

**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): **February 7, 2012**

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)

(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))
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Item 2.02 Results of Operations and Financial Condition.

On February 7, 2012, Primerica, Inc. (the “Company”) announced its results of operations for the quarter ended December 31, 2011. A copy of the press release is attached hereto as Exhibit 99.1.

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

Use of Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company presents certain non-GAAP financial measures. Specifically, the Company presents 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. In full year 2011, the fourth quarter of 2010 and full year 2010, operating revenues, operating income before income taxes and net operating income also exclude the impact of certain reinsurance recoveries which previously had not been recognized due to the uncertain nature of their recovery. In full year 2010, operating revenues, operating income before income taxes and net operating income also give effect to the Citi reinsurance and reorganization transactions as if they had occurred on January 1, 2010. 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 in the “Investor Relations” section of our website at <http://investors.primerica.com>.

Item 7.01 Regulation FD Disclosure.

On February 7, 2012, the Company posted to the “Investor Relations” section of its website certain supplemental financial information relating to the quarter ended December 31, 2011. A copy of the supplemental financial information is attached hereto as Exhibit 99.2.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1	Press Release dated February 7, 2012 – Primerica Reports Full Year and Fourth Quarter 2011 Results
99.2	Primerica, Inc. Supplemental Financial Information – Fourth 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: February 7, 2012

PRIMERICA, INC.

/s/ Alison S. Rand

Alison S. Rand
Executive Vice President and Chief
Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated February 7, 2012 – Primerica Reports Full Year and Fourth Quarter 2011 Results
99.2	Primerica, Inc. Supplemental Financial Information – Fourth Quarter 2011

Primerica Reports Full Year and Fourth Quarter 2011 Results*18% increase in Investment and Savings Product sales in 2011; 6% increase in Investment and Savings Product sales in the fourth quarter**\$41.2 million of net income; diluted EPS of \$0.57 in the fourth quarter of 2011**\$40.6 million net operating income; diluted operating EPS of \$0.56 in the fourth quarter of 2011*

DULUTH, Ga.--(BUSINESS WIRE)--February 7, 2012--Primerica, Inc. (NYSE: PRI) announced today financial results for the fourth quarter ended December 31, 2011. Total revenues were \$275.9 million in the fourth quarter of 2011 and net income was \$41.2 million, or \$0.57 per diluted share. Net income in the fourth quarter of 2010 was \$52.9 million, or \$0.69 per diluted share, including \$.10 per diluted share largely related to certain reinsurance recoveries that were excluded from operating results in that period.

Rick Williams, Chairman of the Board and Co-Chief Executive Officer, said, "We are proud of what we were able to accomplish in 2011 as we focused on building Primerica for the future by pursuing opportunities to grow our existing businesses while seeking to enhance shareholder value over time. We made significant strides on our capital management strategy, including the \$200 million share repurchase that was both accretive to earnings per share and enabled Citi to sell its remaining Primerica stock in a secondary offering. Our business continued to perform well in 2011 driven primarily by a 27% increase in Term Life net premium revenue on an operating basis and an 18% increase in our Investment and Savings Product sales compared with 2010. In 2012, we will continue to follow-through with business enhancements and capital initiatives to deliver strong operating results."

John Addison, Chairman of Primerica Distribution and Co-Chief Executive Officer, said, "In 2011 we launched innovative incentives, new technology and improved product offerings, including our new TermNow rapid issue life insurance product and the addition of managed accounts to our Investment and Savings Products platform. The initiatives launched at our successful June convention helped drive the 6% growth in recruiting and 6% growth in life insurance policies issued in 2011 over the prior year. We continue to focus on enhancing our business opportunity with incentives and innovations designed to build distribution and drive long-term sales force and revenue growth."

Results for the fourth quarter of 2011 reflect continued growth in our Term Life business partially offset by a modestly higher expense base. During the quarter we recognized a \$5.0 million pre-tax charge to record cumulative potential claims related to cross-checking our U.S. life insurance policyholders with public death records to identify deceased policyholders for whom claims have not been filed and of which we were previously unaware. We also incurred a \$1.3 million pre-tax charge related to our required share of the liquidation plan for Executive Life Insurance Company of New York filed by the New York State Department of Financial Services. The combined impact of these charges reduced net operating income per diluted share by approximately \$.06 in the fourth quarter of 2011. Also impacting the fourth quarter year-over-year comparison were certain non-recurring items that collectively contributed \$.04 per diluted share to net operating income in the fourth quarter of 2010. The combined result was that operating revenues increased by 3% to \$271.6 million in the fourth quarter of 2011, compared with \$264.5 million in the fourth quarter of 2010. Net operating income was \$40.6 million, or \$0.56 per diluted share, in the fourth quarter of 2011, compared with \$45.2 million, or \$0.59 per diluted share, in the fourth quarter of 2010.

For the full year 2011, net income was \$178.3 million, compared with \$257.8 million for 2010. Net income for the first quarter of 2010 did not reflect the impact of the Citi reinsurance and reorganization transactions. Adjusted to reflect the impact of these transactions as well as other operating adjustments described below, net operating income was up 10% to \$177.1 million for 2011, compared with \$161.5 million for 2010 reflecting growth in the Term Life business and strong Investment and Savings Products results partially offset by a higher expense base.

Distribution Results

- The size of our life-licensed insurance sales force was 91,176 at December 31, 2011 compared with 91,970 at September 30, 2011. The number of new recruits obtaining life licenses increased 5% in the fourth quarter of 2011, compared with the prior year period. Recruiting declined 12% to 43,731 in the fourth quarter of 2011, compared with the fourth quarter of 2010. Sequentially, recruiting declined following the robust post-convention recruiting surge and seasonally higher third quarter. We also modified fourth quarter incentives to focus more on getting new recruits licensed and productive.
 - Life insurance policies issued increased 9% to 61,361 in the fourth quarter of 2011, compared with the year ago period reflecting a processing cycle which provided five additional business processing days in the fourth quarter of this year. Excluding the extra business days, life insurance policies issued increased 2% year-over-year. Term Life net premium grew by 19% to \$121.0 million in the fourth quarter of 2011 compared with the fourth quarter a year ago and increased by 3% from the third quarter as we continue to build the New Term business. Sequentially, life insurance policies issued declined 6% from the third quarter of 2011 reflecting seasonally lower life insurance sales.
 - Investment and Savings Products sales continued to grow, up 6% to \$955.8 million in the fourth quarter of 2011 from \$903.0 million in the year ago period primarily driven by a 27% increase in variable annuity sales. Sequentially, Investment and Savings Products sales declined 10% reflecting the choppy market environment. Client redemptions of older variable annuity contracts to purchase the current Prime Elite IV variable annuity that offers an attractive guaranteed income living benefit were higher in the fourth quarter of 2011 compared with the fourth quarter of 2010, but were sequentially lower than the third quarter of 2011. Client asset values decreased 3% to \$33.66 billion at December 31, 2011 from \$34.87 billion at December 31, 2010 but increased 6% from \$31.62 billion at September 30, 2011 primarily reflecting market movement.
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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)		
	Q4 2011	Q4 2010	% Change	Q4 2011	Q4 2010	% Change
Revenues:						
		(\$ in thousands)			(\$ in thousands)	
Term Life Insurance	\$ 144,678	\$ 137,068	6%	\$ 144,678	\$ 123,927	17%
Investment and Savings Products	93,785	103,022	-9%	93,785	103,022	-9%
Corporate and Other Distributed Products	37,392	39,297	-5%	33,136	37,597	-12%
Total revenues	<u>\$ 275,855</u>	<u>\$ 279,387</u>	<u>-1%</u>	<u>\$ 271,599</u>	<u>\$ 264,546</u>	<u>3%</u>
Income (loss) before income taxes:						
Term Life Insurance	\$ 43,092	\$ 52,000	-17%	\$ 43,092	\$ 38,859	11%
Investment and Savings Products	28,821	34,770	-17%	28,821	34,770	-17%
Corporate and Other Distributed Products	(9,226)	(6,247)	-48%	(10,067)	(4,786)	-110%
Total income before income taxes	<u>\$ 62,687</u>	<u>\$ 80,523</u>	<u>-22%</u>	<u>\$ 61,846</u>	<u>\$ 68,843</u>	<u>-10%</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 17% to \$144.7 million in the fourth quarter of 2011, compared with the same period a year ago. Operating income before income taxes increased by 11% to \$43.1 million over the prior year period. These results reflect growth in the Term Life business, modestly favorable mortality experience and slightly unfavorable persistency during the fourth quarter of 2011 versus the year ago period. Net investment income grew due to an increase in required assets associated with Term Life growth partially offset by lower asset returns. Insurance expenses increased in the quarter compared with the fourth quarter of 2010, reflecting in part the continued run-off of our Legacy Term allowances and higher premium-related expenses commensurate with the growth in New Term premium. During the fourth quarter of 2011, we recognized \$3.9 million of the \$5.0 million charge related to our search of public death records in Term Life with the remaining \$1.1 million charged to our non-term New York business in Corporate and Other. The year-over-year comparison is also impacted by certain non-recurring items in the fourth quarter of 2010.

Sequentially, operating income before income taxes decreased by 10%, or \$5.0 million, compared with the third quarter of 2011 primarily due to the charge related to our search of public death records and unfavorable fourth quarter seasonal persistency partially offset by continued business growth. Insurance expenses were flat with the prior quarter.

Investment and Savings Products. Results in the fourth quarter of 2011 reflect higher sales and a larger volume-related incentive payment earned for strong 2011 variable annuity sales offset by higher expenses largely related to our new managed accounts product and government relations expenses. Impacting the fourth quarter year-over-year comparison is an adjustment made in the fourth quarter of 2010 that increased operating revenue by \$11.6 million and increased operating income before income taxes by \$4.8 million during that period. As a result, operating revenues declined by 9% to \$93.8 million while operating income before income taxes declined by 17% to \$28.8 million in the fourth quarter of 2011, compared with the same period a year ago.

Sequentially, operating revenues decreased by 4%, or \$3.7 million from the third quarter of 2011, reflecting lower product sales and average client asset values partially offset by the volume-related variable annuity incentive payment earned in the fourth quarter of 2011. These same factors, combined with lower Canadian Segregated Fund DAC amortization and flat operating expenses, resulted in a sequential quarter increase in operating income before income taxes of 8%, or \$2.1 million.

Corporate and Other Distributed Products. Operating revenues declined by 12% to \$33.1 million in the fourth quarter of 2011, compared with the fourth quarter of 2010. Operating losses before income taxes were \$10.1 million in the fourth quarter of 2011, compared with a \$4.8 million loss in the same period of 2010. Operating revenues for the fourth quarter of 2011 reflect a decline in net investment income of \$2.4 million due to the combined effect of an increased allocation to Term Life and lower aggregate invested assets and returns. Lower operating expenses in the fourth quarter reflect various reductions including the elimination of Citi allocations offset by a \$1.0 million charge associated with the discontinuation of our U.S. lending business. Fourth quarter 2011 benefits and claims include the \$1.1 million charge related to our search of public death records for our New York subsidiary's non-term life business. A \$1.3 million charge to insurance expense related to the liquidation plan for Executive Life Insurance Company of New York was also recognized.

Taxes

Our effective income tax rate for the fourth quarter of 2011 was 34.3%, unchanged from the same quarter a year ago and down from 36.4% in the third quarter of 2011. Sequentially, the lower tax rate in the fourth quarter of 2011 reflects lower exposure reserves relative to the third quarter 2011 due to the timing of statute expirations.

