

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

FORM 8-K

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

DATE OF REPORT (Date of earliest event reported): **November 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 November 7, 2012, Primerica, Inc. (the "Company") announced its results of operations for the quarter ended September 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 November 7, 2012, the Company posted to the "Investor Relations" section of its website certain supplemental financial information relating to the quarter ended September 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 November 7, 2012 – Primerica Reports Third Quarter 2012 Results

99.2 Primerica, Inc. Supplemental Financial Information – Third 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: November 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 October 7, 2012 – Primerica Reports Third Quarter 2012 Results
99.2	Primerica, Inc. Supplemental Financial Information – Third Quarter 2012

**PRIMERICA REPORTS THIRD QUARTER 2012 RESULTS**

*Diluted EPS of \$0.72 up 57% from the prior year period;
Diluted operating EPS of \$0.72 up 46%*

14.0% net income return on stockholders' equity; 15.1% net operating income return on adjusted stockholders' equity

22% increase in Term Life pre-tax income

18% growth in Investment and Savings Products pre-tax income

Life insurance licensed sales force up modestly to 91,506 from June 30, 2012

Duluth, GA, November 7, 2012 – Primerica, Inc. (NYSE: PRI) announced today financial results for the third quarter ended September 30, 2012. Total revenues were \$299.1 million in the third quarter of 2012 and net income was \$45.6 million, or \$0.72 per diluted share. Operating revenues increased by 7% to \$295.2 million in the third quarter of 2012, compared with \$276.0 million in the third quarter of 2011. Net operating income grew by 21% to \$45.1 million, or \$0.72 per diluted share, in the third quarter of 2012, compared with \$37.3 million, or \$0.49 per diluted share, in the third quarter of 2011. The year-over-year results reflect the continued growth in Term Life income as well as the impact of favorable market performance on Investment and Savings Products sales, client asset-based earnings and Canadian segregated fund DAC amortization. Net investment income was enhanced by certain unusual items, during the quarter but otherwise reflects the expected pressure of lower invested assets from stock repurchases over the past 12 months and lower market yields. Net income return on stockholders' equity (ROE) was 14.0% (15.1% on a net operating income and adjusted stockholders' equity basis) for the quarter ended September 30, 2012.

Rick Williams, Chairman of the Board and Co-Chief Executive Officer said, "Our strong third quarter results were marked by solid core performance across business segments. Our long-term recurring life insurance revenues coupled with positive Investment and Savings Product performance and share repurchases drove net operating income return on adjusted stockholders' equity to 15.1%, underscoring the strength of our franchise."

John Addison, Chairman of Primerica Distribution and Co-Chief Executive Officer said, “The size of our life licensed sales force remained consistent with the prior quarter and prior year period despite the challenging year-over-year comparisons. Recruiting and licensing of new representatives were significantly higher in the prior year period following the short-term recruiting initiative launched at our convention. Our continued focus is on growing the size of our sales force to generate long-term organic growth.”

Distribution Results

- The size of our life-licensed insurance sales force was 91,506 at September 30, 2012, up modestly from 90,868 at June 30, 2012. There was downward pressure on recruiting in the second and third quarters as we placed more focus on licensing initiatives, which improved the percentage of new recruits obtaining a license in those quarters. Lower sequential recruiting levels in the second quarter and a 3% decline in recruiting in the third quarter from the second quarter translated into 12% fewer new life licenses in the third quarter than in the second quarter of 2012. On a year-over-year basis, the life-licensed sales force was down slightly from 91,970 at September 30, 2011. Coming off the unusually high post-convention recruiting surge in 2011, recruiting declined 43% to 47,639, and new life licenses declined 17% to 8,613 compared with the third quarter of 2011.

Term Life net premium revenue increased 17% to \$137.8 million in the third quarter of 2012 compared with the third quarter a year ago as we continue to build the Term Life book of business. In the third quarter of 2012, term life insurance policies issued were 53,506, or 18% lower than the third quarter of 2011, primarily reflecting a return to a normal productivity level from the higher productivity level in the prior year period from the post-convention recruiting surge. Sequentially, term life insurance policies issued decreased 12% from the seasonally strong second quarter.

- Investment and Savings Products sales grew 3% to \$1.09 billion in the third 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. Variable annuity sales resulted from clients transferring their older variable annuity contracts to the current Prime Elite IV variable annuity have normalized from the high levels in the prior year period. Without these prior year elevated transactions, total Investment and Savings Products sales would have increased 10% year-over-year. Sales declined 9% from the seasonally strong second quarter. Client asset values at September 30, 2012 increased 17% to \$36.90 billion relative to a year ago and grew 5% compared with June 30, 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)		
	Q3 2012	Q3 2011 (2)	% Change	Q3 2012	Q3 2011 (2)	% Change
Revenues:	(\$ in thousands)			(\$ in thousands)		
Term Life Insurance	\$ 164,011	\$ 141,713	16%	\$ 164,011	\$ 141,713	16%
Investment and Savings Products	101,163	97,486	4%	101,163	97,486	4%
Corporate and Other Distributed Products	33,914	36,592	-7%	30,042	36,770	-18%
Total revenues	\$ 299,088	\$ 275,791	8%	\$ 295,216	\$ 275,969	7%
Income (loss) before income taxes:						
Term Life Insurance	\$ 48,576	\$ 39,664	22%	\$ 48,576	\$ 39,664	22%
Investment and Savings Products	31,608	26,748	18%	31,608	26,748	18%
Corporate and Other Distributed Products	(9,628)	(10,905)	12%	(10,396)	(7,418)	-40%
Total income before income taxes	\$ 70,556	\$ 55,507	27%	\$ 69,788	\$ 58,994	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 16% to \$164.0 million in the third quarter of 2012 compared with the same period a year ago. Net premiums were up 17% from the prior year period reflecting the continued layering of New Term policies onto our recurring in force premium base. Allocated net investment income increased year-over-year consistent with the growth in Term Life assets. Net investment income also benefitted from the allocated portion of \$1.8 million from securities called from our bond portfolio and a \$1.0 million recovery of interest from a previously defaulted fixed income security.

Operating income before income taxes increased by 22% over the prior year period to \$48.6 million reflecting revenue growth and higher commission deferrals partially offset by growth in premium-related expenses and higher interest expense related to the redundant reserve financing executed earlier this year. Incurred claims were consistent with the third quarter of 2011 while persistency experience was moderately lower for New Term and moderately higher for Legacy compared with the prior year period.

Sequentially, operating income before income taxes declined by 6% reflecting the second quarter strong seasonal persistency and lower incurred claims, partially offset by continued New Term premium growth and higher allocated investment income.

Investment and Savings Products. Operating revenues increased 4% to \$101.2 million and operating income before income taxes grew 18% to \$31.6 million in the third quarter of 2012 compared with the third quarter of 2011, reflecting a 5% increase in our average client asset values consistent with market performance. We also continue to experience a modest shift in sales mix towards managed accounts, which provide ongoing asset-based revenues rather than sales-based revenues. Canadian segregated fund DAC amortization was favorably impacted in the third quarter of 2012 by positive equity returns resulting in a \$2.6 million year-over-year reduction in DAC amortization.

Sequentially, operating income before income taxes increased 7% compared with the second quarter of 2012 primarily reflecting the continued growth in the managed account product client asset values and lower Canadian segregated fund DAC amortization, partially offset by seasonally higher sales in the second quarter.

Corporate and Other Distributed Products. Operating revenues decreased by 18% to \$30.0 million in the third quarter of 2012 from the third quarter of 2011 largely reflecting lower net investment income due to our lower invested asset base following our stock repurchases over the past year. In the third quarter of 2012, employee merit increases and another layer of stock compensation increased ongoing expenses by \$1.3 million, but were more than offset by the prior year's \$2.7 million discontinuation of carrying inventory in our print operations. Year-over-year, operating losses before income taxes for this segment increased by \$3.0 million to \$10.4 million primarily due to lower investment income.

Taxes

Our effective income tax rate for the third quarter of 2012 was 35.4%, compared with 36.8% for the same quarter a year ago primarily due to a lower effective Canadian tax rate in 2012. The lower rate in 2012 was caused by decreasing Canadian statutory income tax rates combined with capital planning decisions for Canadian unremitted earnings.

Capital and Liquidity

The \$75 million share repurchase program that commenced in the third quarter of 2012 was completed in October, when the Company repurchased \$60 million of Primerica common stock beneficially owned by funds affiliated with Warburg Pincus, LLC at a purchase price of \$28.74 per share. Prior to this transaction, we repurchased 488,214 shares of common stock for \$14.3 million through open market repurchases.

As of September 30, 2012, our investments and cash totaled \$2.18 billion compared with \$2.02 billion as of June 30, 2012. Our invested asset portfolio had a net unrealized gain of \$191.6 million (net of unrealized losses of \$4.2 million) at September 30, 2012, up from a net unrealized gain of \$166.7 million (net of unrealized losses of \$6.2 million) at June 30, 2012. Net realized gains for the quarter were \$3.9 million, which included \$0.2 million of other-than-temporary impairments.

Our debt-to-capital ratio was 21.9% as of September 30, 2012 following our July public debt offering of \$375 million in aggregate principal amount of Senior Notes due in 2022. Primerica Life Insurance Company's statutory risk-based capital (RBC) ratio is estimated to be in excess of 570% as of September 30, 2012, and the Company remains well-positioned to support existing operations and fund future growth.

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 Thursday, November 8, 2012 at 10:00 am EDT, to discuss third quarter results. This release and a detailed financial supplement will be posted on Primerica's website. Investors are encouraged to review these materials. To access the webcast go to <http://investors.primerica.com> at least 15 minutes prior to the event to register, download and install any necessary software.

