

**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): **August 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)

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

(Address of Principal Executive Offices)

**(770) 381-1000**

(Registrant's telephone number, including area code)

**Not applicable.**

(Former name or former address, if changed since last report)

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

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

On August 7, 2012, Primerica, Inc. (the “Company”) announced its results of operations for the quarter ended June 30, 2012. 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, adjusted stockholders’ equity and diluted operating earnings per share. Operating revenues, operating income before income taxes, net operating income and diluted operating earnings per share exclude the impact of realized investment gains and losses for all periods presented. Operating income before income taxes and net operating income exclude the expense associated with our IPO-related equity awards for all periods presented. Adjusted stockholders’ equity excludes the impact of net unrealized gains and losses on invested assets for all periods presented.

We exclude these items because they are considered unusual and not indicative of our ongoing operations. Our definitions of these non-GAAP financial measures may differ from the definitions of similar measures used by other companies. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company’s 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 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 August 7, 2012, the Company posted to the “Investor Relations” section of its website certain supplemental financial information relating to the quarter ended June 30, 2012. 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 August 7, 2012 – Primerica Reports Second Quarter 2012 Results

99.2 Primerica, Inc. Supplemental Financial Information – Second Quarter 2012

**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: August 7, 2012

**PRIMERICA, INC.**

/s/ Alison S. Rand

Alison S. Rand

Executive Vice President and Chief Financial Officer

## EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release dated August 7, 2012 – Primerica Reports Second Quarter 2012 Results
99.2	Primerica, Inc. Supplemental Financial Information – Second Quarter 2012



**PRIMERICA REPORTS SECOND QUARTER 2012 RESULTS**

*Life insurance licensed sales force increased to 90,868*

*23% increase in net income to \$46.2 million; Diluted EPS of \$0.72 up 46%;  
Diluted operating EPS of \$0.71 up 40%*

*13.9% net income return on stockholders' equity; 14.8% net operating income  
return on adjusted stockholders' equity*

*44% increase in Term Life pre-tax income*

*\$150 million share repurchase from Warburg Pincus in April*

*\$375 million inaugural debt offering in July*

**Duluth, GA, August 7, 2012** – Primerica, Inc. (NYSE: PRI) announced today financial results for the second quarter ended June 30, 2012. Total revenues were \$300.5 million in the second quarter of 2012 and net income was \$46.2 million, or \$0.72 per diluted share. Operating revenues increased by 8% to \$296.2 million in the second quarter of 2012, compared with \$273.1 million in the second quarter of 2011. Net operating income grew by 18% to \$45.5 million, or \$0.71 per diluted share, in the second quarter of 2012, compared with \$38.6 million, or \$0.51 per diluted share, in the second quarter of 2011. The year-over-year trends reflect strong performance in the Term Life segment and the impact of our share repurchases as well as higher prior year insurance and operating expenses. Net operating income return on adjusted stockholders' equity (ROAE) was 14.8% (13.9% on a net income and stockholders' equity basis) for the quarter ended June 30, 2012, the highest since becoming a public company in 2010.

Rick Williams, Chairman of the Board and Co-Chief Executive Officer said, "Our 18% increase in net operating income in the second quarter and share repurchases drove a 40% increase in net operating earnings per diluted share and increased net operating return on adjusted stockholders equity to 14.8% from 11.6% in the year ago period. Our simple products and disciplined approach to business enhancements and capital management will continue to provide opportunities for strong long-term results."

John Addison, Chairman of Primerica Distribution and Co-Chief Executive Officer said, "Sales force distribution development showed strength this quarter with the size of our life licensed sales force growing and our focus on licensing resulting in a 21% increase in new life insurance licenses. Our Investment and Savings Products sales also grew 5% in the second quarter as we continued to demonstrate the power of our large scale distribution model by producing over \$100 million of fixed indexed annuity sales in the first full quarter the product was offered."

#### **Distribution Results**

- The size of our life-licensed insurance sales force grew to 90,868 at June 30, 2012 from 90,519 at June 30, 2011 and 89,651 at March 31, 2012. Sales force growth was driven by 9,786 new life licenses in the second quarter of 2012, a 21% increase from the second quarter of 2011 and a 28% increase from the first quarter of 2012. Recruiting of new representatives in the second quarter of 2012 declined 25% to 48,976 compared with the second quarter of 2011 and was down 16% from the first quarter of 2012 largely reflecting the strong focus on getting new representatives through the licensing process. Recruiting in the second quarter of 2011 also benefited from the post-convention recruiting surge in June and July of 2011.
- Term life insurance policies issued increased slightly to 60,583 in the second quarter of 2012, compared with the year ago period. Sequentially, term life insurance policies issued increased 8% compared with the first quarter of 2012, largely reflecting typical seasonality. Term Life net premium revenue increased 28% to \$138.3 million in the second quarter of 2012, compared with the second quarter a year ago and increased by 8% from the first quarter as we continue to build the Term Life book of business.
- Investment and Savings Products sales grew 5% to \$1.19 billion in the second quarter of 2012 from the year ago quarter primarily as a result of sales growth in our recently launched fixed indexed annuity and managed account products. Total sales levels were consistent with the first quarter of 2012. Client asset values at June 30, 2012 declined 2% to \$35.29 billion relative to a year ago and declined 3% compared with March 31, 2012, primarily reflecting market conditions in the U.S. and Canada.

## 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)		
	Q2 2012	Q2 2011(2)	% Change	Q2 2012	Q2 2011(2)	% Change
<b>Revenues:</b>	(\$ in thousands)			(\$ in thousands)		
Term Life Insurance	\$ 162,732	\$ 131,641	24%	\$ 162,732	\$ 131,641	24%
Investment and Savings Products	102,967	104,586	-2%	102,967	104,586	-2%
Corporate and Other Distributed Products	34,826	38,868	-10%	30,505	36,833	-17%
Total revenues	\$ 300,525	\$ 275,095	9%	\$ 296,204	\$ 273,060	8%
<b>Income (loss) before income taxes:</b>						
Term Life Insurance	\$ 51,724	\$ 36,026	44%	\$ 51,724	\$ 36,026	44%
Investment and Savings Products	29,444	30,470	-3%	29,444	30,470	-3%
Corporate and Other Distributed Products	(9,247)	(8,031)	-15%	(10,376)	(6,520)	-59%
Total income before income taxes	\$ 71,921	\$ 58,465	23%	\$ 70,792	\$ 59,976	18%

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

(2) Reflects revised accounting standards related to costs associated with acquiring or renewing insurance contracts.

**Term Life Insurance.** Operating revenues grew by 24% to \$162.7 million in the second quarter of 2012, compared with the same period a year ago. Net premiums continue to build with the in force block, up 28% from the prior year period. Net investment income increased year-over-year consistent with the growth in assets allocated to support the Term Life business. Net investment income was not notably impacted by low prevailing market interest rates.

Operating income before income taxes increased by 44% over the prior year period to \$51.7 million additionally reflecting higher deferrals of commissions consistent with incentive program changes as well as prior year new product launch and convention-related expenses, partially offset by growth in premium-related expenses. Interest expense increased in the quarter due to the redundant reserve financing executed in March 2012. Persistency and mortality experience were both consistent with the prior year period.



Sequentially, operating income before income taxes increased by 17% reflecting continued premium growth, seasonally stronger persistency and lower incurred claims in the second quarter of 2012, compared with the first quarter of 2012. The stronger seasonal second quarter persistency resulted in lower DAC amortization partially offset by higher reserve increases in the second quarter of 2012, compared with the prior quarter. Results were also impacted by higher interest expense associated with the new redundant reserve financing and higher life insurance licensing-related expenses.

**Investment and Savings Products.** Operating revenues declined 2% to \$103.0 million and operating income before income taxes declined 3% to \$29.4 million in the second quarter of 2012, compared with the second quarter of 2011, reflecting a slight decline in average client asset values consistent with market performance. We also experienced a modest shift in sales mix towards managed accounts, which provide ongoing asset-based revenues rather than sales-based revenues.

Sequentially, operating income before income taxes increased 2% from the first quarter of 2012 reflecting higher sales of sales-based revenue generating products and slightly higher average client asset values.

**Corporate and Other Distributed Products.** Operating revenues decreased by 17%, or \$6.3 million, to \$30.5 million in the second quarter of 2012 from the second quarter of 2011 largely reflecting a lower invested asset base following our stock repurchases. As is the case with the Term Life segment, the low interest rate environment did not meaningfully impact Corporate and Other Distributed Products segment results. Year-over-year operating losses before income taxes for this segment increased by \$3.9 million to \$10.4 million as lower investment income was partially offset by lower claims on the short-term disability products underwritten by our New York insurance subsidiary.

#### **Taxes**

Our effective income tax rate for the second quarter of 2012 was 35.8%, compared with 35.7% for the same quarter a year ago. Our effective income tax rate increased from 34.2% in the first quarter of 2012 due to a lower effective Canadian tax rate in the first quarter of 2012.

## Capital and Liquidity

In April 2012, we repurchased 5.7 million shares of common stock from equity funds managed by Warburg Pincus for a purchase price of \$150 million. As of June 30, 2012, our investments and cash totaled \$2.02 billion, compared with \$2.17 billion as of March 31, 2012. Our invested asset portfolio had a net unrealized gain of \$166.7 million (net of unrealized losses of \$6.2 million) at June 30, 2012, down from a net unrealized gain of \$170.6 million (net of unrealized losses of \$5.9 million) at March 31, 2012. Net realized gains for the quarter were \$4.3 million, which included \$0.1 million of other-than-temporary impairments.

Primerica Life Insurance Company's statutory risk-based capital (RBC) ratio is estimated to be in excess of 570% as of June 30, 2012, and well positioned to support existing operations and fund future growth.

