims, amortization of DAC, insurance expenses, interest expense, and other operating expenses exclude the impact of the various Citi reinsurance agreements, dividends, the note payable to Citi, and the equity grants made in connection with our IPO.



## Reconciliation of Statement of Income Non-GAAP to GAAP Financial Measures

 PRIMERICA, INC.  
 Financial Supplement

(Dollars in thousands)	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	YOY Q3		YTD 2010	YTD 2011	YOY YTD	
								\$	%			\$	%
								Change	Change			Change	Change
<b>Reconciliation from Operating Revenues to Total Revenues</b>													
Operating revenues	\$ 224,822	\$ 233,925	\$ 240,221	\$ 264,546	\$ 267,296	\$ 273,060	\$ 275,968	\$ 35,747	14.9%	\$ 698,968	\$ 816,324	\$ 117,357	16.8%
Operating revenues reconciling items:													
Realized investment gains/losses	31,057	374	1,015	1,700	327	2,035	(178)	nm	nm	32,446	2,184	nm	nm
Ceded premiums - reinsurance recoveries	—	—	—	13,141	8,729	—	—	nm	nm	—	8,729	nm	nm
Ceded premiums - ceded to Citi reinsurers	296,328	—	—	—	—	—	—	nm	nm	296,328	—	nm	nm
Pro rata net investment income - assets transferred to Citi reinsurers	54,735	—	—	—	—	—	—	nm	nm	54,735	—	nm	nm
Total operating revenues reconciling items	382,121	374	1,015	14,841	9,056	2,035	(178)	nm	nm	383,510	10,913	nm	nm
Total revenues	\$ 606,942	\$ 234,299	\$ 241,236	\$ 279,387	\$ 276,352	\$ 275,095	\$ 275,790	\$ 34,554	14.3%	\$ 1,082,477	\$ 827,237	\$ (255,240)	-23.6%
<b>Reconciliation from Operating Income Before Income Taxes to Income Before Income Taxes</b>													
Operating income before income taxes	\$ 58,689	\$ 61,421	\$ 63,940	\$ 68,842	\$ 75,209	\$ 69,672	\$ 67,337	\$ 3,397	5.3%	\$ 184,049	\$ 212,217	\$ 28,168	15.3%
Operating income before income taxes reconciling items:													
Realized investment gains/losses	31,057	374	1,015	1,700	327	2,035	(178)	nm	nm	32,446	2,184	nm	nm
Ceded premiums - reinsurance recoveries	—	—	—	13,141	8,729	—	—	nm	nm	—	8,729	nm	nm
Initial & accelerated management / field grant expense	—	(25,457)	(3,076)	(3,161)	(3,120)	(3,546)	(3,309)	nm	nm	(28,533)	(9,974)	nm	nm
Ceded premiums - ceded to Citi reinsurers	296,328	—	—	—	—	—	—	nm	nm	296,328	—	nm	nm
Pro rata net investment income - assets transferred to Citi reinsurers	54,735	—	—	—	—	—	—	nm	nm	54,735	—	nm	nm
Benefits and claims - ceded to Citi reinsurers	(128,204)	—	—	—	—	—	—	nm	nm	(128,204)	—	nm	nm
Amortization of DAC - ceded to Citi reinsurers	(71,389)	—	—	—	—	—	—	nm	nm	(71,389)	—	nm	nm
Insurance commissions - expense allowance received from Citi reinsurers	(1,669)	—	—	—	—	—	—	nm	nm	(1,669)	—	nm	nm
Insurance expenses - expense allowance received from Citi reinsurers	(26,083)	—	—	—	—	—	—	nm	nm	(26,083)	—	nm	nm
Interest expense - finance charge payable to Citi reinsurer	2,812	—	—	—	—	—	—	nm	nm	2,812	—	nm	nm
Interest expense - note payable	4,125	—	—	—	—	—	—	nm	nm	4,125	—	nm	nm
Total operating income before income taxes reconciling items	161,713	(25,083)	(2,061)	11,680	5,936	(1,511)	(3,487)	nm	nm	134,569	939	nm	nm
Income before income taxes	\$ 220,402	\$ 36,338	\$ 61,879	\$ 80,522	\$ 81,145	\$ 68,161	\$ 63,850	\$ 1,971	3.2%	\$ 318,619	\$ 213,156	\$ (105,463)	-33.1%
<b>Reconciliation from Net Operating Income to Net Income</b>													
Net operating income	\$ 38,154	\$ 37,199	\$ 40,914	\$ 45,217	\$ 48,629	\$ 44,999	\$ 42,817	\$ 1,903	4.7%	\$ 116,267	\$ 136,445	\$ 20,178	17.4%
Net operating income reconciling items:													
Operating income before income taxes reconciling items	161,713	(25,083)	(2,061)	11,680	5,936	(1,511)	(3,487)	nm	nm	134,569	939	nm	nm
Tax impact of operating income reconciling items at effective tax rate	(56,582)	9,891	742	(4,008)	(2,098)	535	1,270	nm	nm	(45,948)	(293)	nm	nm
Total net operating income reconciling items	105,131	(15,191)	(1,319)	7,672	3,838	(976)	(2,217)	nm	nm	88,621	645	nm	nm
Net income	\$ 143,286	\$ 22,008	\$ 39,595	\$ 52,889	\$ 52,467	\$ 44,023	\$ 40,600	\$ 1,005	2.5%	\$ 204,889	\$ 137,090	\$ (67,799)	-33.1%