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

Forward-Looking Statements

Except for historical information contained in this press release, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements contain known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from anticipated or projected results. Those risks and uncertainties include, among others, our failure to continue to attract and license new recruits, retain sales representatives or license or maintain the licensing of our sales representatives; 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

	<u>September 30,</u> <u>2012 (1)</u>	<u>December 31,</u> <u>2011 (2)</u>
<u>(In thousands)</u>		
Assets		
Investments:		
Fixed maturity securities available for sale, at fair value	\$ 1,912,456	\$ 1,959,156
Equity securities available for sale, at fair value	36,693	26,712
Trading securities, at fair value	17,081	9,640
Policy loans and other invested assets	24,669	25,996
Total investments	<u>1,990,899</u>	<u>2,021,504</u>
Cash and cash equivalents	185,823	136,078
Accrued investment income	21,646	21,579
Due from reinsurers	3,993,603	3,855,318
Deferred policy acquisition costs	1,036,020	904,485
Premiums and other receivables	177,791	163,845
Intangible assets	69,376	71,928
Other assets	328,651	268,485
Separate account assets	2,630,630	2,408,598
Total assets	<u>\$ 10,434,439</u>	<u>\$ 9,851,820</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Future policy benefits	\$ 4,797,815	\$ 4,614,860
Unearned premiums	6,765	7,022
Policy claims and other benefits payable	242,265	241,754
Other policyholders' funds	346,352	340,766
Note payable	374,421	300,000
Income taxes	96,408	81,316
Other liabilities	424,706	381,496
Payable under securities lending	177,666	149,358
Separate account liabilities	2,630,630	2,408,598
Total liabilities	<u>9,097,028</u>	<u>8,525,170</u>
Stockholders' equity:		
Common stock	597	649
Paid-in capital	691,885	835,232
Retained earnings	468,223	344,104
Accumulated other comprehensive income, net of income tax	176,706	146,665
Total stockholders' equity	<u>1,337,411</u>	<u>1,326,650</u>
Total liabilities and stockholders' equity	<u>\$ 10,434,439</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

	Three months ended September 30,	
	2012 (1)	2011 (1) (2)
(In thousands, except per-share amounts)		
Revenues:		
Direct premiums	\$ 567,273	\$ 560,739
Ceded premiums	(414,991)	(425,643)
Net premiums	152,282	135,096
Commissions and fees	104,337	100,883
Net investment income	26,881	27,103
Realized investment gains (losses), including OTTI	3,872	(178)
Other, net	11,716	12,887
Total revenues	<u>299,088</u>	<u>275,791</u>
Benefits and expenses:		
Benefits and claims	70,738	64,101
Amortization of deferred policy acquisition costs	29,234	26,645
Sales commissions	49,370	47,135
Insurance expenses	23,744	22,133
Insurance commissions	6,684	10,538
Interest expense	8,828	7,000
Other operating expenses	39,934	42,732
Total benefits and expenses	<u>228,532</u>	<u>220,284</u>
Income before income taxes	70,556	55,507
Income taxes	<u>24,957</u>	<u>20,409</u>
Net income	<u>\$ 45,599</u>	<u>\$ 35,098</u>
Earnings per share:		
Basic	<u>\$ 0.74</u>	<u>\$ 0.46</u>
Diluted	<u>\$ 0.72</u>	<u>\$ 0.46</u>
Shares used in computing earnings per share:		
Basic	<u>60,060</u>	<u>73,658</u>
Diluted	<u>61,563</u>	<u>74,199</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)

	Three months ended September 30,		% Change
	2012	2011 (1)	
Operating revenues	\$ 295,216	\$ 275,969	7%
Realized investment gains (losses), including OTTI	3,872	(178)	
Total revenues	<u>\$ 299,088</u>	<u>\$ 275,791</u>	8%
Operating income before income taxes	\$ 69,788	\$ 58,994	18%
Realized investment gains (losses), including OTTI	3,872	(178)	
Other operating expense - equity awards	(3,104)	(3,309)	
Income before income taxes	<u>\$ 70,556</u>	<u>\$ 55,507</u>	27%
Net operating income	\$ 45,104	\$ 37,301	21%
Realized investment gains (losses), including OTTI	3,872	(178)	
Other operating expense - equity awards	(3,104)	(3,309)	
Tax impact of reconciling items	(273)	1,284	
Net income	<u>\$ 45,599</u>	<u>\$ 35,098</u>	30%
Diluted operating earnings per share (2)	\$ 0.72	\$ 0.49	46%
Net after-tax impact of operating adjustments	-	(0.03)	
Diluted earnings per share (2)	<u>\$ 0.72</u>	<u>\$ 0.46</u>	57%

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

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

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

	Three months ended September 30,	
	2012	2011 (1)
Operating revenues	\$ 30,042	\$ 36,770
Realized investment gains (losses), including OTTI	3,872	(178)
Total revenues	<u>\$ 33,914</u>	<u>\$ 36,592</u>
Operating loss before income taxes	\$ (10,396)	\$ (7,418)
Realized investment gains (losses), including OTTI	3,872	(178)
Other operating expense - equity awards	(3,104)	(3,309)
Loss before income taxes	<u>\$ (9,628)</u>	<u>\$ (10,905)</u>

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

	September 30, 2012
Adjusted stockholders' equity	\$ 1,218,939
Unrealized net investment gains recorded in stockholders' equity, net of income tax	118,472
Stockholders' equity	<u>\$ 1,337,411</u>



Supplemental Financial Information
Third 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 June 30, 2012.

THIRD QUARTER 2012

This document is a financial supplement to our third 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	Sep 30, 2012
Condensed Balance Sheets							
Assets:							
Investments and cash	\$ 2,330,098	\$ 2,297,013	\$ 2,319,873	\$ 2,157,582	\$ 2,167,231	\$ 2,016,842	\$ 2,176,721
Due from reinsurers	3,769,599	3,793,995	3,818,759	3,855,318	3,895,162	3,903,028	3,993,603
Deferred policy acquisition costs	786,055	833,784	864,623	904,485	948,087	990,558	1,036,020
Other assets	582,079	567,482	586,647	525,836	522,123	540,010	597,465
Separate account assets	2,582,881	2,544,429	2,276,705	2,408,598	2,541,313	2,500,640	2,630,630
Total assets	\$ 10,050,712	\$ 10,036,703	\$ 9,866,607	\$ 9,851,820	\$ 10,073,917	\$ 9,951,077	\$ 10,434,439
Liabilities:							
Future policy benefits	\$ 4,470,185	\$ 4,532,615	\$ 4,557,535	\$ 4,614,860	\$ 4,676,374	\$ 4,723,359	\$ 4,797,815
Other policy liabilities	604,487	588,202	589,826	589,542	606,793	593,956	595,382
Income taxes	100,666	84,859	87,950	81,316	88,503	82,755	96,408
Other liabilities	396,195	363,181	389,319	381,495	331,112	329,539	424,706
Note payable	300,000	300,000	300,000	300,000	300,000	300,000	374,421
Payable under securities lending	186,089	163,342	185,483	149,358	142,507	143,963	177,666
Separate account liabilities	2,582,881	2,544,429	2,276,705	2,408,598	2,541,313	2,500,640	2,630,630
Total liabilities	8,640,502	8,576,628	8,386,817	8,525,169	8,686,602	8,674,211	9,097,028
Stockholders' equity:							
Common stock (\$0.01 par value) (1)	732	736	737	649	653	599	597
Paid-in capital	1,016,973	1,021,338	1,026,265	835,232	842,613	693,717	691,885
Retained earnings	240,739	276,089	308,912	344,104	383,847	426,936	468,223
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	119,836
Net unrealized investment losses other-than-temporarily impaired	(2,275)	(2,275)	(2,363)	(1,665)	(1,981)	(2,031)	(1,364)
Cumulative translation adjustment	57,498	58,541	46,982	51,248	54,584	50,457	58,234
Total stockholders' equity	1,410,210	1,460,076	1,479,790	1,326,650	1,387,314	1,276,866	1,337,411
Total liabilities and stockholders' equity	\$ 10,050,712	\$ 10,036,703	\$ 9,866,607	\$ 9,851,820	\$ 10,073,917	\$ 9,951,077	\$ 10,434,439
Reconciliation of Adjusted Stockholders' Equity to Total Stockholders' Equity							
Adjusted stockholders' equity	\$ 1,315,943	\$ 1,356,704	\$ 1,382,895	\$ 1,231,233	\$ 1,281,697	\$ 1,171,709	\$ 1,218,939
Reconciling items:							
Net unrealized investment gains (losses) not other-than-temporarily impaired	96,542	105,646	99,257	97,082	107,598	107,187	119,836
Net unrealized investment losses other-than-temporarily impaired	(2,275)	(2,275)	(2,363)	(1,665)	(1,981)	(2,031)	(1,364)
Total reconciling items	94,268	103,372	96,894	95,417	105,617	105,156	118,472
Total stockholders' equity	\$ 1,410,210	\$ 1,460,076	\$ 1,479,790	\$ 1,326,650	\$ 1,387,314	\$ 1,276,866	\$ 1,337,411
Deferred Policy Acquisition Costs Rollforward							
Balance, beginning of period	\$ 738,946	\$ 786,055	\$ 833,784	\$ 864,623	\$ 904,485	\$ 948,087	\$ 990,558
General expenses deferred	7,381	8,410	7,625	7,754	7,003	7,492	7,234
Commission costs deferred	56,822	62,091	61,785	58,793	60,116	66,540	61,238
Amortization of deferred policy acquisition costs	(23,229)	(23,975)	(26,645)	(30,185)	(26,531)	(28,205)	(29,234)
Foreign currency impact and other, net	6,135	1,203	(11,927)	3,501	3,015	(3,356)	6,223
Balance, end of period	\$ 786,055	\$ 833,784	\$ 864,623	\$ 904,485	\$ 948,087	\$ 990,558	\$ 1,036,020

(1) Outstanding common shares exclude restricted stock units.

