

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): **May 5, 2022**



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
(IRS Employer Identification No.)

1 Primerica Parkway
Duluth, Georgia 30099
(Address of Principal Executive Offices, and Zip Code)

(770) 381-1000
(Registrant's telephone number, including area code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PRI	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 5, 2022, Primerica, Inc. (the "Company") announced its results of operations for the quarter ended March 31, 2022. A copy of the press release is attached hereto as Exhibit 99.1.

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

Use of Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company presents certain non-GAAP financial measures. Specifically, the Company presents adjusted direct premiums, other ceded premiums, adjusted operating revenues, adjusted operating income before income taxes, adjusted net operating income, adjusted stockholders' equity and diluted adjusted operating earnings per share. Adjusted direct premiums and other ceded premiums are net of amounts ceded under coinsurance transactions that were executed concurrent with our initial public offering (the "IPO coinsurance transactions") for all periods presented. We exclude amounts ceded under the IPO coinsurance transactions in measuring adjusted direct premiums and other ceded premiums to present meaningful comparisons of the actual premiums economically maintained by the Company. Amounts ceded under the IPO coinsurance transactions will continue to decline over time as policies terminate within this block of business. Adjusted operating revenues, adjusted operating income before income taxes, adjusted net operating income and diluted adjusted operating earnings per share exclude the impact of investment gains (losses) and fair value mark-to-market ("MTM") investment adjustments, including credit impairments, for all periods presented. We exclude investment gains (losses), including credit impairments, and MTM investment adjustments in measuring these non-GAAP financial measures to eliminate period-over-period fluctuations that may obscure comparisons of operating results due to items such as the timing of recognizing gains (losses) and market pricing variations prior

to an invested asset's maturity or sale that are not directly associated with the Company's insurance operations. Adjusted operating income before taxes, adjusted net operating income, and diluted adjusted operating earnings per share also exclude transaction-related expenses associated with the purchase of 80% of e-TeleQuote Insurance, Inc. and subsidiaries (collectively, "e-TeleQuote") and adjustments to share-based compensation expense for shares exchanged in the business combination. We exclude e-TeleQuote transaction-related expenses as these are non-recurring items that will cause incomparability between period-over-period results. We exclude adjustments to share-based compensation expense for shares exchanged in the business combination to eliminate period-over-period fluctuations that may obscure comparisons of operating results primarily due to the volatility of changes in the fair value of shares prior to the dates that can ultimately be redeemed. Adjusted operating income before income taxes and adjusted net operating income exclude income attributable to the noncontrolling interest to present only the income that is attributable to stockholders of the Company. Adjusted stockholders' equity excludes the impact of net unrealized investment gains (losses) recorded in accumulated other comprehensive income (loss) for all periods presented. We exclude unrealized investment gains (losses) in measuring adjusted stockholders' equity as unrealized gains (losses) from the Company's available-for-sale securities are largely caused by market movements in interest rates and credit spreads that do not necessarily correlate with the cash flows we will ultimately realize when an available-for-sale security matures or is sold.

Our definitions of these non-GAAP financial measures may differ from the definitions of similar measures used by other companies. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. Furthermore, management believes that these non-GAAP financial measures may provide users with additional

meaningful comparisons between current results and results of prior periods as they are expected to be reflective of our core ongoing business. These measures have limitations, and investors should not consider them in isolation or as a substitute for analysis of the Company's results as reported under GAAP.

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

Item 7.01 Regulation FD Disclosure.

On May 5, 2022, the Company posted to the "Investor Relations" section of its website certain supplemental financial information relating to the quarter ended March 31, 2022. 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 May 5, 2022 – Primerica Reports First Quarter 2022 Results
99.2	Primerica, Inc. Supplemental Financial Information – First Quarter 2022
104	Cover Page from this Current Report on Form 8-K, formatted in Inline XBRL

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: May 5, 2022

PRIMERICA, INC.