Segment Operating Results

PRIMERICA, INC.  
Financial Supplement

								YOY Q3				YOY YTD	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	\$	%	YTD	YTD	\$	%
	2010	2010	2010	2010	2011	2011	2011						
<i>(Dollars in thousands)</i>													
<b>Term Life Insurance</b>													
<b>Revenues:</b>													
Direct premiums	\$ 517,932	\$ 527,792	\$ 525,644	\$ 529,341	\$ 532,167	\$ 540,283	\$ 539,693	\$ 14,049	2.7%	\$ 1,571,367	\$ 1,612,144	\$ 40,776	2.6%
Ceded premiums	(440,699)	(444,008)	(433,234)	(427,571)	(427,382)	(431,890)	(421,933)	11,301	2.6%	(1,317,941)	(1,281,205)	36,736	2.8%
Net premiums	77,233	83,784	92,410	101,770	104,786	108,393	117,760	25,350	27.4%	253,426	330,939	77,512	30.6%
Allocated net investment income	16,497	15,961	15,595	14,242	15,794	15,669	15,664	70	nm	48,052	47,127	(925)	-1.9%
Other, net	8,782	8,643	7,929	7,914	7,653	7,580	8,289	360	4.5%	25,354	23,522	(1,832)	-7.2%
Operating revenues	102,511	108,388	115,933	123,926	128,233	131,641	141,713	25,780	22.2%	326,833	401,588	74,755	22.9%
<b>Benefits and expenses:</b>													
Benefits and claims	32,905	35,134	39,084	42,325	47,351	43,921	52,067	12,983	33.2%	107,123	143,339	36,216	33.8%
Amortization of DAC	17,418	19,128	21,900	26,477	22,146	22,995	25,868	3,967	18.1%	58,447	71,009	12,562	21.5%
Insurance commissions	456	404	330	320	327	268	267	(63)	-19.2%	1,190	861	(329)	-27.6%
Insurance expenses	8,687	6,824	9,194	13,095	6,618	15,804	12,549	3,355	36.5%	24,705	34,971	10,266	41.6%
Interest expense	2,812	2,803	2,843	2,851	2,872	2,873	2,875	32	1.1%	8,458	8,619	161	1.9%
Operating benefits and expenses	62,278	64,294	73,352	85,067	79,313	85,860	93,625	20,273	27.6%	199,923	258,799	58,876	29.4%
Operating income before income taxes	\$ 40,234	\$ 44,095	\$ 42,581	\$ 38,859	\$ 48,920	\$ 45,781	\$ 48,088	\$ 5,506	12.9%	\$ 126,910	\$ 142,789	\$ 15,879	12.5%
<b>Investment &amp; Savings Products</b>													
<b>Revenues:</b>													
Commissions and fees:													
Sales-based	\$ 36,363	\$ 36,301	\$ 32,941	\$ 37,001	\$ 43,128	\$ 44,904	\$ 42,244	\$ 9,303	28.2%	\$ 105,604	\$ 130,276	\$ 24,672	23.4%
Asset-based	38,014	39,445	37,602	52,412	44,825	45,348	41,996	4,394	11.7%	115,061	132,170	17,109	14.9%
Account-based	10,208	10,317	10,620	10,545	10,432	11,811	10,140	(480)	-4.5%	31,146	32,382	1,236	4.0%
Other, net	2,108	2,155	2,711	3,064	2,461	2,522	3,105	394	14.5%	6,974	8,089	1,115	16.0%
Operating revenues	86,693	88,218	83,874	103,021	100,846	104,586	97,486	13,612	16.2%	258,785	302,917	44,132	17.1%
<b>Benefits and expenses:</b>													
Amortization of DAC	2,549	3,029	1,361	2,392	2,785	3,751	4,034	2,673	nm	6,938	10,569	3,631	52.3%
Insurance commissions	1,809	1,989	1,964	2,091	2,140	2,344	2,277	314	16.0%	5,761	6,762	1,001	17.4%
Sales commissions:													
Sales-based	26,203	25,998	23,474	25,319	30,547	31,378	29,627	6,153	26.2%	75,674	91,552	15,878	21.0%
Asset-based	12,715	12,911	12,232	20,271	15,451	15,111	13,805	1,573	12.9%	37,858	44,368	6,509	17.2%
Other operating expenses	17,970	17,556	18,266	18,179	18,884	21,531	20,997	2,730	14.9%	53,793	61,411	7,618	14.2%
Operating benefits and expenses	61,246	61,483	57,296	68,253	69,807	74,115	70,740	13,444	23.5%	180,025	214,662	34,637	19.2%
Operating income before income taxes	\$ 25,447	\$ 26,735	\$ 26,578	\$ 34,769	\$ 31,039	\$ 30,470	\$ 26,746	\$ 168	nm	\$ 78,760	\$ 88,255	\$ 9,495	12.1%
<b>Corporate &amp; Other Distributed Products</b>													
<b>Revenues:</b>													
Direct premiums	\$ 19,913	\$ 19,663	\$ 21,800	\$ 18,989	\$ 19,902	\$ 20,597	\$ 21,046	\$ (754)	-3.5%	\$ 61,376	\$ 61,545	\$ 169	nm
Ceded premiums	(3,748)	(3,206)	(3,820)	(3,551)	(3,585)	(3,674)	(3,710)	110	2.9%	(10,774)	(10,969)	(195)	-1.8%
Net premiums	16,165	16,458	17,980	15,438	16,317	16,924	17,336	(644)	-3.6%	50,603	50,576	(26)	nm
Allocated net investment income	11,344	12,030	12,260	12,446	12,831	11,560	11,439	(821)	-6.7%	35,634	35,830	196	nm
Commissions and fees:													
Loans	2,455	1,918	3,527	2,427	1,528	1,202	1,126	(2,400)	-68.1%	7,900	3,856	(4,044)	-51.2%
DebtWatchers	620	779	845	1,035	1,071	805	840	(4)	nm	2,243	2,716	473	nm
Prepaid Legal Services	2,340	2,305	2,287	2,689	2,619	2,345	2,329	41	1.8%	6,932	7,293	360	5.2%
Auto and Homeowners													
Insurance	1,012	1,372	1,200	1,395	1,687	1,507	1,427	227	18.9%	3,584	4,621	1,037	28.9%
Long-Term Care Insurance	679	788	715	784	825	775	764	49	6.8%	2,181	2,364	183	8.4%
Other sales commissions	—	—	—	—	1	0	16	16	nm	—	18	18	nm
Other, net	1,004	1,668	1,600	1,383	1,338	1,714	1,492	(108)	-6.8%	4,271	4,544	273	6.4%
Operating revenues	35,618	37,318	40,414	37,598	38,217	36,833	36,769	(3,645)	-9.0%	113,349	111,819	(1,530)	-1.3%
<b>Benefits and expenses:</b>													
Benefits and claims	9,626	9,991	10,727	9,708	10,284	13,352	12,034	1,307	12.2%	30,344	35,670	5,326	17.6%
Amortization of DAC	400	742	583	667	625	639	631	48	8.2%	1,725	1,895	169	9.8%
Insurance commissions	2,438	1,838	2,804	1,793	2,534	1,607	2,365	(439)	-15.6%	7,080	6,506	(574)	-8.1%
Insurance expenses	2,759	3,259	2,804	2,792	2,934	3,350	2,916	112	4.0%	8,823	9,200	377	4.3%
Sales commissions	4,963	4,603	6,560	4,676	4,358	3,674	3,538	(3,022)	-46.1%	16,126	11,570	(4,555)	-28.2%
Interest expense	4,125	4,125	4,125	4,125	4,125	4,125	4,125	—	nm	12,375	12,375	—	nm
Other operating expenses	18,298	22,170	18,030	18,622	18,107	16,667	18,657	627	3.5%	58,497	53,431	(5,066)	-8.7%
Operating benefits and expenses	42,609	46,727	45,633	42,383	42,967	43,413	44,267	(1,367)	-3.0%	134,970	130,646	(4,324)	-3.2%
Operating income before income taxes	\$ (6,992)	\$ (9,410)	\$ (5,219)	\$ (4,786)	\$ (4,749)	\$ (6,580)	\$ (7,498)	\$ (2,278)	-43.7%	\$ (21,621)	\$ (18,827)	\$ 2,794	12.9%