Financial Results and Other Statistical Data

PRIMERICA, INC.
Financial Supplement

								YOY Q3		YTD		YOY YTD	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	\$	%	YTD	YTD	\$	%
	2011	2011	2011	2011	2012	2012	2012	Change	Change	2011	2012	Change	Change
<i>(Dollars in thousands, except per-share data)</i>													
Earnings per Share													
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	60,059,741	(13,598,512)	-18.5%	73,264,528	62,241,218	(11,023,010)	-15.0%
Net income	\$ 47,272	\$ 37,620	\$ 35,096	\$ 37,204	\$ 41,756	\$ 46,179	\$ 45,600	\$ 10,503	29.9%	\$ 119,988	\$ 133,535	\$ 13,547	11.3%
Less income attributable to unvested participating securities	(1,895)	(1,097)	(988)	(1,111)	(1,357)	(1,110)	(1,116)	(128)	-12.9%	(3,798)	(3,625)	174	4.6%
Net income used in computing basic EPS	\$ 45,377	\$ 36,523	\$ 34,108	\$ 36,094	\$ 40,400	\$ 45,069	\$ 44,483	\$ 10,375	30.4%	\$ 116,190	\$ 129,911	\$ 13,721	11.8%
Basic earnings per share	\$ 0.62	\$ 0.50	\$ 0.46	\$ 0.52	\$ 0.62	\$ 0.73	\$ 0.74	\$ 0.28	59.9%	\$ 1.59	\$ 2.09	\$ 0.50	31.6%
Net operating income	\$ 43,441	\$ 38,592	\$ 37,301	\$ 36,652	\$ 42,377	\$ 45,455	\$ 45,103	\$ 7,802	20.9%	\$ 119,335	\$ 132,935	\$ 13,600	11.4%
Less operating income attributable to unvested participating securities	(1,741)	(1,126)	(1,051)	(1,094)	(1,377)	(1,093)	(1,104)	(54)	-5.1%	(3,783)	(3,608)	175	4.6%
Net operating income used in computing basic operating EPS	\$ 41,700	\$ 37,467	\$ 36,250	\$ 35,558	\$ 41,000	\$ 44,362	\$ 43,999	\$ 7,748	21.4%	\$ 115,551	\$ 129,327	\$ 13,776	11.9%
Basic operating income per share	\$ 0.57	\$ 0.51	\$ 0.49	\$ 0.51	\$ 0.63	\$ 0.72	\$ 0.73	\$ 0.24	48.9%	\$ 1.58	\$ 2.08	\$ 0.50	31.7%
Diluted 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	60,059,741	(13,598,512)	-18.5%	73,264,528	62,241,218	(11,023,010)	-15.0%
Dilutive impact of warrants	1,154,597	743,814	541,184	802,787	1,141,687	1,155,701	1,502,853	961,669	nm	830,342	1,277,698	447,356	53.9%
Shares used to calculate diluted EPS	73,826,078	74,201,147	74,199,437	70,169,219	66,274,722	62,686,580	61,562,594	(12,836,843)	-17.0%	74,094,870	63,518,916	(10,575,954)	-14.3%
Net income	\$ 47,272	\$ 37,620	\$ 35,096	\$ 37,204	\$ 41,756	\$ 46,179	\$ 45,600	\$ 10,503	29.9%	\$ 119,988	\$ 133,535	\$ 13,547	11.3%
Less income attributable to unvested participating securities	(1,867)	(1,087)	(982)	(1,099)	(1,335)	(1,092)	(1,092)	(110)	-11.2%	(3,759)	(3,559)	200	5.3%
Net income used in computing diluted EPS	\$ 45,405	\$ 36,533	\$ 34,115	\$ 36,105	\$ 40,421	\$ 45,088	\$ 44,507	\$ 10,393	30.5%	\$ 116,230	\$ 129,977	\$ 13,747	11.8%
Diluted earnings per share	\$ 0.62	\$ 0.49	\$ 0.46	\$ 0.51	\$ 0.61	\$ 0.72	\$ 0.72	\$ 0.26	57.2%	\$ 1.57	\$ 2.05	\$ 0.48	30.4%
Net operating income	\$ 43,441	\$ 38,592	\$ 37,301	\$ 36,652	\$ 42,377	\$ 45,455	\$ 45,103	\$ 7,802	20.9%	\$ 119,335	\$ 132,935	\$ 13,600	11.4%
Less operating income attributable to unvested participating securities	(1,715)	(1,115)	(1,044)	(1,083)	(1,355)	(1,074)	(1,080)	(37)	-3.5%	(3,742)	(3,542)	200	5.3%
Net operating income used in computing diluted operating EPS	\$ 41,726	\$ 37,477	\$ 36,257	\$ 35,570	\$ 41,022	\$ 44,381	\$ 44,023	\$ 7,765	21.4%	\$ 115,592	\$ 129,392	\$ 13,800	11.9%
Diluted operating income per share	\$ 0.57	\$ 0.51	\$ 0.49	\$ 0.51	\$ 0.62	\$ 0.71	\$ 0.72	\$ 0.23	46.3%	\$ 1.56	\$ 2.04	\$ 0.48	30.6%

								YOY Q3		YTD		YOY YTD	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	\$	%	YTD	YTD	\$	%
	2011	2011	2011	2011	2012	2012	2012	Change	Change	2011	2012	Change	Change
Annualized Return on Equity													
Average stockholders' equity	\$ 1,383,369	\$ 1,435,143	\$ 1,469,933	\$ 1,403,220	\$ 1,356,982	\$ 1,332,090	\$ 1,307,138	\$ (162,794)	-11.1%	\$ 1,429,482	\$ 1,332,070	\$ (97,411)	-6.8%
Average adjusted stockholders' equity	\$ 1,288,212	\$ 1,336,324	\$ 1,369,800	\$ 1,307,064	\$ 1,256,465	\$ 1,226,703	\$ 1,195,324	\$ (174,476)	-12.7%	\$ 1,331,445	\$ 1,226,164	\$ (105,281)	-7.9%
Net income return on stockholders' equity	13.7%	10.5%	9.6%	10.6%	12.3%	13.9%	14.0%	4.4%	nm	11.2%	13.4%	2.2%	nm

Net income return on adjusted stockholders' equity	14.7%	11.3%	10.2%	11.4%	13.3%	15.1%	15.3%	5.0%	nm	12.0%	14.5%	2.5%	nm
Net operating income return on adjusted stockholders' equity	13.5%	11.6%	10.9%	11.2%	13.5%	14.8%	15.1%	4.2%	nm	12.0%	14.5%	2.5%	nm
Capital Structure													
Debt-to-capital (1)	17.5%	17.0%	16.9%	18.4%	17.8%	19.0%	21.9%	5.0%	nm	16.9%	21.9%	5.0%	nm
Cash and invested assets to stockholders' equity	1.7x	1.6x	1.6x	1.6x	1.6x	1.6x	1.6x	0.1x	nm	1.6x	1.6x	0.1x	nm
Cash and invested assets to adjusted stockholders' equity	1.8x	1.7x	1.7x	1.8x	1.7x	1.7x	1.8x	0.1x	nm	1.7x	1.8x	0.1x	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	59,722,559	(14,017,561)	-19.0%	73,740,120	59,722,559	(14,017,561)	-19.0%
Adjusted stockholders' equity per share	\$ 17.98	\$ 18.43	\$ 18.75	\$ 18.98	\$ 19.63	\$ 19.57	\$ 20.41	\$ 1.66	8.8%	\$ 18.75	\$ 20.41	\$ 1.66	8.8%
Financial Strength Ratings - Primerica Life Insurance Co													
Moody's	na	A2	A2	A2	A2	A2	A2	nm	nm	nm	nm	nm	nm
S&P	AA-	AA-	AA-	AA-	AA-	AA-	AA-	nm	nm	nm	nm	nm	nm
A.M. Best	A+	A+	A+	A+	A+	A+	A+	nm	nm	nm	nm	nm	nm
Fitch	A+	A+	A+	A+	A+	A+	A+	nm	nm	nm	nm	nm	nm
Holding Company Senior Debt Ratings													
Moody's	na	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	nm	nm	nm	nm	nm	nm
S&P	na	A-	A-	A-	A-	A-	A-	nm	nm	nm	nm	nm	nm
A.M. Best	na	a-	a-	a-	a-	a-	a-	nm	nm	nm	nm	nm	nm