Our debt-to-capital ratio remained low at 19.0% as of June 30, 2012. In July 2012, we completed our first public debt offering of \$375 million in aggregate principal amount of Senior Notes due 2022. The notes bear an annual interest rate of 4.750%. The majority of the offering proceeds were used to repay Primerica's \$300 million note payable to a subsidiary of Citigroup Inc. and the remaining proceeds will be used for general corporate purposes including share repurchases. If this offering had been completed as of June 30, 2012 our debt-to capital ratio would have been 22.7%.

## Non-GAAP Financial Measures

We report financial results in accordance with U.S. generally accepted accounting principles (GAAP). We also present operating revenues, operating income before income taxes, net operating income and adjusted stockholders' equity. Operating revenues, operating income before income taxes and net operating income exclude the impact of realized investment gains and losses for all periods presented. Operating income before income taxes and net operating income exclude the expense associated with our IPO-related equity awards for all periods presented. Adjusted stockholders' equity excludes the impact of net unrealized gains and losses on invested assets for all periods presented. Our definitions of these non-GAAP financial measures may differ from the definitions of similar measures used by other companies. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating our financial performance. Furthermore, management believes that these non-GAAP financial measures may provide users with additional meaningful comparisons between current results and results of prior periods as they are expected to be reflective of our core ongoing business. These measures have limitations, and investors should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Reconciliations of non-GAAP to GAAP financial measures are attached to this release.

### **Earnings Webcast Information**

Primerica will hold a webcast Wednesday, August 8, 2012 at 9:00 am EDT, to discuss second 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 our 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".

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**PRIMERICA, INC. AND SUBSIDIARIES**  
**Condensed Balance Sheets**

	<b>June 30,</b>	<b>December 31,</b>
	<b>2012 (1)</b>	<b>2011 (2)</b>
	(In thousands)	
<b>Assets</b>		
Investments:		
Fixed maturity securities available for sale, at fair value	\$ 1,823,729	\$ 1,959,156
Equity securities available for sale, at fair value	31,811	26,712
Trading securities, at fair value	29,038	9,640
Policy loans and other invested assets	24,201	25,996
Total investments	1,908,779	2,021,504
Cash and cash equivalents	108,062	136,078
Accrued investment income	20,220	21,579
Due from reinsurers	3,903,028	3,855,318
Deferred policy acquisition costs	990,558	904,485
Premiums and other receivables	167,746	163,845
Intangible assets	70,226	71,928
Other assets	281,818	268,485
Separate account assets	2,500,640	2,408,598
Total assets	<u>\$ 9,951,077</u>	<u>\$ 9,851,820</u>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Future policy benefits	\$ 4,723,359	\$ 4,614,860
Unearned premiums	9,476	7,022
Policy claims and other benefits payable	236,717	241,754
Other policyholders' funds	347,763	340,766
Note payable	300,000	300,000
Income taxes	82,755	81,316
Other liabilities	329,538	381,496
Payable under securities lending	143,963	149,358
Separate account liabilities	2,500,640	2,408,598
Total liabilities	8,674,211	8,525,170
Stockholders' equity:		
Common stock	599	649
Paid-in capital	693,717	835,232
Retained earnings	426,936	344,104
Accumulated other comprehensive income, net of income tax	155,614	146,665
Total stockholders' equity	1,276,866	1,326,650
Total liabilities and stockholders' equity	<u>\$ 9,951,077</u>	<u>\$ 9,851,820</u>

(1) Unaudited

(2) Reflects revised accounting standards related to costs associated with acquiring or renewing insurance contracts.

**PRIMERICA, INC. AND SUBSIDIARIES**  
**Condensed Statements of Income**

	<b>Three months ended June 30,</b>	
	<b>2012 (1)</b>	<b>2011 (1) (2)</b>
<b>(In thousands, except per-share amounts)</b>		
<b>Revenues:</b>		
Direct premiums	\$ 570,073	\$ 560,881
Ceded premiums	(415,815)	(435,564)
Net premiums	154,258	125,317
Commissions and fees	106,761	108,698
Net investment income	23,605	27,229
Realized investment gains, including OTTI	4,321	2,035
Other, net	11,580	11,816
Total revenues	<u>300,525</u>	<u>275,095</u>
<b>Benefits and expenses:</b>		
Benefits and claims	68,925	57,272
Amortization of deferred policy acquisition costs	28,205	23,975
Sales commissions	51,475	50,273
Insurance expenses	24,589	26,988
Insurance commissions	6,458	9,534
Interest expense	8,506	6,998
Other operating expenses	40,446	41,590
Total benefits and expenses	<u>228,604</u>	<u>216,630</u>
Income before income taxes	71,921	58,465
<b>Income taxes</b>	<u>25,741</u>	<u>20,845</u>
Net income	<u>\$ 46,180</u>	<u>\$ 37,620</u>
<b>Earnings per share:</b>		
Basic	<u>\$ 0.73</u>	<u>\$ 0.50</u>
Diluted	<u>\$ 0.72</u>	<u>\$ 0.49</u>
<b>Shares used in computing earnings per share:</b>		
Basic	<u>61,531</u>	<u>73,457</u>
Diluted	<u>62,687</u>	<u>74,201</u>

(1) Unaudited

(2) Reflects revised accounting standards related to costs associated with acquiring or renewing insurance contracts.

**PRIMERICA, INC. AND SUBSIDIARIES**  
**Consolidated Operating Results Reconciliation**  
(Unaudited – in thousands)

	<b>Three months ended June 30,</b>		
	<b>2012</b>	<b>2011 (1)</b>	<b>% Change</b>
Operating revenues	\$ 296,204	\$ 273,060	8%
Realized investment gains, including OTTI	4,321	2,035	
Total revenues	<u>\$ 300,525</u>	<u>\$ 275,095</u>	9%
Operating income before income taxes	\$ 70,792	\$ 59,976	18%
Realized investment gains, including OTTI	4,321	2,035	
Other operating expense - equity awards	(3,192)	(3,546)	
Income before income taxes	<u>\$ 71,921</u>	<u>\$ 58,465</u>	23%
Net operating income	\$ 45,455	\$ 38,592	18%
Realized investment gains, including OTTI	4,321	2,035	
Other operating expense - equity awards	(3,192)	(3,546)	
Tax impact of reconciling items	(404)	539	
Net income	<u>\$ 46,180</u>	<u>\$ 37,620</u>	23%
Diluted operating earnings per share	\$ 0.71	\$ 0.51	40%
Net after-tax impact of operating adjustments	0.01	(0.02)	
Diluted earnings per share	<u>\$ 0.72</u>	<u>\$ 0.49</u>	46%

(1) Reflects revised accounting standards related to costs associated with acquiring or renewing insurance contracts.

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

	<b>Three months ended June 30,</b>	
	<b>2012</b>	<b>2011 (1)</b>
Operating revenues	\$ 30,505	\$ 36,833
Realized investment gains, including OTTI	4,321	2,035
<b>Total revenues</b>	<b>\$ 34,826</b>	<b>\$ 38,868</b>
Operating loss before income taxes	\$ (10,376)	\$ (6,520)
Realized investment gains, including OTTI	4,321	2,035
Other operating expense - equity awards	(3,192)	(3,546)
<b>Loss before income taxes</b>	<b>\$ (9,247)</b>	<b>\$ (8,031)</b>

(1) Reflects revised accounting standards related to costs associated with acquiring or renewing insurance contracts.

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

	<b>June 30, 2012</b>
Adjusted stockholders' equity	\$ 1,171,710
Unrealized net investment gains recorded in stockholders' equity	105,156
<b>Stockholders' equity</b>	<b>\$ 1,276,866</b>





Supplemental Financial Information  
Second Quarter 2012

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This document may contain forward-looking statements and information. Additional information and factors that could cause actual results to differ materially from any forward-looking statements or information in this document is available in our Form 10-K for the year ended December 31, 2011, as modified and updated by the Form 8-K filed on May 8, 2012 as well as the Form 10-Q for the quarter ended March 31, 2012.

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**SECOND QUARTER 2012**

This document is a financial supplement to our second quarter 2012 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, operating adjustments exclude the impact of certain reinsurance recoveries which previously had not been recognized due to the uncertain nature of their recovery.
- **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.

Effective January 1, 2012, we adopted ASU 2010-26 *Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts* and no longer defer certain indirect acquisition costs or costs attributable to unsuccessful efforts of acquiring life insurance policies. We adopted this accounting policy change retrospectively and, accordingly, our historical results have been adjusted to reflect all results on a consistent basis across all periods presented. See the table below for the impact on key metrics.

During the first quarter 2012, we closed a redundant reserve financing transaction. In connection with this transaction, we formed Peach Re, Inc. (Peach Re), a special purpose financial captive insurance company and indirect wholly owned subsidiary of the company. In March 2012, Peach Re entered into a letter of credit facility with Deutsche Bank AG New York Branch with a term of approximately 14 years for a maximum amount of \$510 million to support certain of its obligations for a portion of the reserves (commonly referred to as Regulation XXX reserves) related to level premium term life insurance policies ceded to Peach Re by Primerica Life under a new coinsurance agreement. In connection with this transaction, Primerica Life Insurance Company (PLIC) obtained regulatory approval for the March 2012 payment of an extraordinary dividend of \$150 million to Primerica, Inc.

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.