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 \$2.16 billion as of December 31, 2011. Our invested asset portfolio had a net unrealized gain of \$153.2 million (net of unrealized losses of \$11.4 million) at December 31, 2011, up from a net unrealized gain of \$152.7 million (net of unrealized losses of \$12.5 million) at September 30, 2011. Net realized investment gains for the quarter were \$4.3 million, which is net of \$0.7 million of other-than-temporary impairments.

As of December 31, 2011, our debt-to-capital ratio remained low at 17.4%. Our ratio of cash and invested assets to adjusted stockholders' equity of 1.6x at December 31, 2011, reflects the conservative nature of our balance sheet and generally the lower asset requirement and asset liability matching risk of term insurance.

Following Primerica Life Insurance Company's \$200 million dividend payment to Primerica, Inc., that funded the fourth quarter share repurchase, Primerica Life Insurance Company's statutory risk-based capital (RBC) ratio is estimated to be in excess of 420% as of December 31, 2011. At this level, we believe we remain well positioned to support existing operations and fund future growth.

Net operating income return on adjusted stockholders' equity (ROAE) was 11.6% for the quarter ended December 31, 2011, down from 11.7% in the third quarter of 2011. This slight decline was driven by the one-time charges in the fourth quarter partially offset by the accretive impact of our \$200 million share repurchase also in the fourth quarter. Net income return on stockholders' equity was 11.0% for the fourth quarter of 2011.

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. In full year 2011, fourth quarter 2010 and full year 2010, operating revenues, operating income before income taxes and net operating income also exclude the impact of certain reinsurance recoveries which previously had not been recognized due to the uncertain nature of their recovery. In full year 2010, operating revenues, operating income before income taxes and net operating income also give effect to the Citi reinsurance and reorganization transactions as if they had occurred on January 1, 2010. 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, February 8, 2012 at 10:00 am EST, to discuss fourth quarter results. This release and a detailed financial supplement will be posted on Primerica's website. Investors are encouraged to review these materials. To access the webcast go to <http://investors.primerica.com> at least 15 minutes prior to the event to register, download and install any necessary software.

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

Forward-Looking Statements

Except for historical information contained in this press release, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements contain known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from anticipated or projected results. Those risks and uncertainties include, among others, our failure to continue to attract and license new recruits, retain sales representatives or license or maintain the licensing of our sales representatives; 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 or senior debt 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; 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 educate their Main Street clients about how to better prepare for a more secure financial future by assessing their needs and providing appropriate solutions through term life insurance which we underwrite, and mutual funds, annuities and other financial products, which we distribute primarily on behalf of third parties. In addition, Primerica provides an entrepreneurial full or part-time business opportunity for individuals seeking to earn income by distributing the company's financial products. We insure more than 4.3 million lives and approximately 2 million clients maintain investment accounts with us. Primerica is a member of the Russell 2000 stock index and is traded on The New York Stock Exchange under the symbol "PRI".

PRIMERICA, INC. AND SUBSIDIARIES
Condensed Balance Sheets

	December 31,	
	2011 (1)	2010
	(In thousands)	
Assets		
Investments:		
Fixed maturity securities available for sale, at fair value	\$ 1,959,156	\$ 2,081,361
Equity securities available for sale, at fair value	26,712	23,213
Trading securities, at fair value	9,640	22,767
Policy loans and other invested assets	25,996	26,243
Total investments	2,021,504	2,153,584
Cash and cash equivalents	136,078	126,038
Accrued investment income	21,579	22,328
Due from reinsurers	3,855,890	3,731,634
Deferred policy acquisition costs	1,050,637	853,211
Premiums and other receivables	163,845	168,026
Intangible assets	71,928	75,357
Other assets	268,485	307,342
Separate account assets	2,408,598	2,446,786
Total assets	\$ 9,998,544	\$ 9,884,306
Liabilities and Stockholders' Equity		
Liabilities:		
Future policy benefits	\$ 4,614,860	\$ 4,409,183
Unearned premiums	7,022	5,563
Policy claims and other benefits payable	241,754	229,895
Other policyholders' funds	340,766	357,253
Note payable	300,000	300,000
Income taxes	131,477	136,226
Other liabilities	382,068	386,182
Payable under securities lending	149,358	181,726
Separate account liabilities	2,408,598	2,446,786
Total liabilities	8,575,903	8,452,814
Stockholders' equity:		
Common stock	649	728
Paid-in capital	707,912	883,168
Retained earnings	566,021	395,057
Accumulated other comprehensive income, net of income tax	148,059	152,539
Total stockholders' equity	1,422,641	1,431,492
Total liabilities and stockholders' equity	\$ 9,998,544	\$ 9,884,306

(1) Unaudited

PRIMERICA, INC. AND SUBSIDIARIES
Condensed Statements of Income

	Three months ended December 31,	
	2011 (1)	2010 (1)
	(In thousands, except per-share amounts)	
Revenues:		
Direct premiums	\$ 555,778	\$ 548,330
Ceded premiums	(419,630)	(417,981)
Net premiums	136,148	130,349
Commissions and fees	97,282	108,288
Net investment income	25,643	26,688
Realized investment gains, including OTTI	4,256	1,700
Other, net	12,526	12,362
Total revenues	<u>275,855</u>	<u>279,387</u>
Benefits and expenses:		
Benefits and claims	63,688	52,033
Amortization of deferred policy acquisition costs	35,875	29,536
Sales commissions	43,816	50,267
Insurance expenses	16,938	15,887
Insurance commissions	5,169	4,203
Interest expense	6,973	6,976
Other operating expenses	40,709	39,962
Total benefits and expenses	<u>213,168</u>	<u>198,864</u>
Income before income taxes	62,687	80,523
Income taxes	21,502	27,634
Net income	<u>\$ 41,185</u>	<u>\$ 52,889</u>
Earnings per share:		
Basic	<u>\$ 0.58</u>	<u>\$ 0.70</u>
Diluted	<u>\$ 0.57</u>	<u>\$ 0.69</u>
Shares used in computing earnings per share:		
Basic	<u>69,366</u>	<u>72,453</u>
Diluted	<u>70,169</u>	<u>73,240</u>

(1) Unaudited

PRIMERICA, INC. AND SUBSIDIARIES
Condensed Statements of Income

	Year ended December 31,	
	2011 (1)	2010
	(In thousands, except per-share amounts)	
Revenues:		
Direct premiums	\$ 2,229,467	\$ 2,181,074
Ceded premiums	(1,703,075)	(1,450,367)
Net premiums	526,392	730,707
Commissions and fees	412,979	382,940
Net investment income	108,601	165,111
Realized investment gains, including OTTI	6,440	34,145
Other, net	48,681	48,960
Total revenues	1,103,093	1,361,863
Benefits and expenses:		
Benefits and claims	242,696	317,703
Amortization of deferred policy acquisition costs	119,348	168,035
Sales commissions	191,306	179,924
Insurance expenses	61,109	75,503
Insurance commissions	19,297	19,904
Interest expense	27,968	20,872
Other operating expenses	165,525	180,779
Total benefits and expenses	827,249	962,720
Income before income taxes	275,844	399,143
Income taxes	97,568	141,365
Net income	\$ 178,276	\$ 257,778
Earnings per share:		
Basic	\$ 2.39	\$ 3.43 (2)
Diluted	\$ 2.36	\$ 3.40 (2)
Shares used in computing earnings per share:		
Basic	72,283	72,099 (2)
Diluted	73,107	72,882 (2)

(1) Unaudited

(2) Pro forma basis using weighted-average shares, including the shares issued or issuable upon lapse of restriction following our April 1, 2010 corporate reorganization as though they had been issued outstanding on January 1, 2010.

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

	Three months ended December 31, 2011		
	Operating Results (Non-GAAP)	Operating adjustments	Reported Results (GAAP)
Revenues:			
Direct premiums	\$ 555,778	\$ -	\$ 555,778
Ceded premiums	(419,630)	-	(419,630)
Net premiums	136,148	-	136,148
Commissions and fees	97,282	-	97,282
Net investment income	25,643	-	25,643
Realized investment gains, including OTTI	-	4,256	4,256
Other, net	12,526	-	12,526
Total revenues	<u>271,599</u>	<u>4,256</u>	<u>275,855</u>
Benefits and expenses:			
Benefits and claims	63,688	-	63,688
Amortization of DAC	35,875	-	35,875
Sales commissions	43,816	-	43,816
Insurance expenses	16,938	-	16,938
Insurance commissions	5,169	-	5,169
Interest expense	6,973	-	6,973
Other operating expenses	37,294	3,415	40,709
Total benefits and expenses	<u>209,753</u>	<u>3,415</u>	<u>213,168</u>
Income before income taxes	61,846	841	62,687
Income taxes	21,214	288	21,502
Net income	<u>\$ 40,632</u>	<u>\$ 553</u>	<u>\$ 41,185</u>
Earnings per share - diluted	<u>\$ 0.56</u>		<u>\$ 0.57</u>
Diluted shares	<u>70,169</u>		<u>70,169</u>

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

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

	Three months ended December 31, 2010		
	Operating Results (Non-GAAP)	Operating adjustments	Reported Results (GAAP)
Revenues:			
Direct premiums	\$ 548,330	\$ -	\$ 548,330
Ceded premiums	(431,122)	13,141	(417,981)
Net premiums	117,208	13,141	130,349
Commissions and fees	108,288	-	108,288
Net investment income	26,688	-	26,688
Realized investment gains, including OTTI	-	1,700	1,700
Other, net	12,362	-	12,362
Total revenues	<u>264,546</u>	<u>14,841</u>	<u>279,387</u>
Benefits and expenses:			
Benefits and claims	52,033	-	52,033
Amortization of DAC	29,536	-	29,536
Sales commissions	50,267	-	50,267
Insurance expenses	15,887	-	15,887
Insurance commissions	4,203	-	4,203
Interest expense	6,976	-	6,976
Other operating expenses	36,801	3,161	39,962
Total benefits and expenses	<u>195,703</u>	<u>3,161</u>	<u>198,864</u>
Income before income taxes	68,843	11,680	80,523
Income taxes	23,626	4,008	27,634
Net income	<u>\$ 45,217</u>	<u>\$ 7,672</u>	<u>\$ 52,889</u>
Earnings per share - diluted	<u>\$ 0.59</u>		<u>\$ 0.69</u>
Diluted shares	<u>73,240</u>		<u>73,240</u>

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

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

	Year ended December 31, 2011		
	Operating Results (Non-GAAP)	Operating adjustments	Reported Results (GAAP)
Revenues:			
Direct premiums	\$ 2,229,467	\$ -	\$ 2,229,467
Ceded premiums	(1,711,804)	8,729	(1,703,075)
Net premiums	517,663	8,729	526,392
Commissions and fees	412,979	-	412,979
Net investment income	108,601	-	108,601
Realized investment gains, including OTTI	-	6,440	6,440
Other, net	48,681	-	48,681
Total revenues	<u>1,087,924</u>	<u>15,169</u>	<u>1,103,093</u>
Benefits and expenses:			
Benefits and claims	242,696	-	242,696
Amortization of DAC	119,348	-	119,348
Sales commissions	191,306	-	191,306
Insurance expenses	61,109	-	61,109
Insurance commissions	19,297	-	19,297
Interest expense	27,968	-	27,968
Other operating expenses	152,136	13,389	165,525
Total benefits and expenses	<u>813,860</u>	<u>13,389</u>	<u>827,249</u>
Income before income taxes	274,064	1,780	275,844
Income taxes	96,986	582	97,568
Net income	<u>\$ 177,078</u>	<u>\$ 1,198</u>	<u>\$ 178,276</u>

See the Non-GAAP Financial Measures section for additional information.