- (1) Capital in the debt-to-capital ratio includes stockholders' equity and the notes 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	Q3 2012	YOY Q3		YTD 2011	YTD 2012	YOY YTD	
								\$	%			\$	%
								Change	Change			Change	Change
Statement of Income													
Revenues:													
Direct premiums	\$ 552,069	\$ 560,881	\$ 560,739	\$ 555,778	\$ 561,037	\$ 570,073	\$ 567,273	\$ 6,534	1.2%	\$ 1,673,689	\$ 1,698,383	\$ 24,695	1.5%
Ceded premiums	(422,238)	(435,564)	(425,643)	(419,630)	(418,163)	(415,814)	(414,992)	10,651	2.5%	(1,283,444)	(1,248,969)	34,475	2.7%
Net premiums	129,831	125,317	135,096	136,148	142,874	154,259	152,282	17,186	12.7%	390,244	449,414	59,170	15.2%
Net investment income	28,626	27,229	27,103	25,644	26,097	23,605	26,882	(222)	-0.8%	82,958	76,583	(6,375)	-7.7%
Commissions and fees:													
Sales-based (1)	43,128	44,904	42,244	40,086	44,467	47,269	43,120	876	2.1%	130,276	134,856	4,580	3.5%
Asset-based (2)	44,825	45,348	41,996	40,889	43,722	43,751	45,627	3,631	8.6%	132,170	133,099	929	0.7%
Account-based (3)	10,432	11,811	10,140	9,615	9,373	9,494	9,826	(314)	-3.1%	32,382	28,693	(3,689)	-11.4%
Other commissions and fees	7,731	6,635	6,502	6,693	6,343	6,248	5,764	(739)	-11.4%	20,868	18,355	(2,513)	-12.0%
Realized investment (losses) gains	327	2,035	(178)	4,256	2,132	4,320	3,872	4,050	nm	2,184	10,324	8,140	nm
Other, net	11,452	11,816	12,887	12,526	11,594	11,581	11,715	(1,172)	-9.1%	36,155	34,889	(1,266)	-3.5%
Total revenues	276,352	275,095	275,790	275,855	286,601	300,525	299,087	23,297	8.4%	827,237	886,214	58,977	7.1%
Benefits and expenses:													
Benefits and claims	57,635	57,272	64,101	63,688	67,933	68,925	70,738	6,636	10.4%	179,008	207,596	28,587	16.0%
Amortization of DAC	23,229	23,975	26,645	30,185	26,531	28,205	29,234	2,588	9.7%	73,849	83,970	10,121	13.7%
Insurance commissions	8,998	9,532	10,536	9,553	8,496	6,457	6,684	(3,851)	-36.6%	29,066	21,638	(7,427)	-25.6%
Insurance expenses	15,798	26,988	22,133	24,273	22,444	24,589	23,744	1,611	7.3%	64,920	70,777	5,858	9.0%
Sales commissions:													
Sales-based (1)	30,553	31,389	29,640	26,805	31,600	33,285	30,521	882	3.0%	91,582	95,406	3,824	4.2%
Asset-based (2)	15,451	15,111	13,805	13,534	14,745	15,031	15,557	1,752	12.7%	44,368	45,334	966	2.2%
Other sales commissions	4,434	3,774	3,692	3,534	3,371	3,159	3,292	(400)	-10.8%	11,900	9,823	(2,078)	-17.5%
Interest expense	6,997	6,998	7,000	6,973	6,910	8,505	8,829	1,829	26.1%	20,994	24,244	3,250	15.5%
Other operating expenses	40,001	41,590	42,732	40,630	41,104	40,447	39,933	(2,800)	-6.6%	124,324	121,484	(2,840)	-2.3%
Total benefits and expenses	203,095	216,630	220,285	219,175	223,135	228,605	228,532	8,247	3.7%	640,010	680,272	40,262	6.3%
Income before income taxes	73,256	58,465	55,505	56,681	63,466	71,921	70,556	15,050	27.1%	187,227	205,942	18,715	10.0%
Income taxes	25,985	20,845	20,409	19,477	21,709	25,741	24,956	4,547	22.3%	67,239	72,407	5,168	7.7%
Net income	\$ 47,272	\$ 37,620	\$ 35,096	\$ 37,204	\$ 41,756	\$ 46,179	\$ 45,600	\$ 10,503	29.9%	\$ 119,988	\$ 133,535	\$ 13,547	11.3%
Income Before Income Taxes by Segment													
Term Life	\$ 49,716	\$ 36,027	\$ 39,663	\$ 37,045	\$ 44,283	\$ 51,722	\$ 48,577	\$ 8,915	22.5%	\$ 125,405	\$ 144,583	\$ 19,178	15.3%
Investment & Savings Products	31,039	30,470	26,746	28,821	28,869	29,444	31,608	4,862	18.2%	88,255	89,922	1,667	1.9%
Corporate & Other Distributed Products	(7,498)	(8,032)	(10,903)	(9,185)	(9,687)	(9,246)	(9,629)	1,274	11.7%	(26,433)	(28,563)	(2,130)	-8.1%
Income before income taxes	\$ 73,256	\$ 58,465	\$ 55,505	\$ 56,681	\$ 63,466	\$ 71,921	\$ 70,556	\$ 15,050	27.1%	\$ 187,227	\$ 205,942	\$ 18,715	10.0%

- (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	Q3 2012	YOY Q3		YTD 2011	YTD 2012	YOY YTD	
								\$ Change	% Change			\$ Change	% Change
<i>(Dollars in thousands)</i>													
Reconciliation from Operating Revenues to Total Revenues													
Operating revenues	\$ 267,296	\$ 273,060	\$ 275,968	\$ 271,600	\$ 284,469	\$ 296,206	\$ 295,215	\$ 19,247	7.0%	\$ 816,324	\$ 875,890	\$ 59,565	7.3%
Operating revenues reconciling items:													
Realized investment gains/losses	327	2,035	(178)	4,256	2,132	4,320	3,872	nm	nm	2,184	10,324	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	3,872	nm	nm	10,913	10,324	nm	nm
Total revenues	\$ 276,352	\$ 275,095	\$ 275,790	\$ 275,855	\$ 286,601	\$ 300,525	\$ 299,087	\$ 23,297	8.4%	\$ 827,237	\$ 886,214	\$ 58,977	7.1%
Reconciliation from Operating Income Before Income Taxes to Income Before Income Taxes													
Operating income before income taxes	\$ 67,321	\$ 59,976	\$ 58,992	\$ 55,840	\$ 64,409	\$ 70,793	\$ 69,787	\$ 10,795	18.3%	\$ 186,288	\$ 204,989	\$ 18,700	10.0%
Operating income before income taxes reconciling items:													
Realized investment gains/losses	327	2,035	(178)	4,256	2,132	4,320	3,872	nm	nm	2,184	10,324	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)	(3,104)	nm	nm	(9,974)	(9,371)	nm	nm
Total operating income before income taxes reconciling items	5,936	(1,510)	(3,487)	841	(943)	1,128	768	nm	nm	939	953	nm	nm
Income before income taxes	\$ 73,256	\$ 58,465	\$ 55,505	\$ 56,681	\$ 63,466	\$ 71,921	\$ 70,556	\$ 15,050	27.1%	\$ 187,227	\$ 205,942	\$ 18,715	10.0%
Reconciliation from Net Operating Income to Net Income													
Net operating income	\$ 43,441	\$ 38,592	\$ 37,301	\$ 36,652	\$ 42,377	\$ 45,455	\$ 45,103	\$ 7,802	20.9%	\$ 119,335	\$ 132,935	\$ 13,600	11.4%
Net operating income reconciling items:													
Operating income before income taxes reconciling items	5,936	(1,510)	(3,487)	841	(943)	1,128	768	nm	nm	939	953	nm	nm
Tax impact of operating income reconciling items at effective tax rate	(2,105)	539	1,282	(289)	323	(404)	(272)	nm	nm	(285)	(353)	nm	nm
Total net operating income reconciling items	3,830	(972)	(2,205)	552	(621)	724	497	nm	nm	654	600	nm	nm
Net income	\$ 47,272	\$ 37,620	\$ 35,096	\$ 37,204	\$ 41,756	\$ 46,179	\$ 45,600	\$ 10,503	29.9%	\$ 119,988	\$ 133,535	\$ 13,547	11.3%