Term Life Insurance - Financial Results

PRIMERICA, INC.  
Financial Supplement

(Dollars in thousands)								YOY Q3		YTD 2010		YOY YTD	
								\$	%			\$	%
Term Life Insurance Operating Income Before Income Taxes	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Change	% Change	YTD 2010	YTD 2011	Change	% Change
<b>Revenues:</b>													
Direct premiums	\$ 517,932	\$ 527,792	\$ 525,644	\$ 529,341	\$ 532,167	\$ 540,283	\$ 539,693	\$ 14,049	2.7%	\$ 1,571,367	\$ 1,612,144	\$ 40,776	2.6%
Ceded premiums	(440,699)	(444,008)	(433,234)	(427,571)	(427,382)	(431,890)	(421,933)	11,301	2.6%	(1,317,941)	(1,281,205)	36,736	2.8%
Net premiums	77,233	83,784	92,410	101,770	104,786	108,393	117,760	25,350	27.4%	253,426	330,939	77,512	30.6%
Allocated net investment income	16,497	15,961	15,595	14,242	15,794	15,669	15,664	70	nm	48,052	47,127	(925)	-1.9%
Other, net	8,782	8,643	7,929	7,914	7,653	7,580	8,289	360	4.5%	25,354	23,522	(1,832)	-7.2%
Operating revenues	102,511	108,388	115,933	123,926	128,233	131,641	141,713	25,780	22.2%	326,833	401,588	74,755	22.9%
<b>Benefits and expenses:</b>													
Benefits and claims	32,905	35,134	39,084	42,325	47,351	43,921	52,067	12,983	33.2%	107,123	143,339	36,216	33.8%
Amortization of DAC	17,418	19,128	21,900	26,477	22,146	22,995	25,868	3,967	18.1%	58,447	71,009	12,562	21.5%
Insurance commissions	456	404	330	320	327	268	267	(63)	-19.2%	1,190	861	(329)	-27.6%
Insurance expenses	8,687	6,824	9,194	13,095	6,618	15,804	12,549	3,355	36.5%	24,705	34,971	10,266	41.6%
Interest expense	2,812	2,803	2,843	2,851	2,872	2,873	2,875	32	1.1%	8,458	8,619	161	1.9%
Operating benefits and expenses	62,278	64,294	73,352	85,067	79,313	85,860	93,625	20,273	27.6%	199,923	258,799	58,876	29.4%
Operating income before income taxes	\$ 40,234	\$ 44,095	\$ 42,581	\$ 38,859	\$ 48,920	\$ 45,781	\$ 48,088	\$ 5,506	12.9%	\$ 126,910	\$ 142,789	\$ 15,879	12.5%
<b>New Term Life Insurance Operating Income Before Income Taxes (1)</b>													
<b>Revenues:</b>													
Direct premiums	\$ 10,138	\$ 21,256	\$ 30,149	\$ 38,197	\$ 46,771	\$ 56,581	\$ 64,655	\$ 34,505	114.4%	\$ 61,544	\$ 168,007	\$ 106,464	nm
Ceded premiums	(3,737)	(3,869)	(3,351)	(4,029)	(8,075)	(9,320)	(8,513)	(5,162)	nm	(10,956)	(25,907)	(14,951)	-136.5%
Net premiums	6,401	17,388	26,799	34,168	38,697	47,261	56,142	29,344	109.5%	50,587	142,100	91,512	nm
Allocated net investment income	109	175	318	478	630	722	986	669	nm	602	2,339	1,737	nm
Other, net	8,802	8,675	8,100	7,890	7,614	7,605	8,287	187	2.3%	25,576	23,506	(2,070)	-8.1%
Operating revenues	15,312	26,238	35,216	42,537	46,941	55,588	65,415	30,199	85.8%	76,765	167,944	91,179	118.8%
<b>Benefits and expenses:</b>													
Benefits and claims	1,517	5,413	10,343	13,550	14,002	17,380	21,086	10,743	103.9%	17,274	52,468	35,194	nm
Amortization of DAC	968	6,405	7,725	11,667	10,163	10,527	13,822	6,097	78.9%	15,099	34,513	19,414	128.6%
Insurance commissions	—	0	(1)	(0)	(0)	(0)	(0)	1	91.2%	(1)	(0)	1	78.6%
Insurance expenses	18,180	16,050	18,224	19,128	15,761	24,550	21,417	3,193	17.5%	52,454	61,728	9,274	17.7%
Interest expense	—	(0)	—	—	—	—	—	—	nm	(0)	—	0	100.0%
Operating benefits and expenses	20,665	27,869	36,291	44,344	39,926	52,457	56,325	20,034	55.2%	84,825	148,708	63,883	75.3%
Operating income before income taxes	\$ (5,354)	\$ (1,631)	\$ (1,075)	\$ (1,807)	\$ 7,015	\$ 3,132	\$ 9,090	\$ 10,165	nm	\$ (8,060)	\$ 19,236	\$ 27,296	nm
<b>Legacy Term Life Insurance Operating Income Before Income Taxes (2)</b>													
<b>Revenues</b>													
Direct premiums	\$ 507,794	\$ 506,536	\$ 495,494	\$ 491,144	\$ 485,396	\$ 483,702	\$ 475,038	\$ (20,456)	-4.1%	\$ 1,509,824	\$ 1,444,136	\$ (65,687)	-4.4%
Ceded premiums	(436,962)	(440,140)	(429,883)	(423,542)	(419,307)	(422,570)	(413,421)	16,463	3.8%	(1,306,985)	(1,255,297)	51,687	4.0%
Net premiums	70,832	66,396	65,611	67,602	66,089	61,132	61,618	(3,993)	-6.1%	202,839	188,839	(14,000)	-6.9%
Allocated net investment income	16,388	15,786	15,277	13,763	15,164	14,947	14,678	(599)	-3.9%	47,451	44,789	(2,662)	-5.6%
Other, net	(20)	(32)	(170)	24	39	(26)	2	173	101.3%	(223)	16	238	107.1%
Operating revenues	87,199	82,150	80,718	81,389	81,293	76,053	76,298	(4,420)	-5.5%	250,067	233,643	(16,424)	-6.6%
<b>Benefits and expenses:</b>													
Benefits and claims	31,388	29,721	28,741	28,775	33,349	26,541	30,981	2,240	7.8%	89,849	90,871	1,022	1.1%
Amortization of DAC	16,450	12,723	14,175	14,810	11,983	12,468	12,046	(2,130)	-15.0%	43,349	36,496	(6,852)	-15.8%
Insurance commissions	456	404	331	320	327	268	267	(64)	-19.4%	1,191	861	(329)	-27.7%
Insurance expenses	10,047	9,888	9,648	12,270	9,366	9,466	9,014	(634)	-6.6%	29,584	27,846	(1,738)	-5.9%
Insurance expense allowance	(19,541)	(19,114)	(18,678)	(18,303)	(18,508)	(18,212)	(17,883)	795	4.3%	(57,333)	(54,602)	2,730	4.8%
Interest expense	2,812	2,803	2,843	2,851	2,872	2,873	2,875	32	1.1%	8,458	8,619	161	1.9%
Operating benefits and expenses	41,612	36,425	37,061	40,723	39,387	33,403	37,300	239	nm	115,098	110,091	(5,007)	-4.4%
Operating income before income taxes	\$ 45,587	\$ 45,726	\$ 43,657	\$ 40,666	\$ 41,905	\$ 42,650	\$ 38,998	\$ (4,659)	-10.7%	\$ 134,969	\$ 123,552	\$ (11,417)	-8.5%

(1) Represents results associated with business written subsequent to the Citi reinsurance transactions executed on March 31, 2010.

(2) Represents results associated with business subject to the Citi reinsurance transactions.