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

	Year ended December 31, 2010		
	Operating Results (Non-GAAP)	Operating adjustments	Reported Results (GAAP)
Revenues:			
Direct premiums	\$ 2,181,074	\$ -	\$ 2,181,074
Ceded premiums	(1,759,836)	309,469	(1,450,367)
Net premiums	421,238	309,469	730,707
Commissions and fees	382,940	-	382,940
Net investment income	110,376	54,735	165,111
Realized investment gains, including OTTI	-	34,145	34,145
Other, net	48,960	-	48,960
Total revenues	<u>963,514</u>	<u>398,349</u>	<u>1,361,863</u>
Benefits and expenses:			
Benefits and claims	189,499	128,204	317,703
Amortization of DAC	96,646	71,389	168,035
Sales commissions	179,924	-	179,924
Insurance expenses	49,420	26,083	75,503
Insurance commissions	18,235	1,669	19,904
Interest expense	27,809	(6,937)	20,872
Other operating expenses	149,085	31,694	180,779
Total benefits and expenses	<u>710,618</u>	<u>252,102</u>	<u>962,720</u>
Income before income taxes	252,896	146,247	399,143
Income taxes	91,409	49,956	141,365
Net income	<u>\$ 161,487</u>	<u>\$ 96,291</u>	<u>\$ 257,778</u>

See the Non-GAAP Financial Measures section for additional information.

PRIMERICA, INC. AND SUBSIDIARIES
Term Life Insurance Segment Operating Results Reconciliation
(Unaudited – in thousands)

	Three months ended December 31,	
	2011	2010
Operating revenues	\$ 144,678	\$ 123,927
Reinsurance recoveries adjustment	-	13,141
Total revenues	\$ 144,678	\$ 137,068
Operating income before income taxes	\$ 43,092	\$ 38,859
Reinsurance recoveries adjustment	-	13,141
Income before income taxes	\$ 43,092	\$ 52,000

Corporate and Other Distributed Products Segment Operating Results Reconciliation
(Unaudited – in thousands)

	Three months ended December 31,	
	2011	2010
Operating revenues	\$ 33,136	\$ 37,597
Realized investment gains, including OTTI	4,256	1,700
Total revenues	\$ 37,392	\$ 39,297
Operating loss before income taxes	\$ (10,067)	\$ (4,786)
Realized investment gains, including OTTI	4,256	1,700
Other operating expense - equity awards	(3,415)	(3,161)
Loss before income taxes	\$ (9,226)	\$ (6,247)

Adjusted Stockholders' Equity Reconciliation
(Unaudited – in thousands)

	December 31,
	2011
Adjusted stockholders' equity	\$ 1,327,224
Unrealized net investment gains recorded in stockholders' equity	95,417
Stockholders' equity	\$ 1,422,641

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Supplemental Financial Information
Fourth Quarter 2011

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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 Form 10-K for the year ended December 31, 2010, as modified by the exhibit to our Form 8-K dated April 12, 2011 and further modified by our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011.

FOURTH QUARTER 2011

This document is a financial supplement to our fourth 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 2011 and the fourth quarter of 2010, operating adjustments exclude the impact of certain reinsurance recoveries which previously had not been recognized due to the uncertain nature of their recovery. 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 and as such, may not agree to other public reporting of the respective item. Certain items throughout this supplement are noted as ‘na’ to indicate not applicable. Certain variances are noted as ‘nm’ to indicate not meaningful. Certain reclassifications have been made to prior-period amounts to conform to current-period reporting classifications. These reclassifications had no impact on net income or total stockholders’ equity.

	(2) Mar 31, 2010	(3) Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011
<i>(Dollars in thousands)</i>								
Condensed Balance Sheets								
Assets:								
Investments and cash	\$ 2,983,780	\$ 2,275,564	\$ 2,284,127	\$ 2,279,621	\$ 2,330,098	\$ 2,297,013	\$ 2,319,873	\$ 2,157,582
Due from reinsurers	3,595,239	3,639,298	3,694,015	3,731,634	3,770,966	3,795,348	3,819,738	3,855,890
Deferred policy acquisition costs	702,429	745,322	798,335	853,211	908,600	966,094	1,004,545	1,050,637
Income taxes	56,114	—	—	—	—	—	—	—
Other assets	523,584	554,950	610,518	573,055	582,080	567,482	586,646	525,837
Separate account assets	2,222,267	2,098,936	2,301,896	2,446,786	2,582,881	2,544,429	2,276,705	2,408,598
Total assets	\$ 10,083,413	\$ 9,314,070	\$ 9,688,891	\$ 9,884,307	\$ 10,174,625	\$ 10,170,366	\$ 10,007,507	\$ 9,998,544
Liabilities:								
Future policy benefits	\$ 4,248,277	\$ 4,286,258	\$ 4,349,375	\$ 4,409,183	\$ 4,470,185	\$ 4,532,615	\$ 4,557,535	\$ 4,614,860
Other policy liabilities	630,294	608,307	609,047	592,711	604,487	588,202	589,826	589,542
Income taxes	—	129,776	127,732	136,226	142,780	130,283	136,028	131,477
Other liabilities	1,106,834	412,141	395,762	386,182	397,561	364,533	390,297	382,068
Note payable	—	300,000	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	149,358
Separate account liabilities	2,222,267	2,098,936	2,301,896	2,446,786	2,582,881	2,544,429	2,276,705	2,408,598
Total liabilities	8,336,714	7,996,474	8,292,577	8,452,814	8,683,983	8,623,404	8,435,874	8,575,903
Stockholders' equity:								
Common stock (\$0.01 par value) (1)	—	727	727	728	732	736	737	649
Paid-in capital	1,312,072	870,706	882,676	883,169	889,654	894,018	898,945	707,912
Retained earnings	300,531	304,075	342,920	395,057	446,767	488,521	526,847	566,021
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	97,082
Net unrealized investment losses other-than-temporarily impaired	(4,245)	(3,703)	(2,883)	(2,275)	(2,275)	(2,275)	(2,363)	(1,665)
Cumulative translation adjustment	53,076	48,286	51,925	56,492	59,221	60,315	48,210	52,642
Total stockholders' equity	1,746,699	1,317,596	1,396,314	1,431,493	1,490,642	1,546,962	1,571,633	1,422,641
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	\$ 9,998,544
Reconciliation of Adjusted Stockholders' Equity to Total Stockholders' Equity								
Adjusted stockholders' equity	\$ 1,665,679	\$ 1,223,794	\$ 1,278,248	\$ 1,335,446	\$ 1,396,374	\$ 1,443,590	\$ 1,474,739	\$ 1,327,224
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	97,082
Net unrealized investment losses other-than-temporarily impaired	(4,245)	(3,703)	(2,883)	(2,275)	(2,275)	(2,275)	(2,363)	(1,665)
Total reconciling items	81,020	93,802	118,066	96,047	94,268	103,372	96,894	95,417
Total stockholders' equity	\$ 1,746,699	\$ 1,317,596	\$ 1,396,314	\$ 1,431,493	\$ 1,490,642	\$ 1,546,962	\$ 1,571,633	\$ 1,422,641
Deferred Policy Acquisition Costs Rollforward								
Balance, beginning of period	\$ 2,789,905	\$ 702,429	\$ 745,322	\$ 798,335	\$ 853,211	\$ 908,600	\$ 966,094	\$ 1,004,545
General expenses deferred	16,095	15,061	14,876	14,481	14,123	16,946	15,340	15,449
Commission costs deferred	77,208	56,831	57,232	65,285	60,296	66,661	66,302	62,795
Amortization of deferred policy acquisition costs	(91,756)	(22,899)	(23,844)	(29,536)	(25,556)	(27,385)	(30,532)	(35,875)
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)	3,724
Balance, end of period	\$ 702,429	\$ 745,322	\$ 798,335	\$ 853,211	\$ 908,600	\$ 966,094	\$ 1,004,545	\$ 1,050,637

(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.

(Dollars in thousands, except per-share data)	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YOY Q4		YTD 2011	
									\$ Change	% Change		
Earnings per Share												
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	69,366,432	(3,086,694)	-4.3%	72,283,068	
Net income	na	\$ 22,008	\$ 39,595	\$ 52,889	\$ 52,467	\$ 44,023	\$ 40,600	\$ 41,185	\$ (11,704)	-22.1%	\$ 178,276	
Less income attributable to unvested participating securities	na	(928)	(1,540)	(2,051)	(2,103)	(1,284)	(1,144)	(1,230)	821	40.0%	(5,565)	
Net income used in computing basic EPS	na	\$ 21,080	\$ 38,055	\$ 50,838	\$ 50,364	\$ 42,739	\$ 39,457	\$ 39,955	\$ (10,883)	-21.4%	\$ 172,711	
Basic earnings per share	na	\$ 0.29	\$ 0.53	\$ 0.70	\$ 0.69	\$ 0.58	\$ 0.54	\$ 0.58	\$ (0.13)	-17.9%	\$ 2.39	
Net operating income	na	\$ 37,199	\$ 40,913	\$ 45,217	\$ 48,629	\$ 44,999	\$ 42,817	\$ 40,632	\$ (4,585)	-10.1%	\$ 177,077	
Less operating income attributable to unvested participating securities	na	(1,569)	(1,591)	(1,753)	(1,949)	(1,313)	(1,206)	(1,213)	540	30.8%	(5,526)	
Net operating income used in computing basic operating EPS	na	\$ 35,631	\$ 39,322	\$ 43,464	\$ 46,680	\$ 43,686	\$ 41,611	\$ 39,419	\$ (4,045)	-9.3%	\$ 171,551	
Basic operating income per share	na	\$ 0.50	\$ 0.54	\$ 0.60	\$ 0.64	\$ 0.59	\$ 0.56	\$ 0.57	\$ (0.03)	-5.3%	\$ 2.37	
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	69,366,432	(3,086,694)	-4.3%	72,083,068	
Dilutive impact of warrants	na	890,777	660,066	786,628	1,154,597	743,814	541,184	802,787	16,159	2.1%	823,497	
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	70,169,219	(3,070,535)	-4.2%	73,106,565	
Net income	na	\$ 22,008	\$ 39,595	\$ 52,889	\$ 52,467	\$ 44,023	\$ 40,600	\$ 41,185	\$ (11,704)	-22.1%	\$ 178,276	
Less income attributable to unvested participating securities	na	(917)	(1,527)	(2,030)	(2,072)	(1,272)	(1,136)	(1,217)	813	40.1%	(5,507)	
Net income used in computing diluted EPS	na	\$ 21,091	\$ 38,068	\$ 50,859	\$ 50,395	\$ 42,751	\$ 39,464	\$ 39,968	\$ (10,891)	-21.4%	\$ 172,769	
Diluted earnings per share	na	\$ 0.29	\$ 0.52	\$ 0.69	\$ 0.68	\$ 0.58	\$ 0.53	\$ 0.57	\$ (0.12)	-18.0%	\$ 2.36	
Net operating income	na	\$ 37,199	\$ 40,913	\$ 45,217	\$ 48,629	\$ 44,999	\$ 42,817	\$ 40,632	\$ (4,585)	-10.1%	\$ 177,077	
Less operating income attributable to unvested participating securities	na	(1,550)	(1,578)	(1,735)	(1,920)	(1,301)	(1,198)	(1,200)	535	30.8%	(5,469)	
Net operating income used in computing diluted operating EPS	na	\$ 35,649	\$ 39,335	\$ 43,482	\$ 46,709	\$ 43,698	\$ 41,619	\$ 39,432	\$ (4,050)	-9.3%	\$ 171,608	
Diluted operating income per share	na	\$ 0.49	\$ 0.54	\$ 0.59	\$ 0.63	\$ 0.59	\$ 0.56	\$ 0.56	\$ (0.03)	-5.3%	\$ 2.35	