Condensed Balance Sheets and Reconciliation of Balance Sheet Non-GAAP to GAAP Financial Measures

PRIMERICA, INC.  
Financial Supplement

<i>(Dollars in thousands)</i>	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012
<b>Condensed Balance Sheets</b>						
<b>Assets:</b>						
Investments and cash	\$ 2,330,098	\$ 2,297,013	\$ 2,319,873	\$ 2,157,582	\$ 2,167,231	\$ 2,016,842
Due from reinsurers	3,769,599	3,793,995	3,818,759	3,855,318	3,895,162	3,903,028
Deferred policy acquisition costs	786,055	833,784	864,623	904,485	948,087	990,558
Other assets	582,079	567,482	586,647	525,836	522,123	540,010
Separate account assets	2,582,881	2,544,429	2,276,705	2,408,598	2,541,313	2,500,640
Total assets	\$ 10,050,712	\$ 10,036,703	\$ 9,866,607	\$ 9,851,820	\$ 10,073,917	\$ 9,951,077
<b>Liabilities:</b>						
Future policy benefits	\$ 4,470,185	\$ 4,532,615	\$ 4,557,535	\$ 4,614,860	\$ 4,676,374	\$ 4,723,359
Other policy liabilities	604,487	588,202	589,826	589,542	606,793	593,956
Income taxes	100,666	84,859	87,950	81,316	88,503	82,755
Other liabilities	396,195	363,181	389,319	381,495	331,112	329,539
Note payable	300,000	300,000	300,000	300,000	300,000	300,000
Payable under securities lending	186,089	163,342	185,483	149,358	142,507	143,963
Separate account liabilities	2,582,881	2,544,429	2,276,705	2,408,598	2,541,313	2,500,640
Total liabilities	8,640,502	8,576,628	8,386,817	8,525,169	8,686,602	8,674,211
<b>Stockholders' equity:</b>						
Common stock (\$0.01 par value)(1)	732	736	737	649	653	599
Paid-in capital	1,016,973	1,021,338	1,026,265	835,232	842,613	693,717
Retained earnings	240,739	276,089	308,912	344,104	383,847	426,936
Treasury stock	—	—	—	—	—	—
Accumulated other comprehensive income (loss), net:						
Net unrealized investment gains (losses) not other-than-temporarily impaired	96,542	105,646	99,257	97,082	107,598	107,187
Net unrealized investment losses other-than-temporarily impaired	(2,275)	(2,275)	(2,363)	(1,665)	(1,981)	(2,031)
Cumulative translation adjustment	57,498	58,541	46,982	51,248	54,584	50,457
Total stockholders' equity	1,410,210	1,460,076	1,479,790	1,326,650	1,387,314	1,276,866
Total liabilities and stockholders' equity	\$ 10,050,712	\$ 10,036,703	\$ 9,866,607	\$ 9,851,820	\$ 10,073,917	\$ 9,951,077
<b>Reconciliation of Adjusted Stockholders' Equity to Total Stockholders' Equity</b>						
Adjusted stockholders' equity	\$ 1,315,943	\$ 1,356,704	\$ 1,382,895	\$ 1,231,233	\$ 1,281,697	\$ 1,171,709
Reconciling items:						
Net unrealized investment gains (losses) not other-than-temporarily impaired	96,542	105,646	99,257	97,082	107,598	107,187
Net unrealized investment losses other-than-temporarily impaired	(2,275)	(2,275)	(2,363)	(1,665)	(1,981)	(2,031)
Total reconciling items	94,268	103,372	96,894	95,417	105,617	105,156
Total stockholders' equity	\$ 1,410,210	\$ 1,460,076	\$ 1,479,790	\$ 1,326,650	\$ 1,387,314	\$ 1,276,866
<b>Deferred Policy Acquisition Costs Rollforward</b>						
Balance, beginning of period	\$ 738,946	\$ 786,055	\$ 833,784	\$ 864,623	\$ 904,485	\$ 948,087
General expenses deferred	7,381	8,410	7,625	7,754	7,003	7,492
Commission costs deferred	56,822	62,091	61,785	58,793	60,116	66,540
Amortization of deferred policy acquisition costs	(23,229)	(23,975)	(26,645)	(30,185)	(26,531)	(28,205)
Foreign currency impact and other, net	6,135	1,203	(11,927)	3,501	3,015	(3,356)
Balance, end of period	\$ 786,055	\$ 833,784	\$ 864,623	\$ 904,485	\$ 948,087	\$ 990,558

(1) Outstanding common shares exclude restricted stock units.

**Financial Results and Other Statistical Data**

*(Dollars in thousands, except per-share data)*

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	YOY Q2		YTD 2011	YTD 2012	YOY YTD	
							Change	% Change			\$ Change	% Change
<b>Earnings per Share</b>												
Basic earnings per share:												
Weighted-average common shares and fully vested equity awards	72,671,481	73,457,333	73,658,253	69,366,432	65,133,035	61,530,879	(11,926,454)	-16.2%	73,066,578	63,331,957	(9,734,621)	-13.3%
Net income	\$ 47,272	\$ 37,620	\$ 35,096	\$ 37,204	\$ 41,756	\$ 46,179	\$ 8,559	22.8%	\$ 84,892	\$ 87,936	\$ 3,044	3.6%
Less income attributable to unvested participating securities	(1,895)	(1,097)	(988)	(1,111)	(1,357)	(1,110)	(13)	-1.2%	(2,837)	(2,498)	339	12.0%
Net income used in computing basic EPS	\$ 45,377	\$ 36,523	\$ 34,108	\$ 36,094	\$ 40,400	\$ 45,069	\$ 8,546	23.4%	\$ 82,055	\$ 85,438	\$ 3,383	4.1%
Basic earnings per share	\$ 0.62	\$ 0.50	\$ 0.46	\$ 0.52	\$ 0.62	\$ 0.73	\$ 0.24	47.3%	\$ 1.12	\$ 1.35	\$ 0.23	20.1%
Net operating income	\$ 43,441	\$ 38,592	\$ 37,301	\$ 36,652	\$ 42,377	\$ 45,455	\$ 6,863	17.8%	\$ 82,034	\$ 87,832	\$ 5,798	7.1%
Less operating income attributable to unvested participating securities	(1,741)	(1,126)	(1,051)	(1,094)	(1,377)	(1,093)	33	2.9%	(2,741)	(2,495)	246	9.0%
Net operating income used in computing basic operating EPS	\$ 41,700	\$ 37,467	\$ 36,250	\$ 35,558	\$ 41,000	\$ 44,362	\$ 6,896	18.4%	\$ 79,293	\$ 85,337	\$ 6,045	7.6%
Basic operating income per share	\$ 0.57	\$ 0.51	\$ 0.49	\$ 0.51	\$ 0.63	\$ 0.72	\$ 0.21	41.4%	\$ 1.09	\$ 1.35	\$ 0.26	24.2%
<b>Diluted earnings per share:</b>												
Weighted-average common shares and fully vested equity awards	72,671,481	73,457,333	73,658,253	69,366,432	65,133,035	61,530,879	(11,926,454)	-16.2%	73,066,578	63,331,957	(9,734,621)	-13.3%
Dilutive impact of warrants	1,154,597	743,814	541,184	802,787	1,141,687	1,155,701	411,887	55.4%	960,944	1,148,767	187,823	19.5%
Shares used to calculate diluted EPS	73,826,078	74,201,147	74,199,437	70,169,219	66,274,722	62,686,580	(11,514,567)	-15.5%	74,027,522	64,480,724	(9,546,798)	-12.9%
Net income	\$ 47,272	\$ 37,620	\$ 35,096	\$ 37,204	\$ 41,756	\$ 46,179	\$ 8,559	22.8%	\$ 84,892	\$ 87,936	\$ 3,044	3.6%
Less income attributable to unvested participating securities	(1,867)	(1,087)	(982)	(1,099)	(1,335)	(1,092)	(4)	-0.4%	(2,802)	(2,457)	346	12.3%
Net income used in computing diluted EPS	\$ 45,405	\$ 36,533	\$ 34,115	\$ 36,105	\$ 40,421	\$ 45,088	\$ 8,555	23.4%	\$ 82,090	\$ 85,479	\$ 3,389	4.1%
Diluted earnings per share	\$ 0.62	\$ 0.49	\$ 0.46	\$ 0.51	\$ 0.61	\$ 0.72	\$ 0.23	46.1%	\$ 1.11	\$ 1.33	\$ 0.22	19.5%
Net operating income	\$ 43,441	\$ 38,592	\$ 37,301	\$ 36,652	\$ 42,377	\$ 45,455	\$ 6,863	17.8%	\$ 82,034	\$ 87,832	\$ 5,798	7.1%
Less operating income attributable to unvested participating securities	(1,715)	(1,115)	(1,044)	(1,083)	(1,355)	(1,074)	41	3.7%	(2,708)	(2,454)	254	9.4%
Net operating income used in computing diluted operating EPS	\$ 41,726	\$ 37,477	\$ 36,257	\$ 35,570	\$ 41,022	\$ 44,381	\$ 6,904	18.4%	\$ 79,326	\$ 85,378	\$ 6,052	7.6%
Diluted operating income per share	\$ 0.57	\$ 0.51	\$ 0.49	\$ 0.51	\$ 0.62	\$ 0.71	\$ 0.20	40.2%	\$ 1.07	\$ 1.32	\$ 0.25	23.6%