/s/ Alison S. Rand

Alison S. Rand

Executive Vice President and Chief Financial Officer



PRIMERICA REPORTS FIRST QUARTER 2022 RESULTS

Life-licensed sales force grew from the prior quarter end to 130,206

Term Life net premiums increased 9%; adjusted direct premiums increased 10% with sales remaining above pre-pandemic levels

Investment and Savings Products sales of \$3.1 billion increased 7%

Continued headwinds in the Senior Health segment

Net earnings per diluted share (EPS) of \$2.06 declined 16%; return on stockholders' equity (ROE) of 16.2%

Diluted adjusted operating EPS of \$2.11 declined 14%; adjusted net operating income return on adjusted stockholders' equity (ROAE) of 16.6%

Declared dividend of \$0.55 per share, payable on June 14, 2022, and repurchased \$99 million of common stock during the quarter

Duluth, GA, May 5, 2022 –Primerica, Inc. (NYSE: PRI) today announced financial results for the quarter ended March 31, 2022. Total revenues of \$691.2 million increased 8% compared to the first quarter of 2021. Net income attributable to Primerica of \$81.4 million decreased 17%, while earnings per diluted share of \$2.06 decreased 16% compared to the same period in the prior year. ROE was 16.2% for the quarter.

Adjusted operating revenues were \$692.6 million, a 9% increase compared to the first quarter of 2021. Adjusted net operating income of \$83.3 million decreased 14%, while adjusted operating earnings per diluted share of \$2.11 decreased 14% compared to the same period in the prior year. The decrease in adjusted net operating income was driven by a loss in the Senior Health segment of \$19.0 million (\$15 million after-tax), or \$0.37 per share. ROAE was 16.6% in the current quarter.

First quarter results reflect continued revenue growth in the Term Life and Investment and Savings Products (ISP) segments, while income growth was constrained by several factors. Term Life operating revenues increased 10% year-over-year with income before income taxes increasing 4%. As the quarter progressed, term life persistency

and claims continued to normalize to pre-COVID levels. In addition, insurance expenses were elevated year-over-year from adding the previously postponed biennial convention to our normal cycle of sales force leadership events. ISP operating revenues increased 8% year-over-year, while income before income taxes grew 2%. Sales-based net revenues were lower than in the previous year period due to the expansion of sales force bonuses during 2021. Asset-based revenues and expenses continued to grow in line with average client asset values, however market volatility during the quarter drove higher Canadian segregated fund DAC amortization in the period. Results in the Senior Health segment reflect the Company's deliberate efforts to slow growth as we assess changes necessary to build a successful business. Results for each segment are addressed in greater detail below.

"We are pleased with the performance in our term life and ISP businesses, and the return of growth in the size of our sales force during the quarter," said Glenn Williams, Chief Executive Officer. "Earnings growth during the quarter was pressured by heightened expenses as we catch-up on in person sales force leadership events. Additional headwinds are also coming from market volatility for our ISP business and the continuing challenges in the Senior Health business."

First Quarter Distribution & Segment Results

Distribution Results

	Q1 2022	Q1 2021	% Change
Life-Licensed Sales Force (1)	130,206	132,030	(1)%
Recruits	84,707	94,633	(10)%
New Life-Licensed Representatives	9,983	10,833	(8)%
Life Insurance Policies Issued	71,324	82,667	(14)%
Life Productivity (2)	0.18	0.21	*
ISP Product Sales (\$ billions)	\$ 3.07	\$ 2.85	7%
Average Client Asset Values (\$ billions)	\$ 94.20	\$ 83.13	13%
Senior Health Submitted Policies (3)	26,231	-	*
Senior Health Approved Policies (4)	23,594	-	*
Closed U.S. Mortgage Volume (\$ million brokered)	\$ 235.9	\$ 262.3	(10)%

(1) End of period. The 2021 period includes an estimated 2,400 individuals who we expect will not pursue the steps necessary to convert a COVID-related temporary license to a permanent license or renew a license with a COVID-related extended renewal date.

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

(3) Represents the number of completed applications that, with respect to each such application, the applicant has authorized us to submit to the health insurance carrier.

(4) Represents an estimate of submitted policies approved by health insurance carriers during the indicated period. Not all approved policies will go in force.