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	Q4 2011	YOY Q4		YTD 2011
									Change	% Change	
Annualized Return on Equity											
Average stockholders' equity	na	\$ 1,296,220	\$ 1,356,955	\$ 1,413,904	\$ 1,461,068	\$ 1,518,802	\$ 1,559,298	\$ 1,497,137	\$ 83,234	5.9%	\$ 1,509,076
Average adjusted stockholders' equity	na	\$ 1,208,809	\$ 1,251,021	\$ 1,306,847	\$ 1,365,910	\$ 1,419,982	\$ 1,459,165	\$ 1,400,982	\$ 94,135	7.2%	\$ 1,411,510
Net income return on stockholders' equity	na	6.8%	11.7%	15.0%	14.4%	11.6%	10.4%	11.0%	-4.0%	nm	11.8%
Net income return on adjusted stockholders' equity	na	7.3%	12.7%	16.2%	15.4%	12.4%	11.1%	11.8%	-4.4%	nm	12.6%
Net operating income return on adjusted stockholders' equity	na	12.3%	13.1%	13.8%	14.2%	12.7%	11.7%	11.6%	-2.2%	nm	12.5%
Capital Structure											
Debt-to-capital (1)	na	18.5%	17.7%	17.3%	16.8%	16.2%	16.0%	17.4%	0.1%	nm	17.4%
Cash and invested assets to stockholders' equity	na	1.7x	1.6x	1.6x	1.6x	1.5x	1.5x	1.5x	(0.1x)	nm	1.5x
Cash and invested assets to adjusted stockholders' equity	na	1.9x	1.8x	1.7x	1.7x	1.6x	1.6x	1.6x	(0.1x)	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	64,882,643	(7,960,570)	-10.9%	64,882,643
Adjusted stockholders' equity per share	na	\$ 16.83	\$ 17.58	\$ 18.33	\$ 19.08	\$ 19.61	\$ 20.00	\$ 20.46	\$ 2.12	11.6%	\$ 20.46
Financial Strength Ratings - Primerica Life Insurance Company											
Moody's	na	na	na	na	na	A2	A2	A2	nm	nm	nm
S&P	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

Holding Company Senior Debt Ratings

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).

	(4)								YOY Q4		YTD 2011
	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	\$ Change	% Change	
<i>(Dollars in thousands)</i>											
Statement of Income											
Revenues:											
Direct premiums	\$ 537,845	\$ 547,455	\$ 547,444	\$ 548,330	\$ 552,069	\$ 560,881	\$ 560,739	\$ 555,778	\$ 7,448	1.4%	\$ 2,229,467
Ceded premiums	(148,119)	(447,213)	(437,054)	(417,981)	(422,238)	(435,564)	(425,643)	(419,630)	(1,649)	nm	(1,703,075)
Net premiums	389,726	100,242	110,390	130,349	129,831	125,317	135,096	136,148	5,799	4.4%	526,392
Net investment income	82,576	27,991	27,855	26,688	28,626	27,229	27,103	25,644	(1,044)	-3.9%	108,602
Commissions and fees:											
Sales-based (1)	36,363	36,301	32,941	37,001	43,128	44,904	42,244	40,086	3,085	8.3%	170,362
Asset-based (2)	38,014	39,445	37,602	52,412	44,825	45,348	41,996	40,889	(11,523)	-22.0%	173,059
Account-based (3)	10,208	10,317	10,620	10,545	10,432	11,811	10,140	9,615	(930)	-8.8%	41,997
Other commissions and fees	7,105	7,162	8,574	8,331	7,731	6,635	6,502	6,693	(1,638)	-19.7%	27,560
Realized investment (losses) gains	31,057	374	1,015	1,700	327	2,035	(178)	4,256	2,556	nm	6,440
Other, net	11,893	12,466	12,239	12,362	11,452	11,816	12,886	12,525	163	1.3%	48,679
Total revenues	606,942	234,299	241,236	279,387	276,352	275,095	275,790	275,855	(3,532)	-1.3%	1,103,092
Benefits and expenses:											
Benefits and claims	170,735	45,124	49,811	52,033	57,635	57,272	64,101	63,688	11,655	22.4%	242,696
Amortization of DAC	91,756	22,899	23,844	29,536	25,556	27,385	30,532	35,875	6,339	21.5%	119,348
Insurance commissions	6,371	4,233	5,100	4,205	5,000	4,219	4,909	5,168	963	22.9%	19,296
Insurance expenses	37,529	10,083	11,999	15,887	9,552	19,154	15,465	16,938	1,051	6.6%	61,109
Sales commissions:											
Sales-based (1)	26,203	25,998	23,474	25,319	30,547	31,378	29,627	26,792	1,473	5.8%	118,344
Asset-based (2)	12,715	12,911	12,232	20,271	15,451	15,111	13,805	13,534	(6,737)	-33.2%	57,901
Other sales commissions	4,963	4,603	6,558	4,676	4,358	3,674	3,538	3,490	(1,185)	-25.3%	15,061
Interest expense	—	6,928	6,968	6,976	6,997	6,998	7,000	6,973	(3)	nm	27,968
Other operating expenses	36,268	65,183	39,371	39,962	40,111	41,743	42,962	40,709	747	1.9%	165,525
Total benefits and expenses	386,541	197,961	179,357	198,865	195,207	206,934	211,940	213,167	14,302	7.2%	827,248
Income before income taxes	220,402	36,338	61,879	80,522	81,145	68,161	63,850	62,688	(17,834)	-22.1%	275,844
Income taxes	77,116	14,330	22,284	27,633	28,678	24,138	23,250	21,503	(6,130)	-22.2%	97,569
Net income	\$ 143,286	\$ 22,008	\$ 39,595	\$ 52,889	\$ 52,467	\$ 44,023	\$ 40,600	\$ 41,185	\$ (11,704)	-22.1%	\$ 178,275
Income Before Income Taxes by Segment											
Term Life	\$ 160,367	\$ 44,095	\$ 42,581	\$ 52,000	\$ 57,649	\$ 45,781	\$ 48,088	\$ 43,091	\$ (8,909)	-17.1%	\$ 194,609
Investment & Savings Products	25,447	26,735	26,578	34,769	31,039	30,470	26,746	28,821	(5,948)	-17.1%	117,076
Corporate & Other Distributed Products	34,587	(34,492)	(7,280)	(6,247)	(7,543)	(8,090)	(10,984)	(9,224)	(2,977)	-47.7%	(35,841)
Income before income taxes	\$ 220,402	\$ 36,338	\$ 61,879	\$ 80,522	\$ 81,145	\$ 68,161	\$ 63,850	\$ 62,688	\$ (17,834)	-22.1%	\$ 275,844

(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

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YOY Q4		YTD 2010	YTD 2011	YOY YTD	
									\$ Change	% Change			\$ Change	% Change
<i>(Dollars in thousands)</i>														
Reconciliation from Operating Revenues to Total Revenues														
Operating revenues	\$ 224,822	\$ 233,925	\$ 240,221	\$ 264,546	\$ 267,296	\$ 273,060	\$ 275,968	\$ 271,599	\$ 7,053	2.7%	\$ 963,513	\$ 1,087,923	\$ 124,410	12.9%
Operating revenues reconciling items:														
Realized investment gains/losses	31,057	374	1,015	1,700	327	2,035	(178)	4,256	nm	nm	34,146	6,440	nm	nm
Ceded premiums - reinsurance recoveries	—	—	—	13,141	8,729	—	—	—	nm	nm	13,141	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)	4,256	nm	nm	398,351	15,169	nm	nm
Total revenues	\$ 606,942	\$ 234,299	\$ 241,236	\$ 279,387	\$ 276,352	\$ 275,095	\$ 275,790	\$ 275,855	\$ (3,532)	-1.3%	\$ 1,361,864	\$ 1,103,092	\$ (258,772)	-19.0%
Reconciliation from Operating Income Before Income Taxes to Income Before Income Taxes														
Operating income before income taxes	\$ 58,689	\$ 61,421	\$ 63,940	\$ 68,842	\$ 75,209	\$ 69,672	\$ 67,337	\$ 61,847	\$ (6,995)	-10.2%	\$ 252,891	\$ 274,064	\$ 21,173	8.4%
Operating income before income taxes reconciling items:														
Realized investment gains/losses	31,057	374	1,015	1,700	327	2,035	(178)	4,256	nm	nm	34,146	6,440	nm	nm
Ceded premiums - reinsurance recoveries	—	—	—	13,141	8,729	—	—	—	nm	nm	13,141	8,729	nm	nm
Initial & accelerated management / field grant expense	—	(25,457)	(3,076)	(3,161)	(3,120)	(3,546)	(3,309)	(3,415)	nm	nm	(31,694)	(13,389)	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)	841	nm	nm	146,250	1,780	nm	nm
Income before income taxes	\$ 220,402	\$ 36,338	\$ 61,879	\$ 80,522	\$ 81,145	\$ 68,161	\$ 63,850	\$ 62,688	\$ (17,834)	-22.1%	\$ 399,141	\$ 275,844	\$ (123,297)	-30.9%
Reconciliation from Net Operating Income to Net Income														
Net operating income	\$ 38,154	\$ 37,199	\$ 40,914	\$ 45,217	\$ 48,629	\$ 44,999	\$ 42,817	\$ 40,632	\$ (4,585)	-10.1%	\$ 161,484	\$ 177,077	\$ 15,593	9.7%
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)	841	nm	nm	146,250	1,780	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	(288)	nm	nm	(49,956)	(582)	nm	nm
Total net operating income reconciling items	105,131	(15,191)	(1,319)	7,672	3,838	(976)	(2,217)	553	nm	nm	96,293	1,198	nm	nm
Net income	\$ 143,286	\$ 22,008	\$ 39,595	\$ 52,889	\$ 52,467	\$ 44,023	\$ 40,600	\$ 41,185	\$ (11,704)	-22.1%	\$ 257,778	\$ 178,275	\$ (79,503)	-30.8%