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	YOY Q2		YTD 2011	YTD 2012	YOY YTD	
							Change	% Change			\$ Change	% Change
<b>Annualized Return on Equity</b>												
Average stockholders' equity	\$ 1,383,369	\$ 1,435,143	\$ 1,469,933	\$ 1,403,220	\$ 1,356,982	\$ 1,332,090	\$ (103,053)	-7.2%	\$ 1,409,256	\$ 1,344,536	\$ (64,720)	-4.6%
Average adjusted stockholders' equity	\$ 1,288,212	\$ 1,336,324	\$ 1,369,800	\$ 1,307,064	\$ 1,256,465	\$ 1,226,703	\$ (109,620)	-8.2%	\$ 1,312,268	\$ 1,241,584	\$ (70,683)	-5.4%
Net income return on stockholders' equity	13.7%	10.5%	9.6%	10.6%	12.3%	13.9%	3.4%	nm	12.0%	13.1%	1.0%	nm
Net income return on adjusted stockholders' equity	14.7%	11.3%	10.2%	11.4%	13.3%	15.1%	3.8%	nm	12.9%	14.2%	1.2%	nm
Net operating income return on adjusted stockholders' equity	13.5%	11.6%	10.9%	11.2%	13.5%	14.8%	3.3%	nm	12.5%	14.1%	1.6%	nm
<b>Capital Structure</b>												
Debt-to-capital (1)	17.5%	17.0%	16.9%	18.4%	17.8%	19.0%	2.0%	nm	17.0%	19.0%	2.0%	nm
Cash and invested assets to stockholders' equity	1.7x	1.6x	1.6x	1.6x	1.6x	1.6x	0.0x	nm	1.6x	1.6x	0.0x	nm
Cash and invested assets to adjusted stockholders' equity	1.8x	1.7x	1.7x	1.8x	1.7x	1.7x	0.0x	nm	1.7x	1.7x	0.0x	nm
Share count, end of period(2)	73,187,837	73,603,111	73,740,120	64,882,643	65,303,547	59,868,486	(13,734,625)	-18.7%	73,603,111	59,868,486	(13,734,625)	-18.7%
Adjusted stockholders' equity per share	\$ 17.98	\$ 18.43	\$ 18.75	\$ 18.98	\$ 19.63	\$ 19.57	\$ 1.14	6.2%	\$ 18.43	\$ 19.57	\$ 1.14	6.2%
<b>Financial Strength Ratings - Primerica Life Insurance Company</b>												
Moody's	na	A2	A2	A2	A2	A2	nm	nm	nm	nm	nm	nm
S&P	AA-	AA-	AA-	AA-	AA-	AA-	nm	nm	nm	nm	nm	nm
A.M. Best	A+	A+	A+	A+	A+	A+	nm	nm	nm	nm	nm	nm
Fitch	A+	A+	A+	A+	A+	A+	nm	nm	nm	nm	nm	nm
<b>Holding Company Senior Debt Ratings</b>												
Moody's	na	Baa2	Baa2	Baa2	Baa2	Baa2	nm	nm	nm	nm	nm	nm
S&P	na	A-	A-	A-	A-	A-	nm	nm	nm	nm	nm	nm
A.M. Best	na	a-	a-	a-	a-	a-	nm	nm	nm	nm	nm	nm

(1) Capital in the debt-to-capital ratio includes stockholders' equity and the note payable.  
 (2) Share count reflects outstanding common shares, including restricted shares, but excludes restricted stock units (RSUs).

Statements of Income

(Dollars in thousands)

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	YOY Q2		YTD 2011	YTD 2012	YOY YTD	
							\$ Change	% Change			\$ Change	% Change
<b>Statement of Income</b>												
<b>Revenues:</b>												
Direct premiums	\$ 552,069	\$ 560,881	\$ 560,739	\$ 555,778	\$ 561,037	\$ 570,073	\$ 9,192	1.6%	\$ 1,112,950	\$ 1,131,110	\$ 18,160	1.6%
Ceded premiums	(422,238)	(435,564)	(425,643)	(419,630)	(418,163)	(415,814)	19,750	4.5%	(857,802)	(833,978)	23,824	2.8%
Net premiums	129,831	125,317	135,096	136,148	142,874	154,259	28,942	23.1%	255,148	297,132	41,984	16.5%
Net investment income	28,626	27,229	27,103	25,644	26,097	23,605	(3,624)	-13.3%	55,855	49,702	(6,153)	-11.0%
Commissions and fees:												
Sales-based (1)	43,128	44,904	42,244	40,086	44,467	47,269	2,364	5.3%	88,032	91,736	3,704	4.2%
Asset-based (2)	44,825	45,348	41,996	40,889	43,722	43,751	(1,598)	-3.5%	90,174	87,472	(2,701)	-3.0%
Account-based (3)	10,432	11,811	10,140	9,615	9,373	9,494	(2,317)	-19.6%	22,242	18,867	(3,375)	-15.2%
Other commissions and fees	7,731	6,635	6,502	6,693	6,343	6,248	(386)	-5.8%	14,366	12,591	(1,774)	-12.4%
Realized investment (losses) gains	327	2,035	(178)	4,256	2,132	4,320	2,285	112.3%	2,362	6,452	4,090	nm
Other, net	11,452	11,816	12,887	12,526	11,594	11,581	(236)	-2.0%	23,268	23,174	(94)	-0.4%
Total revenues	276,352	275,095	275,790	275,855	286,601	300,525	25,430	9.2%	551,447	587,127	35,680	6.5%
<b>Benefits and expenses:</b>												
Benefits and claims	57,635	57,272	64,101	63,688	67,933	68,925	11,652	20.3%	114,907	136,858	21,951	19.1%
Amortization of DAC	23,229	23,975	26,645	30,185	26,531	28,205	4,231	17.6%	47,203	54,736	7,533	16.0%
Insurance commissions	8,998	9,532	10,536	9,553	8,496	6,457	(3,075)	-32.3%	18,530	14,954	(3,576)	-19.3%
Insurance expenses	15,798	26,988	22,133	24,273	22,444	24,589	(2,399)	-8.9%	42,786	47,033	4,247	9.9%
Sales commissions:												
Sales-based (1)	30,553	31,389	29,640	26,805	31,600	33,285	1,895	6.0%	61,942	64,885	2,943	4.8%
Asset-based (2)	15,451	15,111	13,805	13,534	14,745	15,031	(80)	-0.5%	30,562	29,777	(786)	-2.6%
Other sales commissions	4,434	3,774	3,692	3,534	3,371	3,159	(615)	-16.3%	8,208	6,531	(1,678)	-20.4%
Interest expense	6,997	6,998	7,000	6,973	6,910	8,505	1,508	21.5%	13,995	15,416	1,421	10.2%
Other operating expenses	40,001	41,590	42,732	40,630	41,104	40,447	(1,142)	-2.7%	81,591	81,551	(40)	nm
Total benefits and expenses	203,095	216,630	220,285	219,175	223,135	228,605	11,975	5.5%	419,725	451,740	32,015	7.6%
Income before income taxes	73,256	58,465	55,505	56,681	63,466	71,921	13,455	23.0%	131,722	135,386	3,665	2.8%
Income taxes	25,985	20,845	20,409	19,477	21,709	25,741	4,896	23.5%	46,830	47,451	621	1.3%
Net income	\$ 47,272	\$ 37,620	\$ 35,096	\$ 37,204	\$ 41,756	\$ 46,179	\$ 8,559	22.8%	\$ 84,892	\$ 87,936	\$ 3,044	3.6%
<b>Income Before Income Taxes by Segment</b>												
Term Life	\$ 49,716	\$ 36,027	\$ 39,663	\$ 37,045	\$ 44,283	\$ 51,722	\$ 15,696	43.6%	\$ 85,743	\$ 96,006	\$ 10,263	12.0%
Investment & Savings Products	31,039	30,470	26,746	28,821	28,869	29,444	(1,026)	-3.4%	61,509	58,314	(3,195)	-5.2%
Corporate & Other Distributed Products	(7,498)	(8,032)	(10,903)	(9,185)	(9,687)	(9,246)	(1,214)	-15.1%	(15,530)	(18,933)	(3,403)	-21.9%
Income before income taxes	\$ 73,256	\$ 58,465	\$ 55,505	\$ 56,681	\$ 63,466	\$ 71,921	\$ 13,455	23.0%	\$ 131,722	\$ 135,386	\$ 3,665	2.8%

- (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

**Reconciliation of Statement of Income Non-GAAP to GAAP Financial Measures**
**PRIMERICA, INC.**  
 Financial Supplement

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	YOY Q2		YTD 2011	YTD 2012	YOY YTD	
							\$ Change	% Change			\$ Change	% Change
<i>(Dollars in thousands)</i>												
<b>Reconciliation from Operating Revenues to Total Revenues</b>												
Operating revenues	\$ 267,296	\$ 273,060	\$ 275,968	\$ 271,600	\$ 284,469	\$ 296,206	\$ 23,145	8.5%	\$ 540,356	\$ 580,675	\$ 40,319	7.5%
Operating revenues reconciling items:												
Realized investment gains/losses	327	2,035	(178)	4,256	2,132	4,320	nm	nm	2,362	6,452	nm	nm
Ceded premiums - reinsurance recoveries	8,729	—	—	—	—	—	nm	nm	8,729	—	nm	nm
Total operating revenues reconciling items	9,056	2,035	(178)	4,256	2,132	4,320	nm	nm	11,091	6,452	nm	nm
Total revenues	\$ 276,352	\$ 275,095	\$ 275,790	\$ 275,855	\$ 286,601	\$ 300,525	\$ 25,430	9.2%	\$ 551,447	\$ 587,127	\$ 35,680	6.5%
<b>Reconciliation from Operating Income Before Income Taxes to Income Before Income Taxes</b>												
Operating income before income taxes	\$ 67,321	\$ 59,976	\$ 58,992	\$ 55,840	\$ 64,409	\$ 70,793	\$ 10,817	18.0%	\$ 127,296	\$ 135,201	\$ 7,905	6.2%
Operating income before income taxes reconciling items:												
Realized investment gains/losses	327	2,035	(178)	4,256	2,132	4,320	nm	nm	2,362	6,452	nm	nm
Ceded premiums - reinsurance recoveries	8,729	—	—	—	—	—	nm	nm	8,729	—	nm	nm
Initial & accelerated management / field grant expense	(3,120)	(3,546)	(3,309)	(3,415)	(3,075)	(3,192)	nm	nm	(6,665)	(6,267)	nm	nm
Total operating income before income taxes reconciling items	5,936	(1,510)	(3,487)	841	(943)	1,128	nm	nm	4,425	185	nm	nm
Income before income taxes	\$ 73,256	\$ 58,465	\$ 55,505	\$ 56,681	\$ 63,466	\$ 71,921	\$ 13,455	23.0%	\$ 131,722	\$ 135,386	\$ 3,665	2.8%
<b>Reconciliation from Net Operating Income to Net Income</b>												
Net operating income	\$ 43,441	\$ 38,592	\$ 37,301	\$ 36,652	\$ 42,377	\$ 45,455	\$ 6,863	17.8%	\$ 82,034	\$ 87,832	\$ 5,798	7.1%
Net operating income reconciling items:												
Operating income before income taxes reconciling items	5,936	(1,510)	(3,487)	841	(943)	1,128	nm	nm	4,425	185	nm	nm
Tax impact of operating income reconciling items at effective tax rate	(2,105)	539	1,282	(289)	323	(404)	nm	nm	(1,567)	(81)	nm	nm
Total net operating income reconciling items	3,830	(972)	(2,205)	552	(621)	724	nm	nm	2,858	104	nm	nm
Net income	\$ 47,272	\$ 37,620	\$ 35,096	\$ 37,204	\$ 41,756	\$ 46,179	\$ 8,559	22.8%	\$ 84,892	\$ 87,936	\$ 3,044	3.6%