Segment Operating Results

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	YOY Q3		YTD 2011	YTD 2012	YOY YTD	
								\$ Change	% Change			\$ Change	% Change
<i>(Dollars in thousands)</i>													
Term Life Insurance													
Revenues:													
Direct premiums	\$ 532,167	\$ 540,283	\$ 539,693	\$ 537,450	\$ 542,157	\$ 550,329	\$ 549,069	\$ 9,376	1.7%	\$ 1,612,144	\$ 1,641,555	\$ 29,412	1.8%
Ceded premiums	(427,382)	(431,890)	(421,933)	(416,477)	(414,559)	(412,038)	(411,240)	10,693	2.5%	(1,281,205)	(1,237,837)	43,368	3.4%
Net premiums	104,786	108,393	117,760	120,973	127,598	138,292	137,829	20,069	17.0%	330,939	403,718	72,780	22.0%
Allocated net investment income	15,794	15,669	15,664	15,560	16,659	16,685	18,395	2,731	17.4%	47,127	51,740	4,613	9.8%
Other, net	7,653	7,580	8,289	8,144	7,547	7,753	7,788	(500)	-6.0%	23,522	23,089	(433)	-1.8%
Operating revenues	128,233	131,641	141,713	144,678	151,805	162,730	164,012	22,299	15.7%	401,588	478,547	76,959	19.2%
Benefits and expenses:													
Benefits and claims	47,351	43,921	52,067	53,820	57,509	59,984	60,733	8,666	16.6%	143,339	178,226	34,888	24.3%
Amortization of DAC	20,127	19,894	22,289	27,163	23,933	22,547	27,645	5,356	24.0%	62,311	74,125	11,814	19.0%
Insurance commissions	4,063	5,320	5,633	4,380	3,577	2,314	2,168	(3,465)	-61.5%	15,016	8,060	(6,957)	-46.3%
Insurance expenses	12,833	23,607	19,186	19,421	19,717	21,782	20,532	1,345	7.0%	55,626	62,030	6,404	11.5%
Interest expense	2,872	2,873	2,875	2,848	2,785	4,380	4,357	1,482	51.6%	8,619	11,523	2,903	33.7%
Operating benefits and expenses	87,246	95,615	102,050	107,633	107,521	111,008	115,435	13,385	13.1%	284,912	333,964	49,053	17.2%
Operating income before income taxes	\$ 40,987	\$ 36,027	\$ 39,663	\$ 37,045	\$ 44,283	\$ 51,722	\$ 48,577	\$ 8,915	22.5%	\$ 116,676	\$ 144,583	\$ 27,907	23.9%
Investment & Savings Products													
Revenues:													
Commissions and fees:													
Sales-based	\$ 43,128	\$ 44,904	\$ 42,244	\$ 40,086	\$ 44,467	\$ 47,269	\$ 43,120	\$ 876	2.1%	\$ 130,276	\$ 134,856	\$ 4,580	3.5%
Asset-based	44,825	45,348	41,996	40,889	43,722	43,751	45,627	3,631	8.6%	132,170	133,099	929	0.7%
Account-based	10,432	11,811	10,140	9,615	9,373	9,494	9,826	(314)	-3.1%	32,382	28,693	(3,689)	-11.4%
Other, net	2,461	2,522	3,105	3,196	2,572	2,454	2,590	(515)	-16.6%	8,089	7,616	(473)	-5.8%
Operating revenues	100,846	104,586	97,486	93,786	100,133	102,967	101,163	3,678	3.8%	302,917	304,264	1,347	0.4%
Benefits and expenses:													
Amortization of DAC	2,785	3,751	4,034	1,913	3,223	2,881	1,411	(2,623)	-65.0%	10,569	7,514	(3,055)	-28.9%
Insurance commissions	2,140	2,344	2,277	2,089	2,149	2,252	2,323	45	2.0%	6,762	6,723	(38)	-0.6%
Sales commissions:													
Sales-based	30,553	31,389	29,640	26,805	31,600	33,285	30,521	882	3.0%	91,582	95,406	3,824	4.2%
Asset-based	15,451	15,111	13,805	13,534	14,745	15,031	15,557	1,752	12.7%	44,368	45,334	966	2.2%
Other operating expenses	18,878	21,519	20,984	20,624	19,547	20,074	19,744	(1,240)	-5.9%	61,382	59,365	(2,016)	-3.3%
Operating benefits and expenses	69,807	74,115	70,740	64,964	71,264	73,523	69,556	(1,184)	-1.7%	214,662	214,342	(320)	-0.1%
Operating income before income taxes	\$ 31,039	\$ 30,470	\$ 26,746	\$ 28,821	\$ 28,869	\$ 29,444	\$ 31,608	\$ 4,862	18.2%	\$ 88,255	\$ 89,922	\$ 1,667	1.9%
Corporate & Other Distributed Products													
Revenues:													
Direct premiums	\$ 19,902	\$ 20,597	\$ 21,046	\$ 18,328	\$ 18,880	\$ 19,744	\$ 18,204	\$ (2,841)	-13.5%	\$ 61,545	\$ 56,828	\$ (4,717)	-7.7%
Ceded premiums	(3,585)	(3,674)	(3,710)	(3,153)	(3,604)	(3,777)	(3,752)	(42)	-1.1%	(10,969)	(11,133)	(164)	-1.5%
Net premiums	16,317	16,924	17,336	15,174	15,276	15,967	14,453	(2,883)	-16.6%	50,576	45,695	(4,881)	-9.7%
Allocated net investment income	12,831	11,560	11,439	10,083	9,437	6,919	8,487	(2,952)	-25.8%	35,830	24,843	(10,987)	-30.7%
Commissions and fees:													
Loans	1,528	1,202	1,126	1,134	913	627	438	(688)	-61.1%	3,856	1,978	(1,878)	-48.7%
DebtWatchers	1,071	805	840	791	717	648	609	(231)	-27.5%	2,716	1,974	(742)	nm
Prepaid Legal Services	2,619	2,345	2,329	2,321	2,289	2,266	2,364	35	1.5%	7,293	6,918	(374)	-5.1%
Auto and Homeowners Insurance	1,687	1,507	1,427	1,606	1,689	1,836	1,271	(156)	-10.9%	4,621	4,797	176	3.8%
Long-Term Care Insurance	825	775	764	835	724	650	746	(17)	-2.2%	2,364	2,120	(245)	-10.3%
Other sales commissions	1	0	16	5	12	222	334	318	nm	18	568	550	nm
Other, net	1,337	1,715	1,493	1,186	1,475	1,373	1,337	(156)	-10.5%	4,545	4,185	(360)	-7.9%
Operating revenues	38,216	36,833	36,770	33,136	32,531	30,508	30,039	(6,730)	-18.3%	111,819	93,078	(18,741)	-16.8%
Benefits and expenses:													
Benefits and claims	10,284	13,352	12,034	9,867	10,424	8,941	10,004	(2,030)	-16.9%	35,670	29,370	(6,300)	-17.7%
Amortization of DAC	317	330	322	1,110	(625)	2,778	178	(144)	-44.8%	969	2,331	1,362	140.6%
Insurance commissions	2,794	1,867	2,626	3,084	2,770	1,891	2,194	(432)	-16.5%	7,287	6,855	(432)	-5.9%
Insurance expenses	2,965	3,381	2,947	4,851	2,727	2,807	3,213	265	9.0%	9,293	8,747	(547)	-5.9%
Sales commissions	4,434	3,774	3,692	3,534	3,371	3,159	3,292	(400)	-10.8%	11,900	9,823	(2,078)	-17.5%
Interest expense	4,125	4,125	4,125	4,125	4,125	4,125	4,472	347	8.4%	12,375	12,722	347	2.8%
Other operating expenses	18,003	16,525	18,440	16,591	18,482	17,181	17,085	(1,355)	-7.3%	52,968	52,748	(220)	-0.4%
Operating benefits and expenses	42,922	43,354	44,186	43,162	41,275	40,882	40,437	(3,749)	-8.5%	130,462	122,594	(7,868)	-6.0%
Operating income before income taxes	\$ (4,705)	\$ (6,521)	\$ (7,416)	\$ (10,026)	\$ (8,744)	\$ (10,374)	\$ (10,398)	\$ (2,981)	-40.2%	\$ (18,643)	\$ (29,516)	\$ (10,873)	-58.3%

(Dollars in thousands)