Segment Operating Results

									YOY Q4		YTD		YOY YTD	
	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	\$ Change	% Change	YTD 2010	YTD 2011	\$ Change	% Change
<i>(Dollars in thousands)</i>														
Term Life Insurance														
Revenues:														
Direct premiums	\$ 517,932	\$ 527,792	\$ 525,644	\$ 529,341	\$ 532,167	\$ 540,283	\$ 539,693	\$ 537,450	\$ 8,110	1.5%	\$ 2,100,708	\$ 2,149,594	\$ 48,886	2.3%
Ceded premiums	(440,699)	(444,008)	(433,234)	(427,571)	(427,382)	(431,890)	(421,933)	(416,477)	11,094	2.6%	(1,745,512)	(1,697,682)	47,830	2.7%
Net premiums	77,233	83,784	92,410	101,770	104,786	108,393	117,760	120,973	19,203	18.9%	355,196	451,912	96,716	27.2%
Allocated net investment income	16,497	15,961	15,595	14,242	15,794	15,669	15,664	15,560	1,318	9.3%	62,294	62,688	393	nm
Other, net	8,782	8,643	7,929	7,914	7,653	7,580	8,289	8,144	230	2.9%	33,268	31,666	(1,602)	-4.8%
Operating revenues	102,511	108,388	115,933	123,926	128,233	131,641	141,713	144,678	20,752	16.7%	450,759	546,266	95,507	21.2%
Benefits and expenses:														
Benefits and claims	32,905	35,134	39,084	42,325	47,351	43,921	52,067	53,820	11,495	27.2%	149,448	197,159	47,711	31.9%
Amortization of DAC	17,418	19,128	21,900	26,477	22,146	22,995	25,868	32,544	6,067	22.9%	84,924	103,553	18,629	21.9%
Insurance commissions	456	404	330	320	327	268	267	256	(64)	-19.9%	1,510	1,118	(392)	-26.0%
Insurance expenses	8,687	6,824	9,194	13,095	6,618	15,804	12,549	12,118	(977)	-7.5%	37,800	47,089	9,289	24.6%
Interest expense	2,812	2,803	2,843	2,851	2,872	2,873	2,875	2,848	(2)	nm	11,309	11,468	159	1.4%
Operating benefits and expenses	62,278	64,294	73,352	85,067	79,313	85,860	93,625	101,587	16,520	19.4%	284,991	360,386	75,396	26.5%
Operating income before income taxes	\$ 40,234	\$ 44,095	\$ 42,581	\$ 38,859	\$ 48,920	\$ 45,781	\$ 48,088	\$ 43,091	\$ 4,232	10.9%	\$ 165,768	\$ 185,880	\$ 20,111	12.1%
Investment & Savings Products														
Revenues:														
Commissions and fees:														
Sales-based	\$ 36,363	\$ 36,301	\$ 32,941	\$ 37,001	\$ 43,128	\$ 44,904	\$ 42,244	\$ 40,086	\$ 3,085	8.3%	\$ 142,605	\$ 170,362	\$ 27,757	19.5%
Asset-based	38,014	39,445	37,602	52,412	44,825	45,348	41,996	40,889	(11,523)	-22.0%	167,473	173,059	5,586	3.3%
Account-based	10,208	10,317	10,620	10,545	10,432	11,811	10,140	9,615	(930)	-8.8%	41,690	41,997	307	nm
Other, net	2,108	2,155	2,711	3,064	2,461	2,522	3,105	3,196	132	4.3%	10,038	11,285	1,246	12.4%
Operating revenues	86,693	88,218	83,874	103,021	100,846	104,586	97,486	93,786	(9,236)	-9.0%	361,806	396,703	34,896	9.6%
Benefits and expenses:														
Amortization of DAC	2,549	3,029	1,361	2,392	2,785	3,751	4,034	1,913	(479)	-20.0%	9,330	12,482	3,151	33.8%
Insurance commissions	1,809	1,989	1,964	2,091	2,140	2,344	2,277	2,089	(2)	nm	7,852	8,851	998	12.7%
Sales commissions:														
Sales-based	26,203	25,998	23,474	25,319	30,547	31,378	29,627	26,792	1,473	5.8%	100,994	118,344	17,350	17.2%
Asset-based	12,715	12,911	12,232	20,271	15,451	15,111	13,805	13,534	(6,737)	-33.2%	58,129	57,901	(228)	nm
Other operating expenses	17,970	17,556	18,266	18,179	18,884	21,531	20,997	20,637	2,458	13.5%	71,972	82,048	10,077	14.0%
Operating benefits and expenses	61,246	61,483	57,296	68,253	69,807	74,115	70,740	64,964	(3,288)	-4.8%	248,278	279,626	31,349	12.6%
Operating income before income taxes	\$ 25,447	\$ 26,735	\$ 26,578	\$ 34,769	\$ 31,039	\$ 30,470	\$ 26,746	\$ 28,821	\$ (5,948)	-17.1%	\$ 113,529	\$ 117,076	\$ 3,548	3.1%
Corporate & Other Distributed Products														
Revenues:														
Direct premiums	\$ 19,913	\$ 19,663	\$ 21,800	\$ 18,989	\$ 19,902	\$ 20,597	\$ 21,046	\$ 18,328	\$ (662)	-3.5%	\$ 80,366	\$ 79,873	\$ (493)	nm
Ceded premiums	(3,748)	(3,206)	(3,820)	(3,551)	(3,585)	(3,674)	(3,710)	(3,153)	398	11.2%	(14,325)	(14,122)	203	1.4%
Net premiums	16,165	16,458	17,980	15,438	16,317	16,924	17,336	15,174	(264)	-1.7%	66,041	65,751	(290)	nm
Allocated net investment income	11,344	12,030	12,260	12,446	12,831	11,560	11,439	10,083	(2,363)	-19.0%	48,080	45,914	(2,166)	-4.5%
Commissions and fees:														
Loans	2,455	1,918	3,527	2,427	1,528	1,202	1,126	1,134	(1,293)	-53.3%	10,327	4,990	(5,337)	-51.7%
DebtWatchers	620	779	845	1,035	1,071	805	840	791	(245)	nm	3,279	3,507	228	nm
Prepaid Legal Services	2,340	2,305	2,287	2,689	2,619	2,345	2,329	2,321	(368)	-13.7%	9,622	9,614	(8)	nm
Auto and Homeowners														
Insurance	1,012	1,372	1,200	1,395	1,687	1,507	1,427	1,606	211	15.1%	4,979	6,228	1,248	25.1%
Long-Term Care Insurance	679	788	715	784	825	775	764	835	51	6.5%	2,966	3,200	234	7.9%
Other sales commissions	—	—	—	—	1	0	16	5	5	nm	—	23	23	nm
Other, net	1,004	1,668	1,600	1,383	1,338	1,714	1,492	1,185	(198)	-14.3%	5,654	5,729	75	1.3%
Operating revenues	35,618	37,318	40,414	37,598	38,217	36,833	36,769	33,135	(4,462)	-11.9%	150,947	144,954	(5,992)	-4.0%
Benefits and expenses:														
Benefits and claims	9,626	9,991	10,727	9,708	10,284	13,352	12,034	9,867	159	1.6%	40,052	45,537	5,485	13.7%
Amortization of DAC	400	742	583	667	625	639	631	1,418	751	112.6%	2,393	3,313	920	38.5%
Insurance commissions	2,438	1,838	2,804	1,793	2,534	1,607	2,365	2,823	1,030	57.4%	8,873	9,329	456	5.1%
Insurance expenses	2,759	3,259	2,804	2,792	2,934	3,350	2,916	4,820	2,029	72.7%	11,615	14,020	2,406	20.7%
Sales commissions	4,963	4,603	6,560	4,676	4,358	3,674	3,538	3,490	(1,185)	-25.3%	20,801	15,061	(5,740)	-27.6%
Interest expense	4,125	4,125	4,125	4,125	4,125	4,125	4,125	4,125	—	nm	16,500	16,500	—	nm
Other operating expenses	18,298	22,170	18,030	18,622	18,107	16,667	18,657	16,656	(1,966)	-10.6%	77,120	70,087	(7,033)	-9.1%
Operating benefits and expenses	42,609	46,727	45,633	42,383	42,967	43,413	44,267	43,201	817	1.9%	177,353	173,847	(3,506)	-2.0%
Operating income before income taxes	\$ (6,992)	\$ (9,410)	\$ (5,219)	\$ (4,786)	\$ (4,749)	\$ (6,580)	\$ (7,498)	\$ (10,065)	\$ (5,280)	-110.3%	\$ (26,407)	\$ (28,893)	\$ (2,486)	-9.4%

Revenues:														
Direct premiums	\$ 507,794	\$ 506,536	\$ 495,494	\$ 491,144	\$ 485,396	\$ 483,702	\$ 475,038	\$ 466,211	\$ (24,933)	-5.1%	\$ 2,000,968	\$ 1,910,347	\$ (90,621)	-4.5%
Ceded premiums	(436,962)	(440,140)	(429,883)	(423,542)	(419,307)	(422,570)	(413,421)	(407,724)	15,818	3.7%	(1,730,527)	(1,663,021)	67,506	3.9%
Net premiums	70,832	66,396	65,611	67,602	66,089	61,132	61,618	58,487	(9,115)	-13.5%	270,441	247,326	(23,115)	-8.5%
Allocated net investment income	16,388	15,786	15,277	13,763	15,164	14,947	14,678	14,365	602	4.4%	61,214	59,154	(2,061)	-3.4%
Other, net	(20)	(32)	(170)	24	39	(26)	2	(7)	(31)	-127.5%	(199)	9	208	104.6%
Operating revenues	87,199	82,150	80,718	81,389	81,293	76,053	76,298	72,845	(8,544)	-10.5%	331,457	306,489	(24,968)	-7.5%
Benefits and expenses:														
Benefits and claims	31,388	29,721	28,741	28,775	33,349	26,541	30,981	30,560	1,785	6.2%	118,624	121,430	2,806	2.4%
Amortization of DAC	16,450	12,723	14,175	14,810	11,983	12,468	12,046	13,383	(1,427)	-9.6%	58,159	49,879	(8,280)	-14.2%
Insurance commissions	456	404	331	320	327	268	267	257	(63)	-19.8%	1,511	1,118	(393)	-26.0%
Insurance expenses	10,047	9,888	9,648	12,270	9,366	9,466	9,014	7,989	(4,282)	-34.9%	41,854	35,834	(6,020)	-14.4%
Insurance expense allowance	(19,541)	(19,114)	(18,678)	(18,303)	(18,508)	(18,212)	(17,883)	(17,483)	820	4.5%	(75,636)	(72,085)	3,551	4.7%
Interest expense	2,812	2,803	2,843	2,851	2,872	2,873	2,875	2,848	(2)	nm	11,309	11,468	159	1.4%
Operating benefits and expenses	41,612	36,425	37,061	40,723	39,387	33,403	37,300	37,554	(3,170)	-7.8%	155,821	147,645	(8,177)	-5.2%
Operating income before income taxes	\$ 45,587	\$ 45,726	\$ 43,657	\$ 40,666	\$ 41,905	\$ 42,650	\$ 38,998	\$ 35,291	\$ (5,374)	-13.2%	\$ 175,635	\$ 158,844	\$ (16,791)	-9.6%