Term Life Insurance - Key Statistics and Financial Analysis

								YOY Q3				YOY YTD	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	\$ Change	% Change	YTD 2010	YTD 2011	\$ Change	% Change
	2010	2010	2010	2010	2011	2011	2011						
<i>(Dollars in thousands, except as noted)</i>													
<b>Key Statistics</b>													
Life-insurance licensed sales force, beginning of period	99,785	97,354	96,066	96,872	94,850	92,212	90,519	(5,547)	-5.8%	99,785	94,850	(4,935)	-4.9%
New life-licensed representatives	7,366	9,887	9,430	7,805	7,145	8,061	10,334	904	9.6%	26,683	25,540	(1,143)	-4.3%
Non-renewal and terminated representatives	(9,797)	(11,175)	(8,624)	(9,827)	(9,783)	(9,754)	(8,883)	(259)	-3.0%	(29,596)	(28,420)	1,176	4.0%
Life-insurance licensed sales force, end of period	97,354	96,066	96,872	94,850	92,212	90,519	91,970	(4,902)	-5.1%	96,872	91,970	(4,902)	-5.1%
Estimated annualized issued term life premium (\$mills) (1):													
Premium from new policies	\$ 43.4	\$ 48.9	\$ 44.1	\$ 44.5	\$ 41.1	\$ 47.5	\$ 50.1	\$ 6.0	13.7%	\$ 136.3	\$ 138.7	\$ 2.4	1.8%
Additions and increases in premium	10.8	11.7	10.9	11.2	10.4	11.4	11.5	0.6	5.6%	33.4	33.4	(0.1)	nm
Total estimated annualized issued term life premium	\$ 54.2	\$ 60.6	\$ 55.0	\$ 55.6	\$ 51.5	\$ 58.9	\$ 61.7	\$ 6.6	12.1%	\$ 169.8	\$ 172.1	\$ 2.3	1.4%
Issued term life policies	52,445	60,406	54,373	56,290	51,281	59,826	65,067	10,694	19.7%	167,224	176,174	8,950	5.4%
Estimated average annualized issued term life premium per policy (1)(2)	\$ 827	\$ 809	\$ 811	\$ 790	\$ 802	\$ 794	\$ 771	\$ (40)	-5.0%	\$ 815	\$ 788	\$ (28)	-3.4%
Term life face amount in-force, beginning of period (\$mills)	\$ 650,195	\$ 651,790	\$ 653,530	\$ 654,633	\$ 656,791	\$ 658,523	\$ 663,617	\$ 10,087	1.5%	\$ 650,195	\$ 656,791	\$ 6,596	1.0%
Issued term life face amount (3)	17,997	20,042	18,113	18,250	16,735	18,974	18,885	772	4.3%	56,152	54,594	(1,558)	-2.8%
Terminated term life face amount	(18,867)	(16,156)	(17,836)	(18,105)	(17,247)	(14,724)	(16,221)	1,615	9.1%	(52,859)	(48,192)	4,667	8.8%
Foreign currency impact, net	2,464	(2,146)	826	2,013	2,244	843	(98)	(924)	nm	1,145	2,989	1,844	nm
Term life face amount in-force, end of period	\$ 651,790	\$ 653,530	\$ 654,633	\$ 656,791	\$ 658,523	\$ 663,617	\$ 666,182	\$ 11,549	1.8%	\$ 654,633	\$ 666,182	\$ 11,549	1.8%
<b>New Term Life Insurance - Financial Analysis</b>													
Direct premium	\$ 10,138	\$ 21,256	\$ 30,149	\$ 38,197	\$ 46,771	\$ 56,581	\$ 64,655	34,505	114.4%	\$ 61,544	\$ 168,007	\$ 106,464	nm
New term life operating income before income taxes	\$ (5,354)	\$ (1,631)	\$ (1,075)	\$ (1,807)	\$ 7,015	\$ 3,132	\$ 9,090	10,165	nm	\$ (8,060)	\$ 19,236	\$ 27,296	nm
% of direct premium	-52.8%	-7.7%	-3.6%	-4.7%	15.0%	5.5%	14.1	nm	nm	-13.1%	11.4%	nm	nm
Benefits & expenses, net (4)	\$ 6,222	\$ 15,687	\$ 21,418	\$ 29,245	\$ 32,240	\$ 37,227	\$ 43,421	22,002	102.7%	\$ 43,328	\$ 112,888	\$ 69,560	nm
% of direct premium	61.4%	73.8%	71.0%	76.6%	68.9%	65.8%	67.2	nm	nm	70.4%	67.2%	nm	nm
Insurance expenses, net (5)	\$ 9,378	\$ 7,375	\$ 10,124	\$ 11,237	\$ 8,147	\$ 16,944	\$ 13,131	3,007	29.7%	\$ 26,877	\$ 38,222	\$ 11,344	42.2%
% of direct premium	92.5%	34.7%	33.6%	29.4%	17.4%	29.9%	20.3	nm	nm	43.7%	22.7%	nm	nm
<b>Legacy Term Life Insurance - Financial Analysis</b>													
Direct premium	\$ 507,794	\$ 506,536	\$ 495,494	\$ 491,144	\$ 485,396	\$ 483,702	\$ 475,038	(20,456)	-4.1%	\$ 1,509,824	\$ 1,444,136	\$ (65,687)	-4.4%
Legacy term life operating income before income taxes	\$ 45,587	\$ 45,726	\$ 43,657	\$ 40,666	\$ 41,905	\$ 42,650	\$ 38,998	(4,659)	-10.7%	\$ 134,969	\$ 123,552	\$ (11,417)	-8.5%
% of direct premium	9.0%	9.0%	8.8%	8.3%	8.6%	8.8%	8.2	nm	nm	8.9%	8.6%	nm	nm

- (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
- (4) Benefits & expenses, net - includes total benefits & claims, ceded premiums, insurance commissions, and amortization of deferred policy acquisition costs
- (5) Insurance expenses, net - insurance expenses, net of other net revenues