Segment Operating Results

							YOY Q2				YOY YTD	
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	\$ Change	% Change	YTD 2011	YTD 2012	\$ Change	% Change
<i>(Dollars in thousands)</i>												
<b>Term Life Insurance</b>												
<b>Revenues:</b>												
Direct premiums	\$ 532,167	\$ 540,283	\$ 539,693	\$ 537,450	\$ 542,157	\$ 550,329	\$ 10,046	1.9%	\$ 1,072,451	\$ 1,092,487	\$ 20,036	1.9%
Ceded premiums	(427,382)	(431,890)	(421,933)	(416,477)	(414,559)	(412,038)	19,852	4.6%	(859,272)	(826,597)	32,675	3.8%
Net premiums	104,786	108,393	117,760	120,973	127,598	138,292	29,898	27.6%	213,179	265,890	52,711	24.7%
Allocated net investment income	15,794	15,669	15,664	15,560	16,659	16,685	1,017	6.5%	31,463	33,345	1,882	6.0%
Other, net	7,653	7,580	8,289	8,144	7,547	7,753	174	2.3%	15,233	15,301	68	0.4%
Operating revenues	128,233	131,641	141,713	144,678	151,805	162,730	31,089	23.6%	259,875	314,535	54,660	21.0%
<b>Benefits and expenses:</b>												
Benefits and claims	47,351	43,921	52,067	53,820	57,509	59,984	16,063	36.6%	91,271	117,493	26,222	28.7%
Amortization of DAC	20,127	19,894	22,289	27,163	23,933	22,547	2,653	13.3%	40,022	46,480	6,459	16.1%
Insurance commissions	4,063	5,320	5,633	4,380	3,577	2,314	(3,006)	-56.5%	9,384	5,891	(3,492)	-37.2%
Insurance expenses	12,833	23,607	19,186	19,421	19,717	21,782	(1,825)	-7.7%	36,440	41,499	5,059	13.9%
Interest expense	2,872	2,873	2,875	2,848	2,785	4,380	1,508	52.5%	5,745	7,166	1,421	24.7%
Operating benefits and expenses	87,246	95,615	102,050	107,633	107,521	111,008	15,393	16.1%	182,861	218,529	35,668	19.5%
Operating income before income taxes	\$ 40,987	\$ 36,027	\$ 39,663	\$ 37,045	\$ 44,283	\$ 51,722	\$ 15,696	43.6%	\$ 77,014	\$ 96,006	\$ 18,992	24.7%
<b>Investment &amp; Savings Products</b>												
<b>Revenues:</b>												
Commissions and fees:												
Sales-based	\$ 43,128	\$ 44,904	\$ 42,244	\$ 40,086	\$ 44,467	\$ 47,269	\$ 2,364	5.3%	\$ 88,032	\$ 91,736	\$ 3,704	4.2%
Asset-based	44,825	45,348	41,996	40,889	43,722	43,751	(1,598)	-3.5%	90,174	87,472	(2,701)	-3.0%
Account-based	10,432	11,811	10,140	9,615	9,373	9,494	(2,317)	-19.6%	22,242	18,867	(3,375)	-15.2%
Other, net	2,461	2,522	3,105	3,196	2,572	2,454	(68)	-2.7%	4,984	5,026	42	0.8%
Operating revenues	100,846	104,586	97,486	93,786	100,133	102,967	(1,618)	-1.5%	205,432	203,101	(2,331)	-1.1%
<b>Benefits and expenses:</b>												
Amortization of DAC	2,785	3,751	4,034	1,913	3,223	2,881	(870)	-23.2%	6,535	6,103	(432)	-6.6%
Insurance commissions	2,140	2,344	2,277	2,089	2,149	2,252	(93)	-4.0%	4,484	4,401	(84)	-1.9%
Sales commissions:												
Sales-based	30,553	31,389	29,640	26,805	31,600	33,285	1,895	6.0%	61,942	64,885	2,943	4.8%
Asset-based	15,451	15,111	13,805	13,534	14,745	15,031	(80)	-0.5%	30,562	29,777	(786)	-2.6%
Other operating expenses	18,878	21,519	20,984	20,624	19,547	20,074	(1,445)	-6.7%	40,398	39,621	(777)	-1.9%
Operating benefits and expenses	69,807	74,115	70,740	64,964	71,264	73,523	(592)	-0.8%	143,922	144,787	864	0.6%
Operating income before income taxes	\$ 31,039	\$ 30,470	\$ 26,746	\$ 28,821	\$ 28,869	\$ 29,444	\$ (1,026)	-3.4%	\$ 61,509	\$ 58,314	\$ (3,195)	-5.2%
<b>Corporate &amp; Other Distributed Products</b>												
<b>Revenues:</b>												
Direct premiums	\$ 19,902	\$ 20,597	\$ 21,046	\$ 18,328	\$ 18,880	\$ 19,744	\$ (854)	-4.1%	\$ 40,499	\$ 38,624	\$ (1,876)	-4.6%
Ceded premiums	(3,585)	(3,674)	(3,710)	(3,153)	(3,604)	(3,777)	(103)	-2.8%	(7,259)	(7,381)	(122)	-1.7%
Net premiums	16,317	16,924	17,336	15,174	15,276	15,967	(957)	-5.7%	33,240	31,243	(1,998)	-6.0%
Allocated net investment income	12,831	11,560	11,439	10,083	9,437	6,919	(4,641)	-40.1%	24,392	16,357	(8,035)	-32.9%
Commissions and fees:												
Loans	1,528	1,202	1,126	1,134	913	627	(575)	-47.9%	2,730	1,539	(1,190)	-43.6%
DebtWatchers	1,071	805	840	791	717	648	(157)	-19.5%	1,876	1,365	(511)	nm
Prepaid Legal Services	2,619	2,345	2,329	2,321	2,289	2,266	(79)	-3.4%	4,964	4,555	(409)	-8.2%
Auto and Homeowners Insurance	1,687	1,507	1,427	1,606	1,689	1,836	329	21.8%	3,194	3,526	332	10.4%
Long-Term Care Insurance	825	775	764	835	724	650	(126)	-16.2%	1,601	1,373	(227)	-14.2%
Other sales commissions	1	0	16	5	12	222	221	nm	2	234	232	nm
Other, net	1,337	1,715	1,493	1,186	1,475	1,373	(342)	-19.9%	3,052	2,848	(204)	-6.7%
Operating revenues	38,216	36,833	36,770	33,136	32,531	30,508	(6,325)	-17.2%	75,050	63,039	(12,011)	-16.0%
<b>Benefits and expenses:</b>												
Benefits and claims	10,284	13,352	12,034	9,867	10,424	8,941	(4,411)	-33.0%	23,636	19,365	(4,271)	-18.1%
Amortization of DAC	317	330	322	1,110	(625)	2,778	2,448	nm	646	2,153	1,506	nm
Insurance commissions	2,794	1,867	2,626	3,084	2,770	1,891	24	1.3%	4,662	4,661	(0)	nm
Insurance expenses	2,965	3,381	2,947	4,851	2,727	2,807	(575)	-17.0%	6,346	5,534	(812)	-12.8%
Sales commissions	4,434	3,774	3,692	3,534	3,371	3,159	(615)	-16.3%	8,208	6,531	(1,678)	-20.4%
Interest expense	4,125	4,125	4,125	4,125	4,125	4,125	—	nm	8,250	8,250	—	nm
Other operating expenses	18,003	16,525	18,440	16,591	18,482	17,181	656	4.0%	34,528	35,663	1,135	3.3%
Operating benefits and expenses	42,922	43,354	44,186	43,162	41,275	40,882	(2,472)	-5.7%	86,276	82,157	(4,119)	-4.8%
Operating income before income taxes	\$ (4,705)	\$ (6,521)	\$ (7,416)	\$ (10,026)	\$ (8,744)	\$ (10,374)	\$ (3,853)	-59.1%	\$ (11,227)	\$ (19,118)	\$ (7,892)	-70.3%



Term Life Insurance - Financial Results

(Dollars in thousands)