* Not calculated

Segment Results

	Q1 2022	Q1 2021	% Change
	(\$ in thousands)		
Adjusted Operating Revenues:			
Term Life Insurance	\$ 418,428	\$ 382,027	10 %
Investment and Savings Products	241,039	223,422	8 %
Senior Health (1)	5,831	-	*
Corporate and Other Distributed Products(1)	27,276	31,289	(13)%
Total adjusted operating revenues(1)	<u>\$ 692,574</u>	<u>\$ 636,738</u>	9 %
Adjusted Operating Income (Loss) before income taxes:			
Term Life Insurance	\$ 91,576	\$ 88,236	4 %
Investment and Savings Products	64,560	63,363	2 %
Senior Health (1)	(19,018)	-	*
Corporate and Other Distributed Products(1)	(27,943)	(24,263)	15 %
Total adjusted operating income before income taxes (1)	<u>\$ 109,175</u>	<u>\$ 127,336</u>	(14)%

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

* Not calculated

Life Insurance Licensed Sales Force

Sales force metrics are difficult to compare year-over-year due to COVID-related incentives in recruiting and special state licensing measures in the prior year period. During the quarter, the Company recruited nearly 85,000 individuals, which is strong and demonstrates the attractiveness of the Primerica business opportunity in today's workforce environment. Improved access to in-person exam preparation classes led to nearly 10,000 individuals obtaining a new life license during the first quarter of 2022 with the number of new licenses increasing each month during the quarter. On March 31, 2022, the Company had a total of 130,206 independent life-licensed representatives, marking a shift to growth in the size of the life-licensed sales force on a sequential quarter basis.

Term Life Insurance

Sales volume has continued to normalize following a period of heightened client demand driven by COVID. During the first quarter of 2022, the Company issued over 71,000 new term life insurance policies, which remained above pre-pandemic levels. Productivity at 0.18 policies per life-licensed representative per month reflects typical first quarter seasonality and remains above the level seen prior to the pandemic in the first quarter of 2019.

First quarter revenues of \$418.4 million increased 10% year-over-year, driven by 10% growth in adjusted direct premiums. As persistency continued to normalize to pre-pandemic levels, particularly for policies issued in the last two years, the DAC amortization ratio increased to 15.3%, however, it remains below what was typically seen in the first quarter prior to the pandemic. The impact of normalizing persistency on adjusted direct premiums, DAC amortization and benefit reserves, collectively, was

consistent with the overall impact in the first quarter of 2021. The benefit ratio was 62.1%, decreasing 180 basis points year-over-year as COVID-related net death claims declined throughout the quarter to an estimated \$16 million, or \$5 million lower than first quarter 2021. The Company did not experience any significant non-COVID excess death claims during the quarter.

Insurance expenses increased \$10.9 million, or 23% year-over-year. Approximately half of the increase was driven by higher costs associated with the return to the normal cycle of sales force leadership events combined with planning for the biennial convention, which had been postponed due to the pandemic and rescheduled to June 2022. The remainder of the increase was due to a combination of growth in the business, higher employee compensation costs from annual merit increases and higher agent-related costs as the Company returned to normal levels of in-person pre-licensing classes.

Investment and Savings Products

Total product sales during the quarter were \$3.1 billion, a 7% increase compared to the first quarter of 2021. Heightened market volatility during the period led to slower sales growth as the quarter progressed; nonetheless, net client inflows of \$1.2 billion remained solid which reflects clients' long-term approach to investing. Client asset values on March 31, 2022, were \$93.7 billion, up 9% year-over-year.

Revenues of \$241.0 million during the quarter increased 8%, while pre-tax income of \$64.6 million increased 2% compared to the prior year period. Sales-based revenues increased 5% year-over-year, largely in line with growth in revenue-generating sales. Sales-based commission expenses increased 9%, reflecting a higher level of sales force bonuses implemented in the second half of 2021 to reflect outstanding sales performance. Asset-based revenues and commission expenses increased 12% and 14%, respectively, largely in line with average client asset values. Canadian segregated fund DAC amortization was higher year-over-year from volatility in client asset values during the quarter.

Operating expenses increased \$3.2 million, or 8% year-over-year, due to a combination of growth in the business and higher costs associated with sales force leadership events and the biennial convention.

Senior Health

The Company saw strong consumer demand during the Open Enrollment Period, which coincides with the first quarter. As previously indicated, the Company deliberately limited the number of senior health licensed agents, which led to lower sales volume for the first quarter. Approved policies were approximately 24,000 during the quarter.