								YOY Q3				YOY YTD	
	Q1	Q2	Q3	Q4 2010	Q1 2011	Q2 2011	Q3 2011	\$	%	YTD 2010	YTD 2011	\$	%
	2010	2010	2010										
<i>(Dollars in thousands, except as noted)</i>													
<b>Investment &amp; Savings Products Operating</b>													
<b>Income Before</b>													
<b>Income Taxes</b>													
<b>Revenues:</b>													
Commissions and fees:													
Sales-based	\$ 36,363	\$ 36,301	\$ 32,941	\$ 37,001	\$ 43,128	\$ 44,904	\$ 42,244	\$ 9,303	28.2%	\$ 105,604	\$ 130,276	\$ 24,672	23.4%
Asset-based	38,014	39,445	37,602	52,412	44,825	45,348	41,996	4,394	11.7%	115,061	132,170	17,109	14.9%
Account-based	10,208	10,317	10,620	10,545	10,432	11,811	10,140	(480)	-4.5%	31,146	32,382	1,236	4.0%
Other, net	2,108	2,155	2,711	3,064	2,461	2,522	3,105	394	14.5%	6,974	8,089	1,115	16.0%
Operating revenues	86,693	88,218	83,874	103,021	100,846	104,586	97,486	13,612	16.2%	258,785	302,917	44,132	17.1%
<b>Benefits and expenses:</b>													
Amortization of DAC	2,549	3,029	1,361	2,392	2,785	3,751	4,034	2,673	nm	6,938	10,569	3,631	52.3%
Insurance commissions	1,809	1,989	1,964	2,091	2,140	2,344	2,277	314	16.0%	5,761	6,762	1,001	17.4%
<b>Sales commissions:</b>													
Sales-based	26,203	25,998	23,474	25,319	30,547	31,378	29,627	6,153	26.2%	75,674	91,552	15,878	21.0%
Asset-based	12,715	12,911	12,232	20,271	15,451	15,111	13,805	1,573	12.9%	37,858	44,368	6,509	17.2%
Other operating expenses	17,970	17,556	18,266	18,179	18,884	21,531	20,997	2,730	14.9%	53,793	61,411	7,618	14.2%
Operating benefits and expenses	61,246	61,483	57,296	68,253	69,807	74,115	70,740	13,444	23.5%	180,025	214,662	34,637	19.2%
Operating income before income taxes	\$ 25,447	\$ 26,735	\$ 26,578	\$ 34,769	\$ 31,039	\$ 30,470	\$ 26,746	\$ 168	nm	\$ 78,760	\$ 88,255	\$ 9,495	12.1%
<b>Key Statistics</b>													
<b>Product sales (\$mills)</b>													
Retail Mutual Funds	\$ 594.7	\$ 551.0	\$ 474.8	\$ 520.3	\$ 646.0	\$ 603.1	\$ 498.3	\$ 23.4	4.9%	\$ 1,620.5	\$ 1,747.4	\$ 126.8	7.8%
Variable Annuities and other	267.3	308.3	287.5	306.1	344.6	458.0	483.4	196.0	68.2%	863.2	1,286.1	422.9	49.0%
Total sales-based revenue generating product sales	862.1	859.3	762.3	826.4	990.6	1,061.1	981.7	219.4	28.8%	2,483.7	3,033.4	549.7	22.1%
Managed Mutual Funds	—	—	—	—	—	0.2	11.8	11.8	nm	—	12.0	12.0	nm
Segregated Funds	111.4	64.0	61.6	76.6	123.1	74.2	66.6	5.0	8.1%	237.0	263.8	26.8	11.3%
Total product sales	\$ 973.5	\$ 923.3	\$ 823.9	\$ 903.0	\$ 1,113.7	\$ 1,135.5	\$ 1,060.0	\$ 236.2	28.7%	\$ 2,720.7	\$ 3,309.2	\$ 588.5	21.6%
<b>Client asset values, beginning of period (\$mills)</b>													
Inflows	\$ 31,303	\$ 32,670	\$ 29,723	\$ 32,600	\$ 34,869	\$ 36,187	\$ 36,020	\$ 6,297	21.2%	\$ 31,303	\$ 34,869	\$ 3,566	11.4%
Outflows (1)	974	923	824	903	1,114	1,136	1,060	236	28.7%	2,721	3,309	589	21.6%
Net flows	(956)	(903)	(887)	(945)	(1,083)	(1,118)	(1,024)	(137)	-15.5%	(2,746)	(3,225)	(479)	-17.4%
Change in market value, net and other (2)	17	20	(63)	(42)	31	18	36	99	nm	(25)	84	110	nm
Client asset values, end of period	1,350	(2,967)	2,940	2,311	1,288	(185)	(4,433)	(7,373)	nm	1,322	(3,331)	(4,653)	nm
Average client asset values (\$mills)	\$ 32,670	\$ 29,723	\$ 32,600	\$ 34,869	\$ 36,187	\$ 36,020	\$ 31,623	\$ (977)	-3.0%	\$ 32,600	\$ 31,623	\$ (977)	-3.0%
<b>Average number of fee-generating accounts (thous) (3)</b>													
Mutual Funds	2,762	2,741	2,715	2,694	2,662	2,611	2,626	(89)	-3.3%	2,739	2,633	(106)	-3.9%
Variable Annuities and other	2,453	2,424	2,191	2,361	2,482	2,530	2,351	1,603	7.3%	2,265	2,457	2,313	10.4%
Segregated Funds	6,847	6,955	6,954	7,623	8,242	8,588	8,192	1,238	17.8%	6,918	8,341	1,422	20.6%
Total	2,105	2,182	2,184	2,327	2,477	2,545	2,479	295	13.5%	2,157	2,501	343	15.9%
Average number of fee-generating accounts (thous) (3)	\$ 31,404	\$ 31,561	\$ 31,056	\$ 33,611	\$ 35,602	\$ 36,463	\$ 34,192	\$ 3,136	10.1%	\$ 31,341	\$ 35,419	\$ 4,078	13.0%
<b>Financial Analysis</b>													
Sales-based net revenue as % of sales (4)	1.18%	1.20%	1.24%	1.41%	1.27%	1.27%	1.29%	nm	nm	1.21%	1.28%	nm	nm
Asset-based net revenue as % of average asset values (5)	0.07%	0.07%	0.07%	0.08%	0.07%	0.07%	0.06%	nm	nm	0.21%	0.20%	nm	nm
Account-based revenue per average fee generating account (6)	\$ 3.70	\$ 3.76	\$ 3.91	\$ 3.91	\$ 3.92	\$ 4.52	\$ 3.86	nm	nm	11.37	12.30	nm	nm

- (1) Asset value outflows - include (a) redemptions of assets, (b) sales charges on the inflow sales figures, and (c) the net flow of money market funds sold and redeemed on the company's recordkeeping platform. The redemptions of assets must be estimated for approximately 9% of account values as these figures are not readily available. Actual redemptions as a percentage of account values for similar known account values are used to estimate the unknown redemption values.
- (2) Change in market value, net - market value fluctuations net of fees, expenses, and foreign currency impact
- (3) Fee generating accounts - mutual fund accounts for which we receive recording keeping and/or custodial fees
- (4) Sales-based net revenue - commission and fee revenue less commissions paid to the sales force based on product sales activity
- (5) Asset-based net revenue - commission and fee revenue less commissions paid to the sales force earned based on product account values including amortization of deferred acquisition costs for segregated funds
- (6) In whole dollars

(Dollars in thousands)	As of or for the period ended September 30, 2011						
	Market Value	Amortized Cost	Unrealized G/(L)	% of Total		Avg Book Yield	Avg Rating
				Market Value	Amortized Cost		
<b>Investment Portfolio by Asset Class</b>							
Cash and cash equivalents	\$ 154,027	\$ 154,027	\$ —	6.7%	7.2%		
<b>Fixed Income:</b>							
Treasury	36,217	33,134	3,082	1.6%	1.5%	3.14%	AAA
Government	106,458	94,587	11,871	4.6%	4.4%	4.71%	AA-
Tax-Exempt Municipal	9,049	8,632	417	0.4%	0.4%	3.70%	AA
Corporate	1,326,659	1,226,170	100,489	57.8%	57.3%	5.62%	BBB+
Mortgage-Backed	297,266	273,545	23,721	13.0%	12.8%	5.46%	AA+
Asset-Backed	72,551	74,093	(1,542)	3.2%	3.5%	1.60%	AA
CMBS	144,760	138,736	6,024	6.3%	6.5%	4.93%	AAA
Private	109,184	104,654	4,530	4.8%	4.9%	6.08%	BBB
Redeemable Preferred	683	919	(236)	0.0%	0.0%	48.25%	A
Convertible	14,923	14,314	609	0.7%	0.7%	3.77%	BBB+
Total Fixed Income	2,117,751	1,968,786	148,965	92.3%	91.9%	5.33%	A
<b>Equities:</b>							
Perpetual Preferred	191	85	106	0.0%	0.0%		
Common Stock	9,505	8,567	938	0.4%	0.4%		
Mutual Fund	6,741	4,079	2,662	0.3%	0.2%		
Other	5,665	5,665	—	0.2%	0.3%		
Total Equities	22,102	18,396	3,706	1.0%	0.9%		
Total Invested Assets	\$ 2,293,880	\$ 2,141,208	\$ 152,671	100.0%	100.0%		