Term Life Insurance Operating Income Before Income Taxes	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	YOY Q2		YTD 2011	YTD 2012	YOY YTD	
							\$ Change	% Change			\$ Change	% Change
<b>Revenues:</b>												
Direct premiums	\$ 532,167	\$ 540,283	\$ 539,693	\$ 537,450	\$ 542,157	\$ 550,329	\$ 10,046	1.9%	\$ 1,072,451	\$ 1,092,487	\$ 20,036	1.9%
Ceded premiums	(427,382)	(431,890)	(421,933)	(416,477)	(414,559)	(412,038)	19,852	4.6%	(859,272)	(826,597)	32,675	3.8%
Net premiums	104,786	108,393	117,760	120,973	127,598	138,292	29,898	27.6%	213,179	265,890	52,711	24.7%
Allocated net investment income	15,794	15,669	15,664	15,560	16,659	16,685	1,017	6.5%	31,463	33,345	1,882	6.0%
Other, net	7,653	7,580	8,289	8,144	7,547	7,753	174	2.3%	15,233	15,301	68	0.4%
Operating revenues	128,233	131,641	141,713	144,678	151,805	162,730	31,089	23.6%	259,875	314,535	54,660	21.0%
<b>Benefits and expenses:</b>												
Benefits and claims	47,351	43,921	52,067	53,820	57,509	59,984	16,063	36.6%	91,271	117,493	26,222	28.7%
Amortization of DAC	20,127	19,894	22,289	27,163	23,933	22,547	2,653	13.3%	40,022	46,480	6,459	16.1%
Insurance commissions	4,063	5,320	5,633	4,380	3,577	2,314	(3,006)	-56.5%	9,384	5,891	(3,492)	-37.2%
Insurance expenses	12,833	23,607	19,186	19,421	19,717	21,782	(1,825)	-7.7%	36,440	41,499	5,059	13.9%
Interest expense	2,872	2,873	2,875	2,848	2,785	4,380	1,508	52.5%	5,745	7,166	1,421	24.7%
Operating benefits and expenses	87,246	95,615	102,050	107,633	107,521	111,008	15,393	16.1%	182,861	218,529	35,668	19.5%
Operating income before income taxes	\$ 40,987	\$ 36,027	\$ 39,663	\$ 37,045	\$ 44,283	\$ 51,722	\$ 15,696	43.6%	\$ 77,014	\$ 96,006	\$ 18,992	24.7%
<b>New Term Life Insurance Operating Income Before Income Taxes (1)</b>												
<b>Revenues:</b>												
Direct premiums	\$ 46,771	\$ 56,581	\$ 64,655	\$ 71,240	\$ 79,146	\$ 88,860	\$ 32,279	57.0%	\$ 103,352	\$ 168,006	\$ 64,653	62.6%
Ceded premiums	(8,075)	(9,320)	(8,513)	(8,753)	(13,012)	(14,450)	(5,130)	-55.0%	(17,395)	(27,461)	(10,066)	-57.9%
Net premiums	38,697	47,261	56,142	62,487	66,134	74,410	27,149	57.4%	85,957	140,544	54,587	63.5%
Allocated net investment income	630	722	986	1,195	1,302	2,431	1,709	nm	1,352	3,733	2,381	nm
Other, net	7,614	7,605	8,287	8,151	7,501	7,671	66	0.9%	15,219	15,172	(47)	-0.3%
Operating revenues	46,941	55,588	65,415	71,833	74,938	84,512	28,924	52.0%	102,529	159,450	56,921	55.5%
<b>Benefits and expenses:</b>												
Benefits and claims	14,002	17,380	21,086	23,261	25,056	26,667	9,288	53.4%	31,382	51,723	20,341	64.8%
Amortization of DAC	9,249	8,324	11,193	14,893	14,674	12,117	3,793	45.6%	17,573	26,790	9,218	52.5%
Insurance commissions	3,737	5,052	5,366	4,123	3,364	1,965	(3,087)	-61.1%	8,789	5,330	(3,460)	-39.4%
Insurance expenses	21,976	32,353	28,054	28,915	28,133	29,911	(2,442)	-7.5%	54,328	58,044	3,715	6.8%
Interest expense	—	—	—	—	—	266	266	nm	—	266	266	nm
Operating benefits and expenses	48,963	63,109	65,700	71,193	71,227	70,927	7,818	12.4%	112,072	142,153	30,081	26.8%
Operating income before income taxes	\$ (2,023)	\$ (7,520)	\$ (284)	\$ 640	\$ 3,711	\$ 13,585	\$ 21,106	nm	\$ (9,543)	\$ 17,296	\$ 26,839	nm
<b>Legacy Term Life Insurance Operating Income Before Income Taxes (2)</b>												
<b>Revenues:</b>												
Direct premiums	\$ 485,396	\$ 483,702	\$ 475,038	\$ 466,211	\$ 463,011	\$ 461,470	\$ (22,233)	-4.6%	\$ 969,098	\$ 924,481	\$ (44,617)	-4.6%
Ceded premiums	(419,307)	(422,570)	(413,421)	(407,724)	(401,548)	(397,588)	24,982	5.9%	(841,877)	(799,136)	42,741	5.1%
Net premiums	66,089	61,132	61,618	58,487	61,464	63,882	2,749	4.5%	127,222	125,345	(1,876)	-1.5%
Allocated net investment income	15,164	14,947	14,678	14,365	15,357	14,255	(692)	-4.6%	30,111	29,612	(499)	-1.7%
Other, net	39	(26)	2	(7)	46	82	108	nm	14	128	115	nm
Operating revenues	81,293	76,053	76,298	72,845	76,867	78,218	2,165	2.8%	157,346	155,085	(2,260)	-1.4%
<b>Benefits and expenses:</b>												
Benefits and claims	33,349	26,541	30,981	30,560	32,453	33,317	6,776	25.5%	59,890	65,770	5,880	9.8%
Amortization of DAC	10,878	11,571	11,096	12,270	9,259	10,430	(1,140)	-9.9%	22,449	19,690	(2,759)	-12.3%
Insurance commissions	327	268	267	257	213	349	81	30.4%	595	562	(33)	-5.5%
Insurance expenses	9,366	9,466	9,014	7,989	9,162	9,164	(302)	-3.2%	18,831	18,327	(505)	-2.7%
Insurance expense allowance	(18,508)	(18,212)	(17,883)	(17,483)	(17,579)	(17,293)	199	5.0%	(36,720)	(34,872)	1,848	5.0%
Interest expense	2,872	2,873	2,875	2,848	2,785	4,114	1,241	43.2%	5,745	6,900	1,155	20.1%
Operating benefits and expenses	38,283	32,506	36,351	36,441	36,294	40,082	7,575	23.3%	70,789	76,376	5,587	7.9%
Operating income before income taxes	\$ 43,010	\$ 43,547	\$ 39,947	\$ 36,405	\$ 40,573	\$ 38,137	\$ (5,410)	-12.4%	\$ 86,556	\$ 78,709	\$ (7,847)	-9.1%

- (1) Represents results associated with business written subsequent to the 2010 Citi reinsurance transactions.  
(2) Represents results associated with business subject to the 2010 Citi reinsurance transactions.

**Term Life Insurance - Key Statistics and Financial Analysis**

**PRIMERICA, INC.**  
Financial Supplement

(Dollars in thousands, except as noted)	Q1 2011	Q2 2011	Q3 2011	(6)	(6)	(6)	YOY Q2		YTD 2011	YTD 2012	YOY YTD	
				Q4 2011	Q1 2012	Q2 2012	\$ Change	% Change			\$ Change	% Change
<b>Key Statistics</b>												
Life-insurance licensed sales force, beginning of period	94,850	92,212	90,519	91,970	91,176	89,651	(2,561)	-2.8%	94,850	91,176	(3,674)	-3.9%
New life-licensed representatives	7,145	8,061	10,334	8,171	7,650	9,786	1,725	21.4%	15,206	17,436	2,230	14.7%
Non-renewal and terminated representatives	(9,783)	(9,754)	(8,883)	(8,965)	(9,175)	(8,569)	1,185	12.1%	(19,537)	(17,744)	1,793	9.2%
Life-insurance licensed sales force, end of period	92,212	90,519	91,970	91,176	89,651	90,868	349	0.4%	90,519	90,868	349	0.4%
Estimated annualized issued term life premium (\$mills) (1):												
Premium from new policies	\$ 41.1	\$ 47.5	\$ 50.1	\$ 48.9	\$ 44.7	\$ 47.8	\$ 0.4	0.8%	\$ 88.6	\$ 92.6	\$ 4.0	4.5%
Additions and increases in premium	10.4	11.4	11.5	11.6	10.7	11.4	(0.1)	-0.6%	21.8	22.1	0.2	1.0%
Total estimated annualized issued term life premium	\$ 51.5	\$ 58.9	\$ 61.7	\$ 60.4	\$ 55.4	\$ 59.2	\$ 0.3	0.5%	\$ 110.4	\$ 114.6	\$ 4.2	3.8%
Issued term life policies	51,281	59,826	65,067	61,361	56,145	60,583	757	1.3%	111,107	116,728	5,621	5.1%
Estimated average annualized issued term life premium per policy (1)(2)	\$ 802	\$ 794	\$ 771	\$ 796	\$ 797	\$ 790	\$ (4)	-0.5%	\$ 797	\$ 793	\$ (4)	-0.5%
Term life face amount in-force, beginning of period (\$mills)	\$ 656,791	\$ 658,523	\$ 663,617	\$ 666,182	\$ 664,955	\$ 664,423	\$ 5,900	0.9%	\$ 656,791	\$ 664,955	\$ 8,164	1.2%
Issued term life face amount (3)	16,735	18,974	18,885	18,552	16,983	18,307	(667)	-3.5%	35,709	35,290	(419)	-1.2%
Terminated term life face amount	(17,247)	(14,724)	(16,221)	(18,760)	(16,307)	(14,322)	402	2.7%	(31,971)	(30,630)	1,341	4.2%
Foreign currency impact, net	2,244	843	(98)	(1,019)	(1,208)	(384)	(1,227)	nm	3,087	(1,592)	(4,679)	nm
Term life face amount in-force, end of period	\$ 658,523	\$ 663,617	\$ 666,182	\$ 664,955	\$ 664,423	\$ 668,024	\$ 4,408	0.7%	\$ 663,617	\$ 668,024	\$ 4,408	0.7%
<b>New Term Life Insurance - Financial Analysis</b>												
Direct premium	\$ 46,771	\$ 56,581	\$ 64,655	\$ 71,240	\$ 79,146	\$ 88,860	32,279	57.0%	\$ 103,352	\$ 168,006	\$ 64,653	62.6%
New term life operating income before income taxes	\$ (2,023)	\$ (7,520)	\$ (284)	\$ 640	\$ 3,711	\$ 13,585	21,106	nm	\$ (9,543)	\$ 17,296	\$ 26,839	nm
% of direct premium	-4.3%	-13.3%	-0.4%	0.9%	4.7%	15.3%	nm	nm	-9.2%	10.3%	nm	nm
Benefits & expenses, net (4)	\$ 35,063	\$ 40,076	\$ 46,158	\$ 51,030	\$ 56,105	\$ 55,199	15,123	37.7%	\$ 75,138	\$ 111,304	\$ 36,166	48.1%
% of direct premium	75.0%	70.8%	71.4%	71.6%	70.9%	62.1%	nm	nm	72.7%	66.3%	nm	nm
Insurance expenses, net (5)	\$ 14,362	\$ 24,747	\$ 19,768	\$ 20,764	\$ 20,632	\$ 22,240	(2,508)	-10.1%	\$ 39,109	\$ 42,872	\$ 3,763	9.6%
% of direct premium	30.7%	43.7%	30.6%	29.1%	26.1%	25.0%	nm	nm	37.8%	25.5%	nm	nm
<b>Legacy Term Life Insurance - Financial Analysis</b>												
Direct premium	\$ 485,396	\$ 483,702	\$ 475,038	\$ 466,211	\$ 463,011	\$ 461,470	(22,233)	-4.6%	\$ 969,098	\$ 924,481	\$ (44,617)	-4.6%
Legacy term life operating income before income taxes	\$ 43,010	\$ 43,547	\$ 39,947	\$ 36,405	\$ 40,573	\$ 38,137	(5,410)	-12.4%	\$ 86,556	\$ 78,709	\$ (7,847)	-9.1%
% of direct premium	8.9%	9.0%	8.4%	7.8%	8.8%	8.3%	nm	nm	8.9%	8.5%	nm	nm