Term Life Insurance Operating Income Before Income Taxes	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	YOY Q3		YTD 2011	YTD 2012	YOY YTD		
								\$ Change	% Change			\$ Change	% Change	
Revenues:														
Direct premiums	\$ 532,167	\$ 540,283	\$ 539,693	\$ 537,450	\$ 542,157	\$ 550,329	\$ 549,069	\$ 9,376	1.7%	\$ 1,612,144	\$ 1,641,555	\$ 29,412	1.8%	
Ceded premiums	(427,382)	(431,890)	(421,933)	(416,477)	(414,559)	(412,038)	(411,240)	10,693	2.5%	(1,281,205)	(1,237,837)	43,368	3.4%	
Net premiums	104,786	108,393	117,760	120,973	127,598	138,292	137,829	20,069	17.0%	330,939	403,718	72,780	22.0%	
Allocated net investment income	15,794	15,669	15,664	15,560	16,659	16,685	18,395	2,731	17.4%	47,127	51,740	4,613	9.8%	
Other, net	7,653	7,580	8,289	8,144	7,547	7,753	7,788	(500)	-6.0%	23,522	23,089	(433)	-1.8%	
Operating revenues	128,233	131,641	141,713	144,678	151,805	162,730	164,012	22,299	15.7%	401,588	478,547	76,959	19.2%	
Benefits and expenses:														
Benefits and claims	47,351	43,921	52,067	53,820	57,509	59,984	60,733	8,666	16.6%	143,339	178,226	34,888	24.3%	
Amortization of DAC	20,127	19,894	22,289	27,163	23,933	22,547	27,645	5,356	24.0%	62,311	74,125	11,814	19.0%	
Insurance commissions	4,063	5,320	5,633	4,380	3,577	2,314	2,168	(3,465)	-61.5%	15,016	8,060	(6,957)	-46.3%	
Insurance expenses	12,833	23,607	19,186	19,421	19,717	21,782	20,532	1,345	7.0%	55,626	62,030	6,404	11.5%	
Interest expense	2,872	2,873	2,875	2,848	2,785	4,380	4,357	1,482	51.6%	8,619	11,523	2,903	33.7%	
Operating benefits and expenses	87,246	95,615	102,050	107,633	107,521	111,008	115,435	13,385	13.1%	284,912	333,964	49,053	17.2%	
Operating income before income taxes	\$ 40,987	\$ 36,027	\$ 39,663	\$ 37,045	\$ 44,283	\$ 51,722	\$ 48,577	\$ 8,915	22.5%	\$ 116,676	\$ 144,583	\$ 27,907	23.9%	
New Term Life Insurance Operating Income Before Income Taxes (1)														
Revenues:														
Direct premiums	\$ 46,771	\$ 56,581	\$ 64,655	\$ 71,240	\$ 79,146	\$ 88,860	\$ 94,133	\$ 29,478	45.6%	\$ 168,007	\$ 262,138	\$ 94,131	56.0%	
Ceded premiums	(8,075)	(9,320)	(8,513)	(8,753)	(13,012)	(14,450)	(13,333)	(4,820)	-56.6%	(25,907)	(40,794)	(14,887)	-57.5%	
Net premiums	38,697	47,261	56,142	62,487	66,134	74,410	80,800	24,657	43.9%	142,100	221,344	79,244	55.8%	
Allocated net investment income	630	722	986	1,195	1,302	2,431	2,996	2,009	nm	2,339	6,729	4,390	nm	
Other, net	7,614	7,605	8,287	8,151	7,501	7,671	7,778	(508)	-6.1%	23,506	22,950	(556)	-2.4%	
Operating revenues	46,941	55,588	65,415	71,833	74,938	84,512	91,573	26,158	40.0%	167,944	251,023	83,079	49.5%	
Benefits and expenses:														
Benefits and claims	14,002	17,380	21,086	23,261	25,056	26,667	31,057	9,971	47.3%	52,468	82,780	30,312	57.8%	
Amortization of DAC	9,249	8,324	11,193	14,893	14,674	12,117	17,199	6,006	53.7%	28,766	43,989	15,223	52.9%	
Insurance commissions	3,737	5,052	5,366	4,123	3,364	1,965	1,806	(3,560)	-66.3%	14,155	7,136	(7,019)	-49.6%	
Insurance expenses	21,976	32,353	28,054	28,915	28,133	29,911	29,043	988	3.5%	82,383	87,087	4,704	5.7%	
Interest expense	—	—	—	—	—	266	303	303	nm	—	569	569	nm	
Operating benefits and expenses	48,963	63,109	65,700	71,193	71,227	70,927	79,407	13,708	20.9%	177,772	221,561	43,789	24.6%	
Operating income before income taxes	\$ (2,023)	\$ (7,520)	\$ (284)	\$ 640	\$ 3,711	\$ 13,585	\$ 12,166	\$ 12,451	nm	\$ (9,827)	\$ 29,463	\$ 39,290	nm	
Legacy Term Life Insurance Operating Income Before Income Taxes (2)														
Revenues:														
Direct premiums	\$ 485,396	\$ 483,702	\$ 475,038	\$ 466,211	\$ 463,011	\$ 461,470	\$ 454,936	\$ (20,102)	-4.2%	\$ 1,444,136	\$ 1,379,417	\$ (64,719)	-4.5%	
Ceded premiums	(419,307)	(422,570)	(413,421)	(407,724)	(401,548)	(397,588)	(397,907)	15,514	3.8%	(1,255,297)	(1,197,043)	58,255	4.6%	
Net premiums	66,089	61,132	61,618	58,487	61,464	63,882	57,029	(4,588)	-7.4%	188,839	182,374	(6,465)	-3.4%	
Allocated net investment income	15,164	14,947	14,678	14,365	15,357	14,255	15,400	722	4.9%	44,789	45,011	223	0.5%	
Other, net	39	(26)	2	(7)	46	82	10	8	nm	16	139	123	nm	
Operating revenues	81,293	76,053	76,298	72,845	76,867	78,218	72,439	(3,859)	-5.1%	233,643	227,524	(6,119)	-2.6%	
Benefits and expenses:														
Benefits and claims	33,349	26,541	30,981	30,560	32,453	33,317	29,676	(1,305)	-4.2%	90,871	95,446	4,576	5.0%	
Amortization of DAC	10,878	11,571	11,096	12,270	9,259	10,430	10,446	(650)	-5.9%	33,545	30,136	(3,409)	-10.2%	
Insurance commissions	327	268	267	257	213	349	362	95	35.7%	861	924	62	7.3%	
Insurance expenses	9,366	9,466	9,014	7,989	9,162	9,164	8,557	(457)	-5.1%	27,846	26,884	(962)	-3.5%	
Insurance expense allowance	(18,508)	(18,212)	(17,883)	(17,483)	(17,579)	(17,293)	(17,068)	814	4.6%	(54,602)	(51,940)	2,662	4.9%	
Interest expense	2,872	2,873	2,875	2,848	2,785	4,114	4,054	1,179	41.0%	8,619	10,954	2,334	27.1%	
Operating benefits and expenses	38,283	32,506	36,351	36,441	36,294	40,082	36,028	(323)	-0.9%	107,140	112,404	5,264	4.9%	
Operating income before income taxes	\$ 43,010	\$ 43,547	\$ 39,947	\$ 36,405	\$ 40,573	\$ 38,137	\$ 36,411	\$ (3,536)	-8.9%	\$ 126,503	\$ 115,120	\$ (11,383)	-9.0%	

- (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.

(Dollars in thousands, except as noted)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	YOY Q3		YTD 2011	YTD 2012	YOY YTD	
								\$ Change	% Change			\$ Change	% Change
Key Statistics													
Life-insurance licensed sales force, beginning of period	94,850	92,212	90,519	91,970	91,176	89,651	90,868	349	0.4%	94,850	91,176	(3,674)	-3.9%
New life-licensed representatives	7,145	8,061	10,334	8,171	7,650	9,786	8,613	(1,721)	-16.7%	25,540	26,049	509	2.0%
Non-renewal and terminated representatives	(9,783)	(9,754)	(8,883)	(8,965)	(9,175)	(8,569)	(7,975)	908	10.2%	(28,420)	(25,719)	2,701	9.5%
Life-insurance licensed sales force, end of period	92,212	90,519	91,970	(6) 91,176	89,651	90,868	91,506	(464)	-0.5%	91,970	91,506	(464)	-0.5%
Estimated annualized issued term life premium (\$mills) (1):													
Premium from new policies	\$ 41.1	\$ 47.5	\$ 50.1	\$ 48.9	\$ 44.7	\$ 47.8	\$ 41.8	\$ (8.3)	-16.6%	\$ 138.7	\$ 134.4	\$ (4.3)	-3.1%
Additions and increases in premium	10.4	11.4	11.5	11.6	10.7	11.4	11.6	0.1	0.7%	33.4	33.7	0.3	0.9%
Total estimated annualized issued term life premium	\$ 51.5	\$ 58.9	\$ 61.7	\$ 60.4	\$ 55.4	\$ 59.2	\$ 53.4	\$ (8.2)	-13.4%	\$ 172.1	\$ 168.1	\$ (4.0)	-2.3%
Issued term life policies	51,281	59,826	65,067	61,361	56,145	60,583	53,506	(11,561)	-17.8%	176,174	170,234	(5,940)	-3.4%
Estimated average annualized issued term life premium per policy (1)(2)	\$ 802	\$ 794	\$ 771	\$ 796	\$ 797	\$ 790	\$ 782	\$ 11	1.4%	\$ 788	\$ 790	\$ 2	0.2%
Term life face amount in-force, beginning of period (\$mills)	\$ 656,791	\$ 658,523	\$ 663,617	\$ 666,182	\$ 664,955	\$ 664,423	\$ 668,024	\$ 4,408	0.7%	\$ 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	16,345	(2,540)	-13.5%	54,594	51,635	(2,959)	-5.4%
Terminated term life face amount	(17,247)	(14,724)	(16,221)	(18,760)	(16,307)	(14,322)	(15,566)	655	4.0%	(48,192)	(46,196)	1,996	4.1%
Foreign currency impact, net	2,244	843	(98)	(1,019)	(1,208)	(384)	329	427	nm	2,989	(1,263)	(4,252)	nm
Term life face amount in-force, end of period	\$ 658,523	\$ 663,617	\$ 666,182	\$ 664,955	\$ 664,423	\$ 668,024	\$ 669,132	\$ 2,949	0.4%	\$ 666,182	\$ 669,132	\$ 2,949	0.4%
New Term Life Insurance - Financial Analysis													
Direct premium	\$ 46,771	\$ 56,581	\$ 64,655	\$ 71,240	\$ 79,146	\$ 88,860	\$ 94,133	29,478	45.6%	\$ 168,007	\$ 262,138	\$ 94,131	56.0%
New term life operating income before income taxes	\$ (2,023)	\$ (7,520)	\$ (284)	\$ 640	\$ 3,711	\$ 13,585	\$ 12,166	12,451	nm	\$ (9,827)	\$ 29,463	\$ 39,290	nm
% of direct premium	-4.3%	-13.3%	-0.4%	0.9%	4.7%	15.3%	12.9%	nm	nm	-5.8%	11.2%	nm	nm
Benefits & expenses, net (4)	\$ 35,063	\$ 40,076	\$ 46,158	\$ 51,030	\$ 56,105	\$ 55,199	\$ 63,395	17,237	37.3%	\$ 121,296	\$ 174,699	\$ 53,403	44.0%
% of direct premium	75.0%	70.8%	71.4%	71.6%	70.9%	62.1%	67.3%	nm	nm	72.2%	66.6%	nm	nm
Insurance expenses, net (5)	\$ 14,362	\$ 24,747	\$ 19,768	\$ 20,764	\$ 20,632	\$ 22,240	\$ 21,265	1,497	7.6%	\$ 58,877	\$ 64,136	\$ 5,259	8.9%
% of direct premium	30.7%	43.7%	30.6%	29.1%	26.1%	25.0%	22.6%	nm	nm	35.0%	24.5%	nm	nm
Legacy Term Life Insurance - Financial Analysis													
Direct premium	\$ 485,396	\$ 483,702	\$ 475,038	\$ 466,211	\$ 463,011	\$ 461,470	\$ 454,936	(20,102)	-4.2%	\$ 1,444,136	\$ 1,379,417	\$ (64,719)	-4.5%
Legacy term life operating income before income taxes	\$ 43,010	\$ 43,547	\$ 39,947	\$ 36,405	\$ 40,573	\$ 38,137	\$ 36,411	(3,536)	-8.9%	\$ 126,503	\$ 115,120	\$ (11,383)	-9.0%
% of direct premium	8.9%	9.0%	8.4%	7.8%	8.8%	8.3%	8.0%	nm	nm	8.8%	8.3%	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.