**Corporate Portfolio by Sector**

Banking	\$ 140,713	\$ 137,908	\$ 2,805	10.6%	11.2%
Basic Industry	99,293	91,744	7,549	7.5%	7.5%
Brokerage	21,495	19,892	1,602	1.6%	1.6%
Capital Goods	79,853	72,591	7,262	6.0%	5.9%
Communications	99,849	92,196	7,652	7.5%	7.5%
Consumer Cyclical	61,864	58,149	3,715	4.7%	4.7%
Consumer Non-Cyclical	154,352	136,757	17,594	11.6%	11.2%
Electric	128,809	115,172	13,637	9.7%	9.4%
Energy	75,262	67,695	7,567	5.7%	5.5%
Finance Companies	27,589	24,728	2,861	2.1%	2.0%
Financial Other	13,065	12,480	585	1.0%	1.0%
Industrial Other	31,716	29,286	2,430	2.4%	2.4%
Insurance	114,667	108,254	6,412	8.6%	8.8%
Natural Gas	76,146	68,986	7,160	5.7%	5.6%
REITs	104,249	99,179	5,070	7.9%	8.1%
Technology	63,192	59,187	4,005	4.8%	4.8%
Transportation	29,288	26,970	2,318	2.2%	2.2%
Utility Other	5,260	4,994	265	0.4%	0.4%
Total Corporate portfolio	\$ 1,326,659	\$ 1,226,170	\$ 100,489	100.0%	100.0%

**Fixed-Maturity Securities - Effective Maturity**

Effective maturity					
< 1 Yr.	\$ 233,529	\$ 229,852	\$ 3,676	11.0%	11.7%
1-2 Yrs.	266,528	256,228	10,300	12.6%	13.0%
2-5 Yrs.	863,485	806,368	57,117	40.8%	41.0%
5-10 Yrs.	693,361	622,493	70,868	32.7%	31.6%
> 10 Yrs.	60,848	53,844	7,004	2.9%	2.7%
Total Fixed Income	\$ 2,117,751	\$ 1,968,786	\$ 148,965	100.0%	100.0%

**Duration**

Fixed Income portfolio duration 3.5 years

(Dollars in thousands)

**Investment Portfolio Quality Ratings (1)**

	Amortized Cost	% of Total
<b>Total Fixed Income portfolio:</b>		
<u>Rating</u>		
AAA	\$ 489,560	24.9%
AA	194,975	9.9%
A	445,430	22.6%
BBB	707,322	35.9%
Below Investment Grade	130,576	6.6%
NA	922	0.0%
Total Fixed Income	<u>\$ 1,968,786</u>	<u>100.0%</u>

	Amortized Cost	% of Total		Amortized Cost	% of Total
<b>Corporate asset class:</b>			<b>Private asset class:</b>		
<u>Rating</u>			<u>Rating</u>		
AAA	\$ 350	0.0%	AAA	\$ 268	0.3%
AA	123,911	10.1%	AA	6,509	6.2%
A	398,947	32.5%	A	13,982	13.4%
BBB	616,621	50.3%	BBB	66,655	63.7%
Below Investment Grade	85,662	7.0%	Below Investment Grade	17,240	16.5%
NA	679	0.1%	NA	—	—
Total Corporate	<u>\$ 1,226,170</u>	<u>100.0%</u>	Total Private	<u>\$ 104,654</u>	<u>100.0%</u>

	Amortized Cost	% of Total		Amortized Cost	% of Total
<b>CMBS asset class:</b>			<b>Mortgage-Backed asset class:</b>		
<u>Rating</u>			<u>Rating</u>		
AAA	\$ 116,900	84.3%	AAA	\$ 247,307	90.4%
AA	18,507	13.3%	AA	3,168	1.2%
A	1,201	0.9%	A	1,383	0.5%
BBB	1,288	0.9%	BBB	5,067	1.9%
Below Investment Grade	768	0.6%	Below Investment Grade	16,620	6.1%
NA	72	0.1%	NA	—	—
Total CMBS	<u>\$ 138,736</u>	<u>100.0%</u>	Total Mortgage-Backed	<u>\$ 273,545</u>	<u>100.0%</u>

	Amortized Cost	% of Total		Amortized Cost	% of Total
<b>Asset-Backed asset class:</b>			<b>Treasury &amp; Government asset classes:</b>		
<u>Rating</u>			<u>Rating</u>		
AAA	\$ 61,944	83.6%	AAA	\$ 60,843	47.6%
AA	—	—	AA	37,085	29.0%
A	1,358	1.8%	A	20,567	16.1%
BBB	2,000	2.7%	BBB	9,226	7.2%
Below Investment Grade	8,790	11.9%	Below Investment Grade	—	—
NA	—	—	NA	—	—
Total Asset-Backed	<u>\$ 74,093</u>	<u>100.0%</u>	Total Treasury & Government	<u>\$ 127,722</u>	<u>100.0%</u>

**NAIC Designations**

1	\$ 1,005,706	56.3%
2	676,608	37.9%
3	76,365	4.3%
4	22,140	1.2%
5	4,053	0.2%
6	2,307	0.1%
U.S. Insurer Fixed Income (2)	<u>1,787,178</u>	<u>100.0%</u>
Other (3)	200,003	
Cash and cash equivalents	154,027	
Total Invested Assets	<u>\$ 2,141,208</u>	

- (1) Ratings method for split ratings: If by 2 NRSROs, use lower of the two; if by 3 or more NRSROs, use second lowest  
(2) NAIC ratings for our U.S. insurance companies' fixed income portfolios  
(3) Other consists of assets held by our non-life companies, Canadian insurance company, and unrated equities

(Dollars in thousands)

**Commercial Mortgage-Backed Securities**

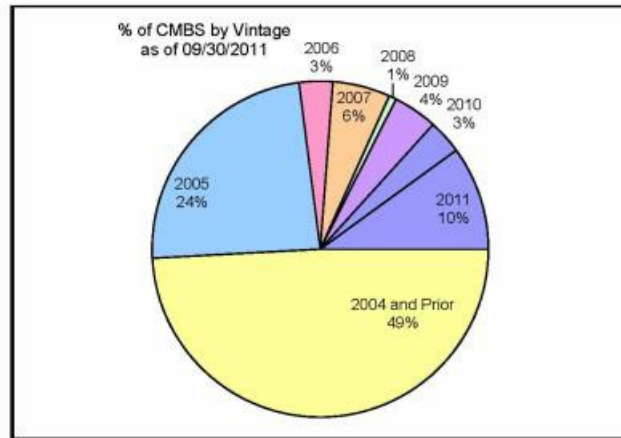
**Current Rating:**

	2004 and Prior	2005	2006	2007	2008	2009	2010	2011	Total
<b>Amortized Cost by Vintage</b>									
AAA	\$ 56,854	\$ 22,740	\$ 4,289	\$ 7,671	\$ 976	\$ 5,929	\$ 4,554	\$ 13,887	\$ 116,900
AA	8,249	10,258	—	—	—	—	—	—	18,507
A	1,001	—	200	—	—	—	—	—	1,201
BBB	1,288	—	—	—	—	—	—	—	1,288
BB	255	—	—	—	—	—	—	—	255
B	236	—	—	—	—	—	—	—	236
CCC and lower	295	53	—	—	—	—	—	—	349
<b>Total</b>	<b>\$ 68,179</b>	<b>\$ 33,051</b>	<b>\$ 4,489</b>	<b>\$ 7,671</b>	<b>\$ 976</b>	<b>\$ 5,929</b>	<b>\$ 4,554</b>	<b>\$ 13,887</b>	<b>\$ 138,736</b>