(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

PRIMERICA, INC.
Financial Supplement

(Dollars in thousands, except as noted)	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YOY Q4		YTD 2010	YTD 2011	YOY YTD	
									\$ Change	% Change			\$ Change	% Change
Key Statistics														
Life-insurance licensed sales force, beginning of period	99,785	97,354	96,066	96,872	94,850	92,212	90,519	91,970	(4,902)	-5.1%	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	8,171	366	4.7%	34,488	33,711	(777)	-2.3%
Non-renewal and terminated representatives	(9,797)	(11,175)	(8,624)	(9,827)	(9,783)	(9,754)	(8,883)	(8,965)	862	8.8%	(39,423)	(37,385)	2,038	5.2%
Life-insurance licensed sales force, end of period	97,354	96,066	96,872	94,850	92,212	90,519	91,970	91,176 (6)	(3,674)	-3.9%	94,850	91,176	(3,674)	-3.9%
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	\$ 48.9	\$ 4.4	9.8%	\$ 180.8	\$ 187.6	\$ 6.8	3.8%
Additions and increases in premium	10.8	11.7	10.9	11.2	10.4	11.4	11.5	11.6	0.4	3.8%	44.6	44.9	0.4	nm
Total estimated annualized issued term life premium	\$ 54.2	\$ 60.6	\$ 55.0	\$ 55.6	\$ 51.5	\$ 58.9	\$ 61.7	\$ 60.4	\$ 4.8	8.6%	\$ 225.4	\$ 232.5	\$ 7.1	3.2%
Issued term life policies	52,445	60,406	54,373	56,290	51,281	59,826	65,067	61,361	5,071	9.0%	223,514	237,535	14,021	6.3%
Estimated average annualized issued term life premium per policy (1)(2)	\$ 827	\$ 809	\$ 811	\$ 790	\$ 802	\$ 794	\$ 771	\$ 796	\$ 6	nm	\$ 809	\$ 790	\$ (19)	-2.4%
Term life face amount in-force, beginning of period (\$mills)	\$650,195	\$651,790	\$653,530	\$654,633	\$656,791	\$658,523	\$663,617	\$666,182	\$ 11,549	1.8%	\$ 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	18,552	302	1.7%	74,401	73,146	(1,256)	-1.7%
Terminated term life face amount	(18,867)	(16,156)	(17,836)	(18,105)	(17,247)	(14,724)	(16,221)	(18,760)	(655)	-3.6%	(70,964)	(66,951)	4,012	5.7%
Foreign currency impact, net	2,464	(2,146)	826	2,013	2,244	843	(98)	(1,019)	(3,033)	nm	3,158	1,970	(1,188)	nm
Term life face amount in-force, end of period	\$651,790	\$653,530	\$654,633	\$656,791	\$658,523	\$663,617	\$666,182	\$664,955	\$ 8,164	1.2%	\$ 656,791	\$ 664,955	\$ 8,164	1.2%
New Term Life Insurance - Financial Analysis														
Direct premium	\$ 10,138	\$ 21,256	\$ 30,149	\$ 38,197	\$ 46,771	\$ 56,581	\$ 64,655	\$ 71,240	33,043	86.5%	\$ 99,740	\$ 239,247	\$ 139,506	139.9%
New term life operating income before income taxes	\$ (5,354)	\$ (1,631)	\$ (1,075)	\$ (1,807)	\$ 7,015	\$ 3,132	\$ 9,090	\$ 7,799	9,607	nm	\$ (9,867)	\$ 27,036	\$ 36,903	nm
% of direct premium	-52.8%	-7.7%	-3.6%	-4.7%	15.0%	5.5%	14.1%	10.9%	nm	nm	-9.9%	11.3%	nm	nm
Benefits & expenses, net (4)	\$ 6,222	\$ 15,687	\$ 21,418	\$ 29,245	\$ 32,240	\$ 37,227	\$ 43,421	\$ 51,175	21,930	75.0%	\$ 72,573	\$ 164,063	\$ 91,490	126.1%
% of direct premium	61.4%	73.8%	71.0%	76.6%	68.9%	65.8%	67.2%	71.8%	nm	nm	72.8%	68.6%	nm	nm
Insurance expenses, net (5)	\$ 9,378	\$ 7,375	\$ 10,124	\$ 11,237	\$ 8,147	\$ 16,944	\$ 13,131	\$ 13,461	2,223	19.8%	\$ 38,114	\$ 51,682	\$ 13,568	35.6%
% of direct premium	92.5%	34.7%	33.6%	29.4%	17.4%	29.9%	20.3%	18.9%	nm	nm	38.2%	21.6%	nm	nm
Legacy Term Life Insurance - Financial Analysis														
Direct premium	\$507,794	\$506,536	\$495,494	\$491,144	\$485,396	\$483,702	\$475,038	\$466,211	(24,933)	-5.1%	\$2,000,968	\$1,910,347	\$ (90,621)	-4.5%

Legacy term life operating income before income taxes	\$ 45,587	\$ 45,726	\$ 43,657	\$ 40,666	\$ 41,905	\$ 42,650	\$ 38,998	\$ 35,291	(5,374)	-13.2%	\$ 175,635	\$ 158,844	\$ (16,791)	-9.6%
% of direct premium	9.0%	9.0%	8.8%	8.3%	8.6%	8.8%	8.2%	7.6%	nm	nm	8.8%	8.3%	nm	nm

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- (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
- (6) A change in the methodology for terminating agents resulted in an immaterial increase in the size of the sales force at year-end.

(Dollars in thousands,
except as noted)**Investment & Savings
Products Operating
Income Before Income
Taxes**

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YOY Q4		YOY YTD		\$ Change	%	
									\$ Change	% Change	YTD 2010	YTD 2011			\$ Change
Revenues:															
Commissions and fees:															
Sales-based	\$ 36,363	\$ 36,301	\$ 32,941	\$ 37,001	\$ 43,128	\$ 44,904	\$ 42,244	\$ 40,086	\$ 3,085	8.3%	\$ 142,605	\$ 170,362	\$ 27,757	19.5%	
Asset-based	38,014	39,445	37,602	52,412	44,825	45,348	41,996	40,889	(11,523)	-22.0%	167,473	173,059	5,586	3.3%	
Account-based	10,208	10,317	10,620	10,545	10,432	11,811	10,140	9,615	(930)	-8.8%	41,690	41,997	307	nm	
Other, net	2,108	2,155	2,711	3,064	2,461	2,522	3,105	3,196	132	4.3%	10,038	11,285	1,246	12.4%	
Operating revenues	86,693	88,218	83,874	103,021	100,846	104,586	97,486	93,786	(9,236)	-9.0%	361,806	396,703	34,896	9.6%	
Benefits and expenses:															
Amortization of DAC	2,549	3,029	1,361	2,392	2,785	3,751	4,034	1,913	(479)	-20.0%	9,330	12,482	3,151	33.8%	
Insurance commissions	1,809	1,989	1,964	2,091	2,140	2,344	2,277	2,089	(2)	nm	7,852	8,851	998	12.7%	
Sales commissions:															
Sales-based	26,203	25,998	23,474	25,319	30,547	31,378	29,627	26,792	1,473	5.8%	100,994	118,344	17,350	17.2%	
Asset-based	12,715	12,911	12,232	20,271	15,451	15,111	13,805	13,534	(6,737)	-33.2%	58,129	57,901	(228)	nm	
Other operating expenses	17,970	17,556	18,266	18,179	18,884	21,531	20,997	20,637	2,458	13.5%	71,972	82,048	10,077	14.0%	
Operating benefits and expenses	61,246	61,483	57,296	68,253	69,807	74,115	70,740	64,964	(3,288)	-4.8%	248,278	279,626	31,349	12.6%	
Operating income before income taxes	\$ 25,447	\$ 26,735	\$ 26,578	\$ 34,769	\$ 31,039	\$ 30,470	\$ 26,746	\$ 28,821	\$ (5,948)	-17.1%	\$ 113,529	\$ 117,076	\$ 3,548	3.1%	

Key Statistics

Product sales (\$mills)															
Retail Mutual Funds	\$ 594.7	\$ 551.0	\$ 474.8	\$ 520.3	\$ 646.0	\$ 603.1	\$ 498.3	\$ 482.5	\$ (37.8)	-7.3%	\$ 2,140.9	\$ 2,229.9	\$ 89.0	4.2%	
Variable Annuities and other	267.3	308.3	287.5	306.1	344.6	458.0	483.4	388.4	82.3	26.9%	1,169.2	1,674.4	505.2	43.2%	
Total sales-based revenue generating product sales	862.1	859.3	762.3	826.4	990.6	1,061.1	981.7	870.9	44.5	5.4%	3,310.1	3,904.3	594.2	18.0%	
Managed Mutual Funds	—	—	—	—	—	0.2	11.8	16.6	16.6	nm	—	28.6	28.6	nm	
Segregated Funds	111.4	64.0	61.6	76.6	123.1	74.2	66.6	68.4	(8.2)	-10.7%	313.5	332.2	18.6	5.9%	
Total product sales	\$ 973.5	\$ 923.3	\$ 823.9	\$ 903.0	\$ 1,113.7	\$ 1,135.5	\$ 1,060.0	\$ 955.8	\$ 52.9	5.9%	\$ 3,623.6	\$ 4,265.1	\$ 641.4	17.7%	
Client asset values, beginning of period (\$mills)															
Inflows	\$ 31,303	\$ 32,670	\$ 29,723	\$ 32,600	\$ 34,869	\$ 36,187	\$ 36,020	\$ 31,623	\$ (977)	-3.0%	\$ 31,303	\$ 34,869	\$ 3,566	11.4%	
Outflows (1)	974	923	824	903	1,114	1,136	1,060	956	53	5.9%	3,624	4,265	641	17.7%	
Net flows	(956)	(903)	(887)	(945)	(1,083)	(1,118)	(1,091)	(983)	(38)	-4.0%	(3,691)	(4,275)	(584)	-15.8%	
Change in market value, net and other (2)	17	20	(63)	(42)	31	18	(31)	(27)	15	nm	(67)	(10)	57	nm	
Client asset values, end of period	1,350	(2,967)	2,940	2,311	1,288	(185)	(4,365)	2,068	(243)	nm	3,633	(1,195)	(4,828)	nm	
Average client asset values (\$mills)															
Mutual Funds	\$ 22,453	\$ 22,424	\$ 21,919	\$ 23,661	\$ 24,882	\$ 25,330	\$ 23,521	\$ 22,687	\$ (973)	-4.1%	\$ 22,614	\$ 24,105	\$ 1,491	6.6%	
Variable Annuities and other	6,847	6,955	6,954	7,623	8,242	8,588	8,192	8,083	459	6.0%	7,095	8,276	1,181	16.7%	
Segregated Funds	2,105	2,182	2,184	2,327	2,477	2,545	2,479	2,454	128	5.5%	2,199	2,489	290	13.2%	
Total	\$ 31,404	\$ 31,561	\$ 31,056	\$ 33,611	\$ 35,602	\$ 36,463	\$ 34,192	\$ 33,224	\$ (386)	-1.1%	\$ 31,908	\$ 34,870	\$ 2,962	9.3%	
Average number of fee-generating accounts (thous) (3)	2,762	2,741	2,715	2,694	2,662	2,611	2,626	2,611	(83)	-3.1%	2,728	2,627	(101)	-3.7%	

Financial Analysis

Sales-based net revenue as % of sales (4)	1.18%	1.20%	1.24%	1.41%	1.27%	1.27%	1.29%	1.53%	nm	nm	1.26%	1.33%	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%	0.07%	nm	nm	0.29%	0.27%	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	\$ 3.68	nm	nm	\$ 15.28	\$ 15.98	nm	nm

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- (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

As of or for the period ended December 31, 2011							
	Market Value	Amortized Cost	Unrealized G/(L)	% of Total		Avg Book Yield	Avg Rating
				Market Value	Amortized Cost		
<i>(Dollars in thousands)</i>							
Investment Portfolio by Asset Class							
Cash and cash equivalents	\$ 136,078	\$ 136,078	\$ —	6.4%	6.9%		
Fixed Income:							
Treasury	37,785	34,026	3,759	1.8%	1.7%	3.07%	AAA
Government	108,894	94,829	14,064	5.1%	4.8%	4.90%	AA-
Tax-Exempt Municipal	7,087	6,665	422	0.3%	0.3%	3.75%	AA-
Corporate	1,229,511	1,131,010	98,501	57.7%	57.2%	5.84%	BBB+
Mortgage-Backed	275,646	254,130	21,516	12.9%	12.8%	5.48%	AA+
Asset-Backed	49,165	50,762	(1,597)	2.3%	2.6%	1.70%	AA
CMBS	130,682	124,532	6,150	6.1%	6.3%	4.99%	AAA
Private	114,409	109,341	5,068	5.4%	5.5%	5.85%	BBB
Redeemable Preferred	1,010	1,389	(378)	0.0%	0.1%	45.71%	A
Convertible	14,608	14,315	293	0.7%	0.7%	3.24%	A-
Total Fixed							
Income	1,968,796	1,820,999	147,797	92.4%	92.0%	5.52%	A
Equities:							
Perpetual Preferred	197	85	111	0.0%	0.0%		
Common Stock	10,851	8,547	2,303	0.5%	0.4%		
Mutual Fund	7,082	4,113	2,969	0.3%	0.2%		
Other	8,583	8,583	0	0.4%	0.4%		
Total Equities	26,712	21,329	5,383	1.3%	1.1%		
Total Invested							
Assets	\$ 2,131,586	\$ 1,978,406	\$ 153,180	100.0%	100.0%		