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

(2) In whole dollars

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

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

(5) Insurance expenses, net - insurance expenses, net of other net revenues

(6) Reflects a change in methodology for terminating representatives that was implemented in the fourth quarter of 2011.

**Investment and Savings Products - Financial Results, Key Statistics, and Financial Analysis**
**PRIMERICA, INC.**  
 Financial Supplement

(Dollars in thousands, except as noted)

Investment & Savings Products Operating Income Before Income Taxes							YOY Q2				YOY YTD	
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	\$ Change	% Change	YTD 2011	YTD 2012	\$ Change	% Change
<b>Revenues:</b>												
Commissions and fees:												
Sales-based	\$ 43,128	\$ 44,904	\$ 42,244	\$ 40,086	\$ 44,467	\$ 47,269	\$ 2,364	5.3%	\$ 88,032	\$ 91,736	\$ 3,704	4.2%
Asset-based	44,825	45,348	41,996	40,889	43,722	43,751	(1,598)	-3.5%	90,174	87,472	(2,701)	-3.0%
Account-based	10,432	11,811	10,140	9,615	9,373	9,494	(2,317)	-19.6%	22,242	18,867	(3,375)	-15.2%
Other, net	2,461	2,522	3,105	3,196	2,572	2,454	(68)	-2.7%	4,984	5,026	42	0.8%
Operating revenues	100,846	104,586	97,486	93,786	100,133	102,967	(1,618)	-1.5%	205,432	203,101	(2,331)	-1.1%
<b>Benefits and expenses:</b>												
Amortization of DAC	2,785	3,751	4,034	1,913	3,223	2,881	(870)	-23.2%	6,535	6,103	(432)	-6.6%
Insurance commissions	2,140	2,344	2,277	2,089	2,149	2,252	(93)	-4.0%	4,484	4,401	(84)	-1.9%
Sales commissions:												
Sales-based	30,553	31,389	29,640	26,805	31,600	33,285	1,895	6.0%	61,942	64,885	2,943	4.8%
Asset-based	15,451	15,111	13,805	13,534	14,745	15,031	(80)	-0.5%	30,562	29,777	(786)	-2.6%
Other operating expenses	18,878	21,519	20,984	20,624	19,547	20,074	(1,445)	-6.7%	40,398	39,621	(777)	-1.9%
Operating benefits and expenses	69,807	74,115	70,740	64,964	71,264	73,523	(592)	-0.8%	143,922	144,787	864	0.6%
Operating income before income taxes	\$ 31,039	\$ 30,470	\$ 26,746	\$ 28,821	\$ 28,869	\$ 29,444	\$ (1,026)	-3.4%	\$ 61,509	\$ 58,314	\$ (3,195)	-5.2%
<b>Key Statistics</b>												
Product sales (\$mills)												
Retail Mutual Funds	\$ 646.0	\$ 603.1	\$ 498.3	\$ 482.5	\$ 611.9	\$ 589.6	\$ (13.5)	-2.2%	\$ 1,249.1	\$ 1,201.5	\$ (47.6)	-3.8%
Variable Annuities and other	344.6	458.0	483.4	388.4	428.9	500.3	42.3	9.2%	802.6	929.3	126.7	15.8%
Total sales-based revenue generating product sales	990.6	1,061.1	981.7	870.9	1,040.8	1,090.0	28.8	2.7%	2,051.7	2,130.8	79.1	3.9%
Managed Mutual Funds	—	0.2	11.8	16.6	23.1	39.6	39.4	nm	0.2	62.7	62.5	nm
Segregated Funds	123.1	74.2	66.6	68.4	123.7	64.3	(9.9)	-13.3%	197.2	188.0	(9.2)	-4.7%
Total product sales	\$ 1,113.7	\$ 1,135.5	\$ 1,060.0	\$ 955.8	\$ 1,187.7	\$ 1,193.9	\$ 58.4	5.1%	\$ 2,249.2	\$ 2,381.6	\$ 132.4	5.9%
Client asset values, beginning of period (\$mills)	\$ 34,869	\$ 36,187	\$ 36,020	\$ 31,623	\$ 33,664	\$ 36,279	\$ 91	0.3%	\$ 34,869	\$ 33,664	\$ (1,205)	-3.5%
Inflows	1,114	1,136	1,060	956	1,188	1,194	58	5.1%	2,249	2,382	132	5.9%
Outflows (1)	(1,083)	(1,118)	(1,091)	(983)	(1,233)	(1,144)	(26)	-2.3%	(2,201)	(2,377)	(176)	-8.0%
Net flows	31	18	(31)	(27)	(45)	50	32	nm	48	4	(44)	nm
Change in market value, net and other (2)	1,288	(185)	(4,365)	2,068	2,660	(1,043)	(857)	nm	1,102	1,617	515	nm
Client asset values, end of period	\$ 36,187	\$ 36,020	\$ 31,623	\$ 33,664	\$ 36,279	\$ 35,286	\$ (734)	-2.0%	\$ 36,020	\$ 35,286	\$ (734)	-2.0%
Average client asset values (\$mills)												
Retail Mutual Funds	\$ 24,882	\$ 25,330	\$ 23,500	\$ 22,583	\$ 23,694	\$ 23,724	\$ (1,606)	-6.3%	\$ 25,106	\$ 23,709	\$ (1,397)	-5.6%
Managed Mutual Funds	—	0	21	104	212	326	326	nm	0	269	269	nm
Variable Annuities and other	8,242	8,588	8,192	8,083	8,717	8,972	384	4.5%	8,415	8,845	430	5.1%
Segregated Funds	2,477	2,545	2,479	2,454	2,499	2,527	(18)	-0.7%	2,511	2,513	2	0.1%
Total	\$ 35,602	\$ 36,463	\$ 34,192	\$ 33,224	\$ 35,122	\$ 35,550	\$ (913)	-2.5%	\$ 36,033	\$ 35,336	\$ (697)	-1.9%
Average number of fee-generating accounts (thous) (3)	2,662	2,611	2,626	2,611	2,584	2,583	(27)	-1.0%	2,637	2,584	(53)	-2.0%
<b>Financial Analysis</b>												
Sales-based net revenue as % of sales (4)	1.27%	1.27%	1.28%	1.53%	1.24%	1.28%	nm	nm	1.27%	1.26%	nm	nm
Asset-based net revenue as % of average asset values (5)	0.07%	0.07%	0.06%	0.07%	0.07%	0.07%	nm	nm	0.13%	0.13%	nm	nm
Account-based revenue per average fee generating account (6)	\$ 3.92	\$ 4.52	\$ 3.86	\$ 3.68	\$ 3.63	\$ 3.67	nm	nm	\$ 8.44	\$ 7.30	nm	nm

(1) **Asset value outflows** - include (a) redemptions of assets, (b) sales charges on the inflow sales figures, and (c) the net flow of money market funds sold and redeemed on the company's recordkeeping platform. The redemptions of assets must be estimated for approximately 8% 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

**Investment Portfolio - Summary of Holdings**
**PRIMERICA, INC.**  
 Financial Supplement

As of or for the period ended June 30, 2012

(Dollars in thousands)