**Net Unrealized Gain/(Loss) by Vintage**

**Current Rating:**

AAA	\$ 1,727	\$ 688	\$ 671	\$ 542	\$ 21	\$ 561	\$ 27	\$ 214	\$ 4,450
AA	275	(238)	—	—	—	—	—	—	37
A	(11)	—	3	—	—	—	—	—	(8)
BBB	(167)	—	—	—	—	—	—	—	(167)
BB	994	—	—	—	—	—	—	—	994
B	513	—	—	—	—	—	—	—	513
CCC and lower	205	—	—	—	—	—	—	—	205
<b>Total</b>	<b>\$ 3,535</b>	<b>\$ 450</b>	<b>\$ 675</b>	<b>\$ 542</b>	<b>\$ 21</b>	<b>\$ 561</b>	<b>\$ 27</b>	<b>\$ 214</b>	<b>\$ 6,024</b>



**Prime Residential Mortgage-Backed Securities**

**Current Rating:**

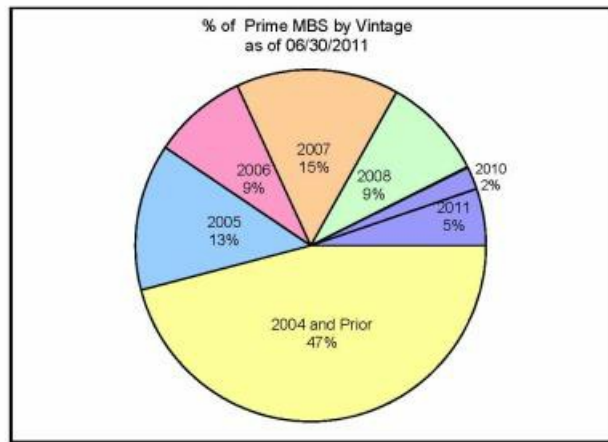
	2004 and Prior	2005	2006	2007	2008	2009	2010	2011	Total
<b>Amortized Cost by Vintage</b>									
AAA	\$ 116,989	\$ 22,684	\$ 23,161	\$ 38,391	\$ 25,150	\$ 240	\$ 5,522	\$ 13,923	\$ 246,060
AA	3,168	—	—	—	—	—	—	—	3,168
A	1,383	—	—	—	—	—	—	—	1,383
BBB	—	5,067	—	—	—	—	—	—	5,067
BB	705	3,364	—	—	—	—	—	—	4,068
B	—	3,634	—	—	—	—	—	—	3,634
CCC and lower	—	1,133	—	1,588	—	—	—	—	2,721
<b>Total</b>	<b>\$ 122,245</b>	<b>\$ 35,882</b>	<b>\$ 23,161</b>	<b>\$ 39,979</b>	<b>\$ 25,150</b>	<b>\$ 240</b>	<b>\$ 5,522</b>	<b>\$ 13,923</b>	<b>\$ 266,102</b>

**Net Unrealized Gain/(Loss) by Vintage**

**Current Rating:**

AAA	\$ 12,159	\$ 1,329	\$ 2,817	\$ 3,897	\$ 2,876	\$ 10	\$ 273	\$ 829	\$ 24,190
AA	116	—	—	—	—	—	—	—	116
A	(15)	—	—	—	—	—	—	—	(15)
BBB	—	(247)	—	—	—	—	—	—	(247)
BB	26	(163)	—	—	—	—	—	—	(137)
B	—	(153)	—	—	—	—	—	—	(153)
CCC and lower	—	(22)	—	(1)	—	—	—	—	(23)
<b>Total</b>	<b>\$ 12,286</b>	<b>\$ 743</b>	<b>\$ 2,817</b>	<b>\$ 3,896</b>	<b>\$ 2,876</b>	<b>\$ 10</b>	<b>\$ 273</b>	<b>\$ 829</b>	<b>\$ 23,730</b>





**Alt-A Residential Mortgage-Backed Securities**

**Amortized Cost by Vintage**

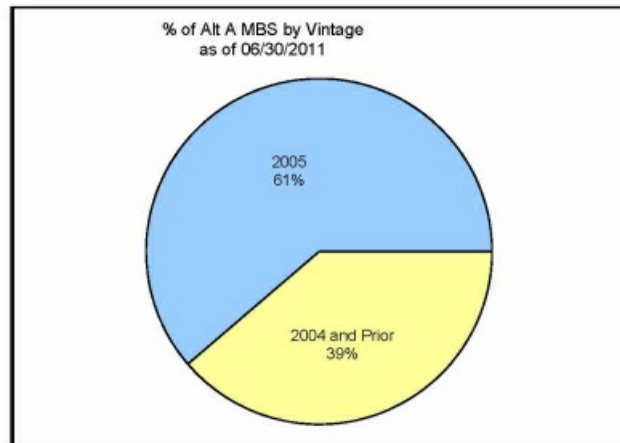
**Current Rating:**

AAA	\$ —	\$ 1,247	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,247
AA	—	—	—	—	—	—	—	—	—
A	—	—	—	—	—	—	—	—	—
BBB	—	—	—	—	—	—	—	—	—
BB	558	—	—	—	—	—	—	—	558
B	—	3,063	—	—	—	—	—	—	3,063
CCC and lower	2,323	253	—	—	—	—	—	—	2,576
<b>Total</b>	<b>\$ 2,881</b>	<b>\$ 4,562</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 7,443</b>

**Net Unrealized Gain/(Loss) by Vintage**

**Current Rating:**

AAA	\$ —	\$ 40	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 40
AA	—	—	—	—	—	—	—	—	—
A	—	—	—	—	—	—	—	—	—
BBB	—	—	—	—	—	—	—	—	—
BB	26	—	—	—	—	—	—	—	26
B	—	(50)	—	—	—	—	—	—	(50)
CCC and lower	(5)	(20)	—	—	—	—	—	—	(25)
<b>Total</b>	<b>\$ 21</b>	<b>\$ (30)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (9)</b>



	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	YOY Q3	
								\$ Change	% Change
<i>(Dollars in thousands)</i>									
<b>Net Investment Income by Source</b>									
Bonds & notes	\$ 83,814	\$ 27,796	\$ 28,350	\$ 28,091	\$ 29,014	\$ 27,462	\$ 27,413	\$ (937)	-3.3%
Preferred and common stocks	1,239	164	189	231	188	165	170	(19)	-10.1%
Deposit asset underlying 10% reinsurance treaty	—	1,551	624	(704)	508	650	449	(175)	-28.0%
Policy loans	336	341	326	362	347	306	441	115	35.3%
Cash & cash equivalents	283	85	103	73	70	65	63	(40)	-38.8%
Other	—	55	—	—	(19)	13	—	—	nm
Total investment income	85,671	29,992	29,591	28,053	30,108	28,662	28,536	(1,056)	-3.6%
Investment expenses	3,095	2,001	1,737	1,365	1,482	1,433	1,433	(304)	-17.5%
Net investment income	\$ 82,576	\$ 27,991	\$ 27,855	\$ 26,688	\$ 28,626	\$ 27,229	\$ 27,103	\$ (752)	-2.7%
Fixed income book yield, end of period	5.79%	5.72%	5.47%	5.48%	5.30%	5.38%	5.33%	na	-14 bps
New money yield	3.48%	2.43%	2.50%	3.58%	2.72%	4.45%	2.42%	na	-8 bps
	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	YOY Q3 % Pt Change	
<b>Fixed Income Portfolio Quality Ratings</b>									
Rating									
AAA	32.5%	31.4%	28.0%	26.7%	26.1%	25.3%	24.9%	-3.1%	
AA	7.9%	6.9%	8.0%	9.1%	9.5%	9.8%	9.9%	2.0%	
A	21.2%	21.4%	22.2%	21.9%	22.4%	22.6%	22.6%	0.5%	
BBB	30.8%	32.4%	34.8%	35.6%	35.8%	35.9%	35.9%	1.1%	
Below Investment Grade	7.1%	7.8%	6.9%	6.7%	6.2%	6.3%	6.6%	-0.3%	
NA	0.4%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	-0.1%	
Total Fixed Income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	nm	
Average rating by amortized cost	A	A	A	A	A	A	A	na	