Corporate Portfolio by Sector

Banking	\$ 114,926	\$ 112,182	\$ 2,744	9.3%	9.9%		
Basic Industry	93,128	85,214	7,914	7.6%	7.5%		
Brokerage	19,762	18,784	978	1.6%	1.7%		
Capital Goods	80,749	73,347	7,401	6.6%	6.5%		
Communications	87,340	80,130	7,210	7.1%	7.1%		
Consumer Cyclical	53,807	50,044	3,763	4.4%	4.4%		
Consumer Non-Cyclical	143,809	127,096	16,714	11.7%	11.2%		
Electric	124,033	110,396	13,637	10.1%	9.8%		
Energy	74,614	67,035	7,580	6.1%	5.9%		
Finance Companies	22,776	20,017	2,759	1.9%	1.8%		
Financial Other	13,020	12,471	549	1.1%	1.1%		
Industrial Other	28,505	25,773	2,732	2.3%	2.3%		
Insurance	105,460	98,708	6,751	8.6%	8.7%		
Natural Gas	68,629	62,068	6,561	5.6%	5.5%		
REITs	106,337	101,433	4,904	8.6%	9.0%		
Technology	62,843	58,905	3,937	5.1%	5.2%		
Transportation	23,512	21,418	2,094	1.9%	1.9%		
Utility Other	6,261	5,990	271	0.5%	0.5%		
Total Corporate							
portfolio	\$ 1,229,511	\$ 1,131,010	\$ 98,501	100.0%	100.0%		

Fixed-Maturity Securities - Effective Maturity

Effective maturity							
< 1 Yr.	\$ 197,679	\$ 194,105	\$ 3,574	10.0%	10.7%	4.40%	
1-2 Yrs.	250,147	239,483	10,664	12.7%	13.2%	5.63%	
2-5 Yrs.	758,063	706,333	51,730	38.5%	38.8%	5.30%	
5-10 Yrs.	701,663	627,936	73,727	35.6%	34.5%	5.96%	
> 10 Yrs.	61,244	53,141	8,103	3.1%	2.9%	6.60%	
Total Fixed							
Income	\$ 1,968,796	\$ 1,820,999	\$ 147,797	100.0%	100.0%	5.52%	

Duration

Fixed Income portfolio duration 3.5 years

(Dollars in thousands)

Investment Portfolio Quality Ratings (1)

	<u>Amortized Cost</u>	<u>% of Total</u>
Total Fixed Income portfolio:		
<u>Rating</u>		
AAA	\$ 428,748	23.5%
AA	150,894	8.3%
A	431,175	23.7%
BBB	683,818	37.6%
Below Investment Grade	125,594	6.9%
NA	770	0.0%
Total Fixed Income	<u>\$ 1,820,999</u>	<u>100.0%</u>

Corporate asset class:	<u>Amortized Cost</u>	<u>% of Total</u>
<u>Rating</u>		
AAA	\$ 350	0.0%
AA	73,263	6.5%
A	382,730	33.8%
BBB	588,506	52.0%
Below Investment Grade	85,590	7.6%
NA	571	0.1%
Total Corporate	<u>\$ 1,131,010</u>	<u>100.0%</u>

Private asset class:	<u>Amortized Cost</u>	<u>% of Total</u>
<u>Rating</u>		
AAA	\$ 222	0.2%
AA	6,484	5.9%
A	13,867	12.7%
BBB	71,568	65.5%
Below Investment Grade	17,200	15.7%
NA	—	—
Total Private	<u>\$ 109,341</u>	<u>100.0%</u>

CMBS asset class:	<u>Amortized Cost</u>	<u>% of Total</u>
<u>Rating</u>		
AAA	\$ 103,218	82.9%
AA	18,499	14.9%
A	1,200	1.0%
BBB	1,284	1.0%
Below Investment Grade	309	0.2%
NA	21	0.0%
Total CMBS	<u>\$ 124,532</u>	<u>100.0%</u>

Mortgage-Backed asset class:	<u>Amortized Cost</u>	<u>% of Total</u>
<u>Rating</u>		
AAA	\$ 227,418	89.5%
AA	5,831	2.3%
A	1,275	0.5%
BBB	4,486	1.8%
Below Investment Grade	15,121	6.0%
NA	—	—
Total Mortgage-Backed	<u>\$ 254,130</u>	<u>100.0%</u>

Asset-Backed asset class:	<u>Amortized Cost</u>	<u>% of Total</u>
<u>Rating</u>		
AAA	\$ 40,709	80.2%
AA	—	—
A	1,256	2.5%
BBB	2,000	3.9%
Below Investment Grade	6,797	13.4%
NA	—	—
Total Asset-Backed	<u>\$ 50,762</u>	<u>100.0%</u>

Treasury & Government asset classes:	<u>Amortized Cost</u>	<u>% of Total</u>
<u>Rating</u>		
AAA	\$ 56,831	44.1%
AA	41,040	31.8%
A	21,771	16.9%
BBB	9,214	7.2%
Below Investment Grade	—	—
NA	—	—
Total Treasury & Government	<u>\$ 128,856</u>	<u>100.0%</u>

NAIC Designations

1	\$ 884,377	53.8%
2	660,514	40.2%
3	63,268	3.9%
4	28,711	1.7%
5	4,089	0.2%
6	2,191	0.1%
U.S. Insurer Fixed Income (2)	<u>1,643,150</u>	<u>100.0%</u>
Other (3)	199,178	
Cash and cash equivalents	136,078	
Total Invested Assets	<u>\$ 1,978,406</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

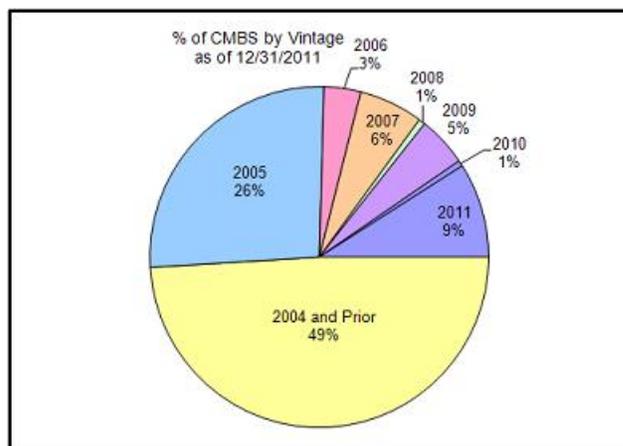
(2) NAIC ratings for our U.S. insurance companies' fixed income portfolios

(3) Other consists of assets held by our non-life companies, Canadian insurance company, and unrated equities

(Dollars in thousands)

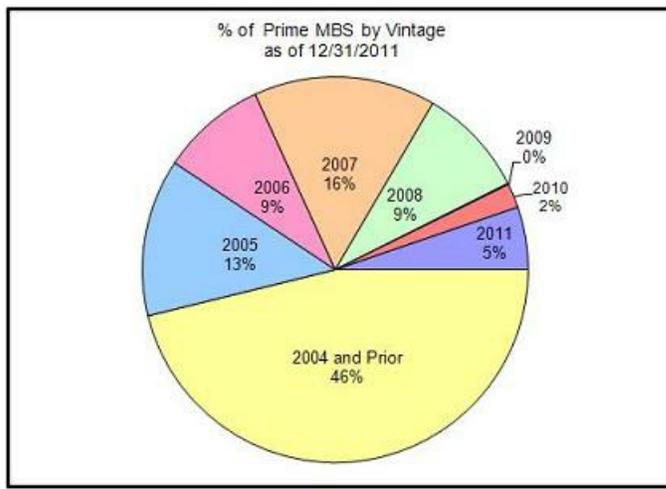
	2004 and Prior	2005	2006	2007	2008	2009	2010	2011	Total
Commercial Mortgage-Backed Securities									
Amortized Cost by Vintage									
Current Rating:									
AAA	\$ 50,257	\$ 22,587	\$ 4,146	\$ 7,605	\$ 770	\$ 5,931	\$ 686	\$ 11,236	\$ 103,218
AA	8,246	10,253	—	—	—	—	—	—	18,499
A	1,000	—	200	—	—	—	—	—	1,200
BBB	1,284	—	—	—	—	—	—	—	1,284
BB	108	—	—	—	—	—	—	—	108
B	62	—	—	—	—	—	—	—	62
CCC and lower	107	53	—	—	—	—	—	—	160
Total	\$ 61,064	\$ 32,893	\$ 4,346	\$ 7,605	\$ 770	\$ 5,931	\$ 686	\$ 11,236	\$ 124,532

	Net Unrealized Gain/(Loss) by Vintage								
Current Rating:									
AAA	\$ 1,725	\$ 1,209	\$ 671	\$ 584	\$ 13	\$ 583	\$ 1	\$ 523	\$ 5,309
AA	314	231	—	—	—	—	—	—	545
A	(60)	—	4	—	—	—	—	—	(56)
BBB	(196)	—	—	—	—	—	—	—	(196)
BB	283	—	—	—	—	—	—	—	283
B	18	—	—	—	—	—	—	—	18
CCC and lower	30	218	—	—	—	—	—	—	248
Total	\$ 2,114	\$ 1,657	\$ 675	\$ 584	\$ 13	\$ 583	\$ 1	\$ 523	\$ 6,150



	Amortized Cost by Vintage								
Prime Residential Mortgage-Backed Securities									
Current Rating:									
AAA	\$ 106,333	\$ 20,985	\$ 21,853	\$ 36,200	\$ 22,708	\$ 240	\$ 5,012	\$ 12,991	\$ 226,321
AA	5,831	—	—	—	—	—	—	—	5,831
A	1,275	—	—	—	—	—	—	—	1,275
BBB	—	4,486	—	—	—	—	—	—	4,486
BB	694	2,917	—	—	—	—	—	—	3,611
B	—	1,146	—	—	—	—	—	—	1,146
CCC and lower	—	3,065	—	1,525	—	—	—	—	4,590
Total	\$ 114,133	\$ 32,599	\$ 21,853	\$ 37,725	\$ 22,708	\$ 240	\$ 5,012	\$ 12,991	\$ 247,260