**Investment Portfolio by Asset Class**

	Market Value	Amortized Cost	Unrealized G/(L)	% of Total		Avg Book Yield	Avg Rating
				Market Value	Amortized Cost		
<b>Cash and cash equivalents</b>	\$ 108,062	\$ 108,062	\$ —	5.4%	5.9%		
<b>Fixed Income:</b>							
Treasury	33,910	30,803	3,107	1.7%	1.7%	3.05%	AAA
Government	111,277	96,386	14,892	5.6%	5.3%	4.70%	AA
Tax-Exempt Municipal	8,719	8,304	416	0.4%	0.5%	3.31%	AA
Corporate	1,191,834	1,080,848	110,986	59.8%	59.2%	5.75%	BBB+
Mortgage-Backed	230,040	210,551	19,488	11.5%	11.5%	5.48%	AAA
Asset-Backed	31,849	33,319	(1,470)	1.6%	1.8%	1.72%	AA
CMBS	113,413	106,712	6,701	5.7%	5.8%	4.87%	AAA
Private	123,893	117,942	5,951	6.2%	6.5%	5.75%	BBB
Redeemable Preferred	876	1,343	(468)	0.0%	0.1%	37.42%	A-
Convertible	6,956	6,605	350	0.3%	0.4%	4.59%	A-
<b>Total Fixed Income</b>	<b>1,852,767</b>	<b>1,692,814</b>	<b>159,953</b>	<b>93.0%</b>	<b>92.7%</b>	<b>5.48%</b>	<b>A</b>
<b>Equities:</b>							
Perpetual Preferred	3,673	3,085	588	0.2%	0.2%		
Common Stock	13,371	10,523	2,848	0.7%	0.6%		
Mutual Fund	7,539	4,198	3,342	0.4%	0.2%		
Other	7,227	7,227	—	0.4%	0.4%		
<b>Total Equities</b>	<b>31,811</b>	<b>25,033</b>	<b>6,778</b>	<b>1.6%</b>	<b>1.4%</b>		
<b>Total Invested Assets</b>	<b>\$ 1,992,641</b>	<b>\$ 1,825,910</b>	<b>\$ 166,731</b>	<b>100.0%</b>	<b>100.0%</b>		

**Corporate Portfolio by Sector**

Banking	\$ 108,113	\$ 102,888	\$ 5,225	9.1%	9.5%
Basic Industry	90,908	82,312	8,596	7.6%	7.6%
Brokerage	15,556	14,536	1,020	1.3%	1.3%
Capital Goods	77,228	69,322	7,906	6.5%	6.4%
Communications	79,386	72,066	7,320	6.7%	6.7%
Consumer Cyclical	49,750	45,527	4,224	4.2%	4.2%
Consumer Non-Cyclical	144,762	127,329	17,433	12.1%	11.8%
Electric	115,045	99,906	15,139	9.7%	9.2%
Energy	89,235	80,133	9,102	7.5%	7.4%
Finance Companies	28,004	24,618	3,386	2.3%	2.3%
Financial Other	7,895	7,444	451	0.7%	0.7%
Industrial Other	33,482	30,567	2,915	2.8%	2.8%
Insurance	96,570	88,584	7,986	8.1%	8.2%
Natural Gas	59,401	53,161	6,240	5.0%	4.9%
REITs	112,230	104,525	7,705	9.4%	9.7%
Technology	60,934	56,810	4,124	5.1%	5.3%
Transportation	18,174	16,122	2,051	1.5%	1.5%
Utility Other	5,161	4,997	164	0.4%	0.5%
<b>Total Corporate portfolio</b>	<b>\$ 1,191,834</b>	<b>\$ 1,080,848</b>	<b>\$ 110,986</b>	<b>100.0%</b>	<b>100.0%</b>

**Fixed-Maturity Securities - Effective Maturity**

Effective maturity						
< 1 Yr.	\$ 184,071	\$ 180,426	\$ 3,645	9.9%	10.7%	4.49%
1-2 Yrs.	294,327	276,083	18,244	15.9%	16.3%	5.87%
2-5 Yrs.	593,005	547,542	45,464	32.0%	32.3%	5.23%
5-10 Yrs.	723,640	638,646	84,995	39.1%	37.7%	5.79%
> 10 Yrs.	57,724	50,118	7,605	3.1%	3.0%	5.84%
<b>Total Fixed Income</b>	<b>\$ 1,852,767</b>	<b>\$ 1,692,814</b>	<b>\$ 159,953</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.48%</b>

**Duration**

Fixed Income portfolio duration 3.6 years

(Dollars in thousands)

**Investment Portfolio Quality Ratings  
(1)**

	<u>Amortized Cost</u>	<u>% of Total</u>
<b>Total Fixed Income portfolio:</b>		
<u>Rating</u>		
AAA	\$ 358,513	21.2%
AA	128,994	7.6%
A	396,068	23.4%
BBB	699,906	41.3%
Below Investment Grade	108,448	6.4%
NA	885	0.1%
Total Fixed Income	<u>\$ 1,692,814</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
<b>Corporate asset class:</b>		
<u>Rating</u>		
AAA	\$ 350	0.0%
AA	58,758	5.4%
A	343,180	31.8%
BBB	603,431	55.8%
Below Investment Grade	74,284	6.9%
NA	845	0.1%
Total Corporate	<u>\$ 1,080,848</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
<b>Private asset class:</b>		
<u>Rating</u>		
AAA	\$ 222	0.2%
AA	6,431	5.5%
A	14,430	12.2%
BBB	79,773	67.6%
Below Investment Grade	17,086	14.5%
NA	—	—
Total Private	<u>\$ 117,942</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
<b>CMBS asset class:</b>		
<u>Rating</u>		
AAA	\$ 91,298	85.6%
AA	12,248	11.5%
A	1,573	1.5%
BBB	1,001	0.9%
Below Investment Grade	589	0.6%
NA	2	0.0%
Total CMBS	<u>\$ 106,712</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
<b>Mortgage-Backed asset class:</b>		
<u>Rating</u>		
AAA	\$ 190,733	90.6%
AA	4,531	2.2%
A	1,562	0.7%
BBB	3,793	1.8%
Below Investment Grade	9,932	4.7%
NA	—	—
Total Mortgage-Backed	<u>\$ 210,551</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
<b>Asset-Backed asset class:</b>		
<u>Rating</u>		
AAA	\$ 25,597	76.8%
AA	768	2.3%
A	427	1.3%
BBB	—	—
Below Investment Grade	6,527	19.6%
NA	—	—
Total Asset-Backed	<u>\$ 33,319</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
<b>Treasury &amp; Government asset classes:</b>		
<u>Rating</u>		
AAA	\$ 49,683	39.1%
AA	39,685	31.2%
A	30,071	23.6%
BBB	7,750	6.1%
Below Investment Grade	—	—
NA	—	—
Total Treasury & Government	<u>\$ 127,189</u>	<u>100.0%</u>

**NAIC Designations**

1	\$ 748,009	50.4%
2	651,842	43.9%
3	56,704	3.8%
4	18,575	1.3%
5	2,070	0.1%
6	8,222	0.6%
U.S. Insurer Fixed Income (2)	1,485,422	100.0%
Other (3)	232,426	
Cash and cash equivalents	108,062	
Total Invested Assets	<u>\$ 1,825,910</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



**Five-Year Historical Key Statistics**

**PRIMERICA, INC.**  
Financial Supplement

<i>(Dollars in millions)</i>	2007	2008	2009	2010	2011	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Recruits	220,950	235,125	221,920	231,390	244,756	52,813	65,138	83,074	43,731	58,551	48,976
Life-insurance licensed sales force, beginning of period	96,532	97,125	100,651	99,785	94,850	94,850	92,212	90,519	91,970	91,176	89,651
New life-licensed representatives	36,308	39,383	37,629	34,488	33,711	7,145	8,061	10,334	8,171	7,650	9,786
Non-renewal and terminated representatives	(35,715)	(35,857)	(38,495)	(39,423)	(37,385)	(9,783)	(9,754)	(8,883)	(8,965)	(9,175)	(8,569)
Life-insurance licensed sales force, end of period	97,125	100,651	99,785	94,850	91,176	92,212	90,519	91,970	91,176	89,651	90,868
Issued term life policies	244,733	241,173	233,837	223,514	237,535	51,281	59,826	65,067	61,361	56,145	60,583
Issued term life face amount	\$ 87,619	\$ 87,279	\$ 80,497	\$ 74,401	\$ 73,146	\$ 16,735	\$ 18,974	\$ 18,885	\$ 18,552	\$ 16,983	\$ 18,307
Term life face amount in force, beginning of period	\$ 599,470	\$ 632,086	\$ 633,467	\$ 650,195	\$ 656,791	656,791	\$ 658,523	\$ 663,617	\$ 666,182	\$ 664,955	\$ 664,423
Issued term life face amount	87,619	87,279	80,497	74,401	73,146	16,735	18,974	18,885	18,552	16,983	18,307
Terminated term life face amount	(64,966)	(72,008)	(74,642)	(70,964)	(66,951)	(17,247)	(14,724)	(16,221)	(18,760)	(16,307)	(14,322)
Foreign currency impact, net	9,963	(13,891)	10,873	3,158	1,970	2,244	843	(98)	(1,019)	(1,208)	(384)
Term life face amount in force, end of period	\$ 632,086	\$ 633,467	\$ 650,195	\$ 656,791	\$ 664,955	\$ 658,523	\$ 663,617	\$ 666,182	\$ 664,955	\$ 664,423	\$ 668,024
Estimated annualized issued term life premium											
Premium from new policies	\$ 208.9	\$ 205.0	\$ 193.7	\$ 180.8	\$ 187.6	\$ 41.1	\$ 47.5	\$ 50.1	\$ 48.9	\$ 44.7	\$ 47.8
Additions and increases in premium	43.4	43.0	42.6	44.6	44.9	10.4	11.4	11.5	11.6	10.7	11.4
Total estimated annualized issued term life premium	\$ 252.4	\$ 248.0	\$ 236.3	\$ 225.4	\$ 232.5	\$ 51.5	\$ 58.9	\$ 61.7	\$ 60.4	\$ 55.4	\$ 59.2
Investment & Savings product sales	\$ 5,189.5	\$ 4,458.4	\$ 3,006.6	\$ 3,623.6	\$ 4,265.1	\$ 1,113.7	\$ 1,135.5	\$ 1,060.0	\$ 955.8	\$ 1,187.7	\$ 1,193.9
Investment & Savings average client asset values	\$ 36,735	\$ 32,763	\$ 26,845	\$ 31,908	\$ 34,870	\$ 35,602	\$ 36,463	\$ 34,192	\$ 33,224	\$ 35,122	\$ 35,550