	As of September 30, 2011			As of September 30, 2011	
	Market Value	Amortized Cost	Credit Rating	Market Value	Amortized Cost
<b>Top 25 Exposures</b>					
1 Government of Canada	\$ 39,016	\$ 36,269	AAA		
2 National Rural Utilities Cooperative	15,235	12,022	A+		
3 Verizon Communications Inc	13,210	11,490	A-		
4 Bank of America Corp	12,698	12,716	A		
5 General Electric Co	12,272	10,932	AA+		
6 ProLogis Inc	12,067	11,743	BBB-		
7 ConocoPhillips	10,746	9,063	A		
8 AT&T Inc	10,063	8,797	A-		
9 Enel SpA	10,049	10,543	A-		
10 Edison International	10,010	9,981	B+		
11 Banco Santander SA	9,970	9,973	AA		
12 Iberdrola SA	9,629	8,468	BBB+		
13 Time Warner Cable Inc	9,567	9,075	BBB		
14 Reynolds American Inc	9,545	7,947	BBB-		
15 Xstrata PLC	9,460	9,226	BBB+		
16 Diageo PLC	9,238	8,592	A-		
17 Province of Quebec Canada	9,122	7,660	A+		
18 Altria Group Inc	9,004	7,400	BBB		
19 Health Care REIT Inc	8,957	9,133	BBB-		
20 Province of Ontario Canada	8,413	6,746	AA-		
21 Roche Holding AG	8,029	6,558	AA-		
22 PNC Financial Services Group I	7,830	8,284	A-		
23 Vale SA	7,651	7,122	BBB+		
24 Lockheed Martin Corp	7,611	6,946	A-		
25 Montpelier Re Holdings Ltd	7,560	7,207	BBB		
Total	\$ 276,953	\$ 253,895			
% of total fixed income portfolio	12.1%	11.9%			
<b>Foreign Exposure (1)</b>					
United Kingdom	\$ 64,351	\$ 60,241			
Canada	59,593	55,046			
Australia	44,242	40,894			
France	29,035	28,348			
Germany	26,356	25,334			
Spain	20,807	21,564			
Italy	14,617	15,254			
Emerging Markets (2)	41,511	39,022			
All Other	83,920	77,826			
Total	\$ 384,433	\$ 363,529			
<b>Government Investments</b>					
AAA	\$ —	\$ —			
AA	2,870	2,572			
A	13,246	12,559			
BBB	10,041	9,226			
Below Investment Grade	—	—			
NA	—	—			
Total	\$ 26,157	\$ 24,358			
<b>Non-Government Investments</b>					
AAA	\$ —	\$ —			
AA	61,318	58,934			
A	130,925	124,259			
BBB	144,053	134,764			
Below Investment Grade	19,584	20,192			
NA	2,396	1,022			
Total	\$ 358,275	\$ 339,172			

(1) US\$ denominated investments in issuers outside of the United States based on country of risk

(2) Emerging markets is as defined by MSCI, Inc. which include Brazil, Chile, Colombia, India, Korea, Mexico, Peru, Poland and South Africa

Five-Year Historical Key Statistics

PRIMERICA, INC.  
Financial Supplement

<i>(Dollars in millions)</i>	2006	2007	2008	2009	2010	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Recruits	204,316	220,950	235,125	221,920	231,390	58,085	65,245	58,178	49,882	52,813	65,138	83,074
Life-insurance licensed sales force, beginning of period	97,105	96,532	97,125	100,651	99,785	99,785	97,354	96,066	96,872	94,850	92,212	90,519
New life-licensed representatives	35,233	36,308	39,383	37,629	34,488	7,366	9,887	9,430	7,805	7,145	8,061	10,334
Non-renewal and terminated representatives	(35,806)	(35,715)	(35,857)	(38,495)	(39,423)	(9,797)	(11,175)	(8,624)	(9,827)	(9,783)	(9,754)	(8,883)
Life-insurance licensed sales force, end of period	96,532	97,125	100,651	99,785	94,850	97,354	96,066	96,872	94,850	92,212	90,519	91,970
Issued term life policies	245,520	244,733	241,173	233,837	223,514	52,445	60,406	54,373	56,290	51,281	59,826	65,067
Issued term life face amount	\$ 84,503	\$ 87,619	\$ 87,279	\$ 80,497	\$ 74,401	\$ 17,997	\$ 20,042	\$ 18,113	\$ 18,250	\$ 16,735	\$ 18,974	\$ 18,885
Term life face amount in force, beginning of period	\$ 572,155	\$ 599,470	\$ 632,086	\$ 633,467	\$ 650,195	\$ 650,195	\$ 651,790	\$ 653,530	\$ 654,633	\$ 656,791	\$ 658,523	\$ 663,617
Issued term life face amount	84,503	87,619	87,279	80,497	74,401	17,997	20,042	18,113	18,250	16,735	18,974	18,885
Terminated term life face amount	(57,277)	(64,966)	(72,008)	(74,642)	(70,964)	(18,867)	(16,156)	(17,836)	(18,105)	(17,247)	(14,724)	(16,221)
Foreign currency impact, net	90	9,963	(13,891)	10,873	3,158	2,464	(2,146)	826	2,013	2,244	843	(98)
Term life face amount in force, end of period	\$ 599,470	\$ 632,086	\$ 633,467	\$ 650,195	\$ 656,791	\$ 651,790	\$ 653,530	\$ 654,633	\$ 656,791	\$ 658,523	\$ 663,617	\$ 666,182
Estimated annualized issued term life premium												
Premium from new policies	\$ 204.7	\$ 208.9	\$ 205.0	\$ 193.7	\$ 180.8	\$ 43.4	\$ 48.9	\$ 44.1	\$ 44.5	\$ 41.1	\$ 47.5	\$ 50.1
Additions and increases in premium	41.1	43.4	43.0	42.6	44.6	10.8	11.7	10.9	11.2	10.4	11.4	11.5
Total estimated annualized issued term life premium	\$ 245.8	\$ 252.4	\$ 248.0	\$ 236.3	\$ 225.4	\$ 54.2	\$ 60.6	\$ 55.0	\$ 55.6	\$ 51.5	\$ 58.9	\$ 61.7
Investment & Savings product sales	\$ 4,664.7	\$ 5,189.5	\$ 4,458.4	\$ 3,006.6	\$ 3,623.6	\$ 973.5	\$ 923.3	\$ 823.9	\$ 903.0	\$ 1,113.7	\$ 1,135.5	\$ 1,060.0
Investment & Savings average client asset values	\$ 32,082	\$ 36,735	\$ 32,763	\$ 26,845	\$ 31,908	\$ 31,404	\$ 31,561	\$ 31,056	\$ 33,611	\$ 35,602	\$ 36,463	\$ 34,192