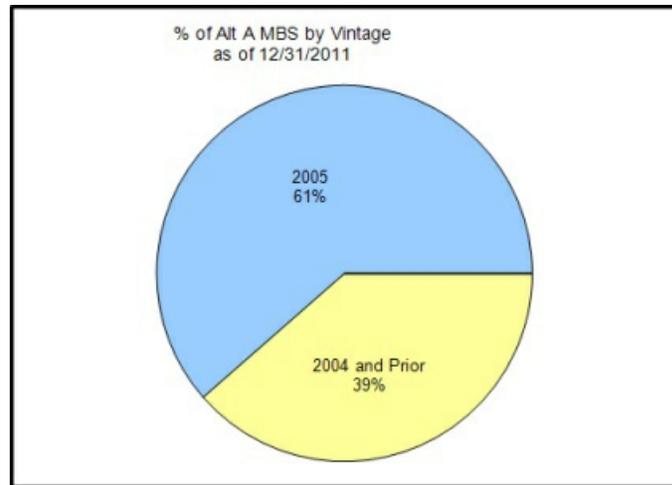
	Net Unrealized Gain/(Loss) by Vintage								
Current Rating:									
AAA	\$ 11,289	\$ 1,190	\$ 2,650	\$ 3,475	\$ 2,626	\$ 16	\$ 253	\$ 800	\$ 22,300
AA	(31)	—	—	—	—	—	—	—	(31)
A	(20)	—	—	—	—	—	—	—	(20)
BBB	—	(235)	—	—	—	—	—	—	(235)
BB	26	(202)	—	—	—	—	—	—	(177)
B	—	(17)	—	—	—	—	—	—	(17)
CCC and lower	—	(238)	—	(19)	—	—	—	—	(257)
Total	\$ 11,265	\$ 499	\$ 2,650	\$ 3,456	\$ 2,626	\$ 16	\$ 253	\$ 800	\$ 21,565



Alt-A Residential Mortgage-Backed Securities

	Amortized Cost by Vintage											
Current Rating:												
AAA	\$	—	\$	1,097	\$	—	\$	—	\$	—	\$	1,097
AA		—		—		—		—		—		—
A		—		—		—		—		—		—
BBB		—		—		—		—		—		—
BB		492		—		—		—		—		492
B		—		2,881		—		—		—		2,881
CCC and lower		2,158		243		—		—		—		2,401
Total	\$	2,649	\$	4,221	\$	—	\$	—	\$	—	\$	6,871

	Net Unrealized Gain/(Loss) by Vintage											
Current Rating:												
AAA	\$	—	\$	46	\$	—	\$	—	\$	—	\$	46
AA		—		—		—		—		—		—
A		—		—		—		—		—		—
BBB		—		—		—		—		—		—
BB		21		—		—		—		—		21
B		—		(92)		—		—		—		(92)
CCC and lower		(5)		(19)		—		—		—		(24)
Total	\$	16	\$	(65)	\$	—	\$	—	\$	—	\$	(50)



	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YOY Q4	
									\$ Change	% Change
<i>(Dollars in thousands)</i>										
Net Investment Income by Source										
Bonds & notes	\$ 83,814	\$ 27,796	\$ 28,350	\$ 28,091	\$ 29,014	\$ 27,462	\$ 27,413	\$ 26,019	\$ (2,072)	-7.4%
Preferred and common stocks	1,239	164	189	231	188	165	170	194	(37)	-16.0%
Deposit asset underlying 10% reinsurance treaty	—	1,551	624	(704)	508	650	449	412	1,116	nm
Policy loans	336	341	326	362	347	306	441	326	(36)	-9.9%
Cash & cash equivalents	283	85	103	73	70	65	63	109	36	49.3%
Other	—	55	—	—	(19)	13	—	—	—	nm
Total investment income	85,671	29,992	29,591	28,053	30,108	28,662	28,536	27,060	(993)	-3.5%
Investment expenses	3,095	2,001	1,737	1,365	1,482	1,433	1,433	1,417	52	3.8%
Net investment income	\$ 82,576	\$ 27,991	\$ 27,855	\$ 26,688	\$ 28,626	\$ 27,229	\$ 27,103	\$ 25,643	\$ (1,045)	-3.9%
Fixed income book yield, end of period	5.79%	5.72%	5.47%	5.48%	5.30%	5.38%	5.33%	5.52%	na	4 bps
New money yield	3.48%	2.43%	2.50%	3.58%	2.72%	4.45%	2.42%	3.69%	na	11 bps

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YOY Q4	
									% Pt Change	
Fixed Income Portfolio Quality Ratings										
Rating										
AAA	32.5%	31.4%	28.0%	26.7%	26.1%	25.3%	24.9%	23.5%	-3.2%	
AA	7.9%	6.9%	8.0%	9.1%	9.5%	9.8%	9.9%	8.3%	-0.8%	
A	21.2%	21.4%	22.2%	21.9%	22.4%	22.6%	22.6%	23.7%	1.8%	
BBB	30.8%	32.4%	34.8%	35.6%	35.8%	35.9%	35.9%	37.6%	2.0%	
Below Investment Grade	7.1%	7.8%	6.9%	6.7%	6.2%	6.3%	6.6%	6.9%	0.2%	
NA	0.4%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	-0.1%	
Total Fixed Income	100.0%	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	A	na	

	As of December 31, 2011			Foreign Exposure (1)	As of December 31, 2011			Government Investments (1)	As of December 31, 2011	
	Market Value	Amortized Cost	Credit Rating		Market Value	Amortized Cost	Market Value		Amortized Cost	
Top 25 Exposures										
1 Government of Canada	\$ 38,890	\$ 35,374	AAA	United Kingdom	\$ 71,249	\$ 67,269	AAA	\$ —	\$ —	
2 National Rural Utilities				Canada	50,883	46,942	AA	2,881	2,572	
3 Cooperative	13,719	10,570	A+	Australia	45,833	42,156	A	11,611	10,827	
4 Verizon Communications Inc	13,161	11,493	A-	France	26,990	26,306	BBB	10,243	9,214	
5 Bank of America Corp	12,844	12,720	A-	Germany	20,486	19,451	Below Investment Grade	—	—	
6 ProLogis Inc	12,354	11,745	BBB-	Brazil	18,170	16,387	NA	—	—	
7 General Electric Co	11,468	10,236	AA+	Italy	14,172	15,259	Total	\$ 24,735	\$ 22,614	
8 Province of Ontario Canada	10,570	8,466	AA-	Netherlands	11,213	9,564				
9 ConocoPhillips	10,369	8,827	A	Spain	11,013	11,530				
10 Edison International	9,936	9,790	B+							
11 Enel SpA	9,734	10,544	A-	Korea Republic Of	10,991	10,500	Non-Government Investments (1)			
12 Iberdrola SA	9,602	8,468	BBB+	Switzerland	10,678	9,238	AAA	\$ —	\$ —	
13 Province of Quebec Canada	9,585	7,653	A+	Belgium	7,662	6,288	AA	24,151	21,934	
14 Reynolds American Inc	9,463	7,971	BBB-	Ireland	7,544	7,745	A	138,920	133,012	
15 Diageo PLC	9,250	8,557	A-	Luxembourg	7,384	6,946	BBB	146,907	137,229	
16 Altria Group Inc	9,131	7,406	BBB	Japan	7,159	6,884				
17 Health Care REIT Inc	8,912	9,135	BBB-	Emerging Markets (2)	14,925	13,886	Below Investment Grade	22,083	22,605	
18 Roche Holding AG	7,979	6,560	AA-	All Other	22,960	22,071	NA	2,515	1,029	
19 Vale SA	7,932	7,129	A-	Total	\$ 359,313	\$ 338,424	Total	\$ 334,577	\$ 315,810	
20 Hewlett-Packard Co	7,609	7,343	BBB+							
21 Montpellier Re Holdings Ltd	7,526	7,207	BBB							
22 Time Warner Cable Inc	7,516	7,098	BBB							
23 Daimler AG	7,509	7,502	BBB+							
24 Lockheed Martin Corp	7,446	6,948	A-							
25 TESCO PLC	7,427	6,306	A-							
Marsh & McLennan Cos Inc										
Total	\$ 267,170	\$ 241,727	BBB-							
% of total fixed income portfolio	12.5%	12.2%								

(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 Chile, India, Mexico, Peru, Poland and South Africa

<i>(Dollars in millions)</i>	2007	2008	2009	2010	2011	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Recruits	220,950	235,125	221,920	231,390	244,756	58,085	65,245	58,178	49,882	52,813	65,138	83,074	43,731
Life-insurance licensed sales force, beginning of period	96,532	97,125	100,651	99,785	94,850	99,785	97,354	96,066	96,872	94,850	92,212	90,519	91,970
New life-licensed representatives	36,308	39,383	37,629	34,488	33,711	7,366	9,887	9,430	7,805	7,145	8,061	10,334	8,171
Non-renewal and terminated representatives	(35,715)	(35,857)	(38,495)	(39,423)	(37,385)	(9,797)	(11,175)	(8,624)	(9,827)	(9,783)	(9,754)	(8,883)	(8,965)
Life-insurance licensed sales force, end of period	97,125	100,651	99,785	94,850	91,176	97,354	96,066	96,872	94,850	92,212	90,519	91,970	91,176
Issued term life policies	244,733	241,173	233,837	223,514	237,535	52,445	60,406	54,373	56,290	51,281	59,826	65,067	61,361
Issued term life face amount	87,619	\$ 87,279	\$ 80,497	\$ 74,401	\$ 73,146	\$ 17,997	\$ 20,042	\$ 18,113	\$ 18,250	\$ 16,735	\$ 18,974	\$ 18,885	\$ 18,552
Term life face amount in force, beginning of period	599,470	\$ 632,086	\$ 633,467	\$ 650,195	\$ 656,791	\$ 650,195	\$ 651,790	\$ 653,530	\$ 654,633	\$ 656,791	\$ 658,523	\$ 663,617	\$ 666,182
Issued term life face amount	87,619	87,279	80,497	74,401	73,146	17,997	20,042	18,113	18,250	16,735	18,974	18,885	18,552
Terminated term life face amount	(64,966)	(72,008)	(74,642)	(70,964)	(66,951)	(18,867)	(16,156)	(17,836)	(18,105)	(17,247)	(14,724)	(16,221)	(18,760)
Foreign currency impact, net	9,963	(13,891)	10,873	3,158	1,970	2,464	(2,146)	826	2,013	2,244	843	(98)	(1,019)
Term life face amount in force, end of period	632,086	\$ 633,467	\$ 650,195	\$ 656,791	\$ 664,955	\$ 651,790	\$ 653,530	\$ 654,633	\$ 656,791	\$ 658,523	\$ 663,617	\$ 666,182	\$ 664,955
Estimated annualized issued term life premium													
Premium from new policies	208.9	\$ 205.0	\$ 193.7	\$ 180.8	\$ 187.6	\$ 43.4	\$ 48.9	\$ 44.1	\$ 44.5	\$ 41.1	\$ 47.5	\$ 50.1	\$ 48.9
Additions and increases in premium	43.4	43.0	42.6	44.6	44.9	10.8	11.7	10.9	11.2	10.4	11.4	11.5	11.6
Total estimated annualized issued term life premium	252.4	\$ 248.0	\$ 236.3	\$ 225.4	\$ 232.5	\$ 54.2	\$ 60.6	\$ 55.0	\$ 55.6	\$ 51.5	\$ 58.9	\$ 61.7	\$ 60.4
Investment & Savings product sales	5,189.5	\$ 4,458.4	\$ 3,006.6	\$ 3,623.6	\$ 4,265.1	\$ 973.5	\$ 923.3	\$ 823.9	\$ 903.0	\$ 1,113.7	\$ 1,135.5	\$ 1,060.0	\$ 955.8
Investment & Savings average client asset values	36,735	\$ 32,763	\$ 26,845	\$ 31,908	\$ 34,870	\$ 31,404	\$ 31,561	\$ 31,056	\$ 33,611	\$ 35,602	\$ 36,463	\$ 34,192	\$ 33,224