(Dollars in thousands, except as noted)

Investment & Savings Products Operating Income Before Income Taxes					YOY Q3						YOY YTD		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	\$	%	YTD	YTD	\$	%
	2011	2011	2011	2011	2012	2012	2012	Change	Change	2011	2012	Change	Change
Revenues:													
Commissions and fees:													
Sales-based	\$ 43,128	\$ 44,904	\$ 42,244	\$ 40,086	\$ 44,467	\$ 47,269	\$ 43,120	\$ 876	2.1%	\$ 130,276	\$ 134,856	\$ 4,580	3.5%
Asset-based	44,825	45,348	41,996	40,889	43,722	43,751	45,627	3,631	8.6%	132,170	133,099	929	0.7%
Account-based	10,432	11,811	10,140	9,615	9,373	9,494	9,826	(314)	-3.1%	32,382	28,693	(3,689)	-11.4%
Other, net	2,461	2,522	3,105	3,196	2,572	2,454	2,590	(515)	-16.6%	8,089	7,616	(473)	-5.8%
Operating revenues	100,846	104,586	97,486	93,786	100,133	102,967	101,163	3,678	3.8%	302,917	304,264	1,347	0.4%
Benefits and expenses:													
Amortization of DAC	2,785	3,751	4,034	1,913	3,223	2,881	1,411	(2,623)	-65.0%	10,569	7,514	(3,055)	-28.9%
Insurance commissions	2,140	2,344	2,277	2,089	2,149	2,252	2,323	45	2.0%	6,762	6,723	(38)	-0.6%
Sales commissions:													
Sales-based	30,553	31,389	29,640	26,805	31,600	33,285	30,521	882	3.0%	91,582	95,406	3,824	4.2%
Asset-based	15,451	15,111	13,805	13,534	14,745	15,031	15,557	1,752	12.7%	44,368	45,334	966	2.2%
Other operating expenses	18,878	21,519	20,984	20,624	19,547	20,074	19,744	(1,240)	-5.9%	61,382	59,365	(2,016)	-3.3%
Operating benefits and expenses	69,807	74,115	70,740	64,964	71,264	73,523	69,556	(1,184)	-1.7%	214,662	214,342	(320)	-0.1%
Operating income before income taxes	\$ 31,039	\$ 30,470	\$ 26,746	\$ 28,821	\$ 28,869	\$ 29,444	\$ 31,608	\$ 4,862	18.2%	\$ 88,255	\$ 89,922	\$ 1,667	1.9%
Key Statistics													
Product sales (\$Smills)													
Retail Mutual Funds	\$ 646.0	\$ 603.1	\$ 498.3	\$ 482.5	\$ 611.9	\$ 589.6	\$ 545.7	\$ 47.5	9.5%	\$ 1,747.4	\$ 1,747.2	\$ (0.1)	nm
Variable Annuities and other	344.6	458.0	483.4	388.4	428.9	500.3	445.2	(38.3)	-7.9%	1,286.1	1,374.4	88.4	6.9%
Total sales-based revenue generating product sales	990.6	1,061.1	981.7	870.9	1,040.8	1,090.0	990.9	9.2	0.9%	3,033.4	3,121.7	88.2	2.9%
Managed Mutual Funds	—	0.2	11.8	16.6	23.1	39.6	37.3	25.5	nm	12.0	100.0	88.0	nm
Segregated Funds	123.1	74.2	66.6	68.4	123.7	64.3	63.5	(3.0)	-4.6%	263.8	251.6	(12.2)	-4.6%
Total product sales	\$ 1,113.7	\$ 1,135.5	\$ 1,060.0	\$ 955.8	\$ 1,187.7	\$ 1,193.9	\$ 1,091.7	\$ 31.6	3.0%	\$ 3,309.2	\$ 3,473.2	\$ 164.0	5.0%
Client asset values, beginning of period (\$Smills)	\$ 34,869	\$ 36,187	\$ 36,020	\$ 31,623	\$ 33,664	\$ 36,279	\$ 35,286	\$ (734)	-2.0%	\$ 34,869	\$ 33,664	\$ (1,205)	-3.5%
Inflows	1,114	1,136	1,060	956	1,188	1,194	1,092	32	3.0%	3,309	3,473	164	5.0%
Outflows (1)	(1,083)	(1,118)	(1,091)	(983)	(1,233)	(1,144)	(1,014)	78	7.1%	(3,292)	(3,391)	(98)	-3.0%
Net flows	31	18	(31)	(27)	(45)	50	78	109	nm	17	83	66	nm
Change in market value, net and other (2)	1,288	(185)	(4,365)	2,068	2,660	(1,043)	1,540	5,905	nm	(3,263)	3,157	6,420	nm
Client asset values, end of period	\$ 36,187	\$ 36,020	\$ 31,623	\$ 33,664	\$ 36,279	\$ 35,286	\$ 36,903	\$ 5,280	16.7%	\$ 31,623	\$ 36,903	\$ 5,280	16.7%
Average client asset values (\$Smills)													
Retail Mutual Funds	\$ 24,882	\$ 25,330	\$ 23,500	\$ 22,583	\$ 23,694	\$ 23,724	\$ 23,750	\$ 251	1.1%	\$ 24,571	\$ 23,723	\$ (848)	-3.5%
Managed Mutual Funds	—	0	21	104	212	326	425	403	nm	7	321	314	nm
Variable Annuities and other	8,242	8,588	8,192	8,083	8,717	8,972	9,245	1,053	12.9%	8,341	8,978	638	7.6%
Segregated Funds	2,477	2,545	2,479	2,454	2,499	2,527	2,542	63	2.5%	2,501	2,523	22	0.9%
Total	\$ 35,602	\$ 36,463	\$ 34,192	\$ 33,224	\$ 35,122	\$ 35,550	\$ 35,962	\$ 1,770	5.2%	\$ 35,419	\$ 35,545	\$ 126	0.4%
Average number of fee-generating accounts (thous) (3)	2,662	2,611	2,626	2,611	2,584	2,583	2,552	(74)	-2.8%	2,633	2,573	(60)	-2.3%
Financial Analysis													
Sales-based net revenue as % of sales (4)	1.27%	1.27%	1.28%	1.53%	1.24%	1.28%	1.27%	nm	nm	1.28%	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%	0.07%	nm	nm	0.20%	0.21%	nm	nm
Account-based revenue per average fee generating account (6)	\$ 3.92	\$ 4.52	\$ 3.86	\$ 3.68	\$ 3.63	\$ 3.67	\$ 3.85	nm	nm	\$ 12.30	\$ 11.15	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

As of or for the period ended September 30, 2012							
(Dollars in thousands)	Market Value	Amortized Cost	Unrealized G/(L)	% of Total		Avg Book Yield	Avg Rating
				Market Value	Amortized Cost		
Investment Portfolio by Asset Class							
Cash and cash equivalents	\$ 185,823	\$ 185,823	\$ —	8.63%	9.48%		
Fixed Income:							
Treasury	30,884	27,200	3,684	1.44%	1.39%	3.17%	AAA
Government	123,564	104,739	18,825	5.74%	5.34%	4.61%	AA
Tax-Exempt Municipal	8,684	8,274	411	0.40%	0.42%	3.31%	AA
Corporate	1,263,888	1,136,226	127,661	58.73%	57.96%	5.53%	BBB+
Mortgage-Backed	211,047	192,126	18,922	9.81%	9.80%	5.48%	AAA
Asset-Backed	48,740	49,748	(1,008)	2.26%	2.54%	1.40%	AA+
CMBS	106,096	98,411	7,685	4.93%	5.02%	4.84%	AAA
Private	125,275	117,509	7,765	5.82%	5.99%	5.84%	BBB+
Redeemable Preferred	1,973	2,506	(534)	0.09%	0.13%	27.04%	BBB+
Convertible	9,387	8,978	409	0.44%	0.46%	3.29%	A
Total Fixed Income	1,929,537	1,745,717	183,820	89.7%	89.0%	5.30%	A
Equities:							
Perpetual Preferred	6,241	5,585	656	0.29%	0.28%		
Common Stock	13,137	9,932	3,206	0.61%	0.51%		
Mutual Fund	8,167	4,244	3,923	0.38%	0.22%		
Other	9,147	9,147	0	0.43%	0.47%		
Total Equities	36,693	28,908	7,785	1.7%	1.5%		
Total Invested Assets	\$ 2,152,052	\$ 1,960,448	\$ 191,605	100%	100%		
Corporate Portfolio by Sector							
Consumer Non Cyclical	\$ 143,501	\$ 124,640	\$ 18,861	11.35%	10.97%		
Reits	121,649	111,077	10,572	9.62%	9.78%		
Electric	117,821	100,556	17,266	9.32%	8.85%		
Banking	111,120	103,816	7,305	8.79%	9.14%		
Basic Industry	108,347	99,121	9,226	8.57%	8.72%		
Insurance	102,083	92,524	9,559	8.08%	8.14%		
Energy	92,267	81,702	10,565	7.30%	7.19%		
Technology	77,754	72,828	4,925	6.15%	6.41%		
Capital Goods	76,485	68,070	8,415	6.05%	5.99%		
Communications	69,884	61,542	8,342	5.53%	5.42%		
Consumer Cyclical	66,683	61,900	4,783	5.28%	5.45%		
Natural Gas	62,485	55,114	7,371	4.94%	4.85%		
Finance Companies	30,878	27,036	3,843	2.44%	2.38%		
Industrial Other	30,478	28,311	2,167	2.41%	2.49%		
Transportation	22,968	20,690	2,278	1.82%	1.82%		
Brokerage	16,309	14,891	1,418	1.29%	1.31%		
Financial Other	8,052	7,412	639	0.64%	0.65%		
Utility Other	5,124	4,998	126	0.41%	0.44%		
Total Corporate portfolio	\$ 1,263,888	\$ 1,136,226	\$ 127,661	100.0%	100.0%		
Fixed-Maturity Securities - Effective Maturity							
Effective maturity							
< 1 Yr.	\$ 205,682	\$ 201,371	\$ 4,311	10.7%	11.5%	4.79%	
1-2 Yrs.	284,759	266,305	18,453	14.8%	15.3%	5.53%	
2-5 Yrs.	614,611	562,149	52,463	31.9%	32.2%	5.00%	
5-10 Yrs.	756,863	658,204	98,659	39.2%	37.7%	5.61%	
> 10 Yrs.	67,622	57,689	9,933	3.5%	3.3%	5.48%	
Total Fixed Income	\$ 1,929,537	\$ 1,745,717	\$ 183,820	100.0%	100.0%	5.30%	
Duration							
Fixed Income portfolio duration	3.8 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	\$ 345,163	19.77%
AA	144,648	8.29%
A	413,323	23.68%
BBB	747,369	42.81%
Below Investment Grade	91,160	5.22%
NA	4,054	0.23%
Total Fixed Income	<u>\$ 1,745,717</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
Corporate asset class:		
<u>Rating</u>		
AAA	\$ 350	0.0%
AA	71,691	6.3%
A	354,313	31.2%
BBB	640,019	56.3%
Below Investment Grade	69,405	6.1%
NA	449	0.0%
Total Corporate	<u>\$ 1,136,226</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
Private asset class:		
<u>Rating</u>		
AAA	\$ 222	0.19%
AA	6,405	5.45%
A	14,378	12.24%
BBB	82,397	70.12%
Below Investment Grade	10,569	8.99%
NA	3,539	3.01%
Total Private	<u>\$ 117,509</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
CMBS asset class:		
<u>Rating</u>		
AAA	\$ 82,997	84.3%
AA	11,247	11.4%
A	1,574	1.6%
BBB	2,001	2.0%
Below Investment Grade	589	0.6%
NA	2	0.0%
Total CMBS	<u>\$ 98,411</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
Mortgage-Backed asset class:		
<u>Rating</u>		
AAA	\$ 173,973	90.6%
AA	4,806	2.5%
A	629	0.3%
BBB	3,572	1.9%
Below Investment Grade	9,145	4.8%
NA	—	—
Total Mortgage-Backed	<u>\$ 192,126</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
Asset-Backed asset class:		
<u>Rating</u>		
AAA	\$ 38,784	78.0%
AA	690	1.4%
A	3,853	7.7%
BBB	5,000	10.1%
Below Investment Grade	1,422	2.9%
NA	—	—
Total Asset-Backed	<u>\$ 49,748</u>	<u>100.0%</u>

	<u>Amortized Cost</u>	<u>% of Total</u>
Treasury & Government asset classes:		
<u>Rating</u>		
AAA	\$ 48,211	36.5%
AA	43,259	32.8%
A	30,640	23.2%
BBB	9,829	7.4%
Below Investment Grade	—	—
NA	—	—
Total Treasury & Government	<u>\$ 131,939</u>	<u>100.0%</u>

NAIC Designations

1	\$ 726,956	48.0%
2	711,189	47.0%
3	52,009	3.4%
4	14,542	1.0%
5	1,263	0.1%
6	7,253	0.5%
U.S. Insurer Fixed Income (2)	<u>1,513,212</u>	<u>100.0%</u>
Other (3)	261,413	
Cash and cash equivalents	185,823	
Total Invested Assets	<u>\$ 1,960,448</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

								YOY Q3	
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	\$ Change	% Change
<i>(Dollars in thousands)</i>									
Net Investment Income by Source									
Bonds & notes	\$ 29,014	\$ 27,462	\$ 27,413	\$ 26,019	\$ 25,762	\$ 23,797	\$ 26,601	\$ (812)	-3.0%
Preferred and common stocks	188	165	170	194	223	244	245	75	44.1%
Deposit asset underlying 10% reinsurance treaty	508	650	449	412	1,030	574	986	537	119.6%
Policy loans	347	306	441	326	314	223	275	(166)	-37.6%
Cash & cash equivalents	70	65	63	109	135	111	101	38	60.3%
Other	(19)	13	—	—	37	38	40	40	nm
Total investment income	30,108	28,662	28,536	27,060	27,500	24,987	28,248	(288)	-1.0%
Investment expenses	1,482	1,433	1,433	1,417	1,403	1,382	1,367	(66)	-4.6%
Net investment income	\$ 28,626	\$ 27,229	\$ 27,103	\$ 25,643	\$ 26,097	\$ 23,605	\$ 26,881	\$ (222)	nm
Fixed income book yield, end of period	5.30%	5.38%	5.33%	5.52%	5.46%	5.48%	5.30%		
New money yield	2.72%	4.45%	2.42%	3.69%	2.69%	3.46%	2.64%		

								YOY Q3	
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	% Pt Change	
Fixed Income Portfolio Quality Ratings									
Rating									
AAA	26.1%	25.3%	24.9%	23.5%	23.1%	21.2%	19.8%	-5.1%	
AA	9.5%	9.8%	9.9%	8.3%	8.5%	7.6%	8.3%	-1.6%	
A	22.4%	22.6%	22.6%	23.7%	23.3%	23.4%	23.7%	1.1%	
BBB	35.8%	35.9%	35.9%	37.6%	38.8%	41.3%	42.8%	6.9%	
Below Investment Grade	6.2%	6.3%	6.6%	6.9%	6.3%	6.4%	5.2%	-1.4%	
NA	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%	
Total Fixed Income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	nm	
Average rating by amortized cost	A	A	A	A	A	A	A	na	

	As of September 30, 2012				As of September 30, 2012				As of September 30, 2012	
	Market Value	Amortized Cost	Credit Rating		Market Value	Amortized Cost	Market Value		Amortized Cost	
Top 25 Exposures				Foreign Exposure (1)				Government Investments (1)		
1 Canada	\$ 33,157	\$ 29,584	AAA	United Kingdom	\$ 67,384	\$ 61,887	AAA	\$ —	\$ —	
2 General Electric Co	17,265	15,373	AA	Australia	55,812	50,867	AA	7,527	6,707	
3 International Business Machines	13,640	12,316	AA-	Canada	47,598	43,266	A	15,240	13,621	
4 Bank of America Corp	12,252	11,122	A-	France	25,906	24,495	BBB	11,522	9,829	
5 Province of Ontario Canada	11,725	9,168	AA-	Germany	20,167	18,744	Below Investment Grade	-	-	
6 Verizon Communications Inc	10,991	9,501	A-	Brazil	18,609	16,274	NA	-	-	
7 Iberdrola SA	10,655	9,444	BBB+	Bermuda	14,661	13,530				
8 National Rural Utilities Cooperative	10,585	7,186	A+	Ireland	14,115	12,742	Total	\$ 34,289	\$ 30,157	
9 Prologis Inc	10,425	9,414	BBB-	Korea Republic Of	13,877	12,706				
10 Province of Quebec Canada	8,967	7,060	A+	Netherlands	13,678	11,190	Non-Government Investments (1)			
11 Phillips 66	8,532	7,224	BBB	Italy	12,108	11,705	AAA	\$ —	\$ —	
12 Ventas Inc	8,485	8,102	BBB	Spain	11,549	11,731	AA	27,598	24,891	
13 Roche Holding AG	8,206	6,567	AA	Switzerland	9,247	7,566	A	118,899	108,231	
14 Valspar SA	8,003	7,099	A-	Mexico	9,104	8,207	BBB	193,414	178,184	
15 Altria Group Inc	7,997	5,918	BBB	Luxembourg	7,836	7,184	Below Investment Grade	15,265	15,294	
16 Washington Real Estate Investments	7,920	7,313	BBB	Emerging Markets ⁽²⁾	12,632	11,503	NA	6,784	5,231	
17 Homer City Funding LLC	7,697	6,259	CC	All Other	41,961	38,391	Total	\$ 361,959	\$ 331,832	
18 Prudential Financial Inc	7,647	6,807	A	Total	\$ 396,248	\$ 361,989				
19 ArcelorMittal	7,644	7,019	BB+							
20 Montpelier Re Holdings Ltd	7,637	7,207	BBB							
21 TESCO PLC	7,487	6,317	A-							
22 Enel SpA	7,268	6,977	BBB+							
23 Republic of Korea	7,117	6,370	A+							
24 BHP Billiton Ltd	7,082	6,541	A+							
25 TransCanada Corp	7,072	6,343	A-							
Total	\$ 255,454	\$ 222,230								
% of total fixed income portfolio	11.9%	11.3%								

(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, Peru, Poland and South Africa

Five-Year Historical Key Statistics

<i>(Dollars in millions)</i>	2007	2008	2009	2010	2011	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Recruits	220,950	235,125	221,920	231,390	244,756	52,813	65,138	83,074	43,731	58,551	48,976	47,639
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	90,868
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	8,613
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)	(7,975)
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	91,506
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	53,506
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	\$ 16,345
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	\$ 668,024
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	16,345
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)	(15,566)
Foreign currency impact, net	9,963	(13,891)	10,873	3,158	1,970	2,244	843	(98)	(1,019)	(1,208)	(384)	329
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	\$ 669,132
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	\$ 41.8
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	11.6
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	\$ 53.4
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	\$ 1,091.7
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	\$ 35,962