The pre-tax operating loss of \$19.0 million resulted primarily from a negative tail revenue adjustment of \$19.1 million for policies approved in prior periods. The tail adjustment was driven by continued challenges with renewal rates for previous year

policy cohorts and ongoing refinements to our revenue projection model. Early performance for the 2022 policy cohort, which is largely comprised of policies issued during the Annual Election Period last quarter, has achieved expectations and showed improved performance over the prior year cohort. The lifetime value of commissions (“LTV”) per approved policy was \$862 for the first quarter and while contract acquisition costs were lower than in the fourth quarter of 2021, the reduction was more than offset by lower LTV for the period. Given the high level of commissions typically paid by carriers in the first quarter, Primerica did not provide any funding to the Senior Health segment during the period. The Company continues to work diligently to make operational adjustments in the business in light of widespread sector challenges.

Corporate and Other Distributed Products

During the first quarter, the segment recorded an adjusted operating loss before taxes of \$27.9 million, increasing \$3.7 million year-over-year. The increase was largely revenue driven with net investment income in the segment decreasing \$3.0 million as the allocation to Term Life was larger to support the growing block of business. Commission revenues from third-party products sales, including mortgages which slowed due to rising interest rates, were \$0.9 million lower year-over-year.

Adjusted operating benefits and expenses were largely unchanged compared to the prior year period as lower benefits and claims on closed blocks of business and lower third-party product commissions offset a \$1.3 million increase in other operating expenses due higher employee compensation costs from annual merit increases.

Taxes

The effective tax rate remained relatively unchanged at 23.5% in the first quarter of 2022 compared to 23.7% in the first quarter of 2021.

Capital

During the first quarter, the Company repurchased 710,825 shares of common stock for \$99.0 million. The Company expects to repurchase a total of \$306 million of common stock during 2022. The Board of Directors has approved a dividend of \$0.55 per share, payable on June 14, 2022, to stockholders of record on May 20, 2022.

Primerica has a strong balance sheet, including invested assets and cash at the holding company of \$260 million. Primerica Life Insurance Company’s statutory risk-based capital (RBC) ratio was estimated to be about 440% as of March 31, 2022.

Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company presents certain non-GAAP financial measures. Specifically, the Company presents adjusted direct premiums, other ceded premiums, adjusted operating revenues, adjusted operating income before income taxes, adjusted net operating income, adjusted stockholders’ equity and diluted adjusted operating earnings per share. Adjusted direct premiums and other ceded premiums are

net of amounts ceded under coinsurance transactions that were executed concurrent with our initial public offering (the "IPO coinsurance transactions") for all periods presented. We exclude amounts ceded under the IPO coinsurance transactions in measuring adjusted direct premiums and other ceded premiums to present meaningful comparisons of the actual premiums economically maintained by the Company. Amounts ceded under the IPO coinsurance transactions will continue to decline over time as policies terminate within this block of business. Adjusted operating revenues, adjusted operating income before income taxes, adjusted net operating income and diluted adjusted operating earnings per share exclude the impact of investment gains (losses) and fair value mark-to-market ("MTM") investment adjustments, including credit impairments, for all periods presented. We exclude investment gains (losses), including credit impairments, and MTM investment adjustments in measuring these non-GAAP financial measures to eliminate period-over-period fluctuations that may obscure comparisons of operating results due to items such as the timing of recognizing gains (losses) and market pricing variations prior to an invested asset's maturity or sale that are not directly associated with the Company's insurance operations. Adjusted operating income before taxes, adjusted net operating income, and diluted adjusted operating earnings per share also exclude transaction-related expenses associated with the purchase of 80% of e-TeleQuote Insurance, Inc. and subsidiaries (collectively, "e-TeleQuote") and adjustments to share-based compensation expense for shares exchanged in the business combination. We exclude e-TeleQuote transaction-related expenses as these are non-recurring items that will cause incomparability between period-over-period results. We exclude adjustments to share-based compensation expense for shares exchanged in the business combination to eliminate period-over-period fluctuations that may obscure comparisons of operating results primarily due to the volatility of changes in the fair value of shares prior to the dates that can ultimately be redeemed. Adjusted operating income before income taxes and adjusted net operating income exclude income attributable to the noncontrolling interest to present only the income that is attributable to stockholders of the Company. Adjusted stockholders' equity excludes the impact of net unrealized investment gains (losses) recorded in accumulated other comprehensive income (loss) for all periods presented. We exclude unrealized investment gains (losses) in measuring adjusted stockholders' equity as unrealized gains (losses) from the Company's available-for-sale securities are largely caused by market movements in interest rates and credit spreads that do not necessarily correlate with the cash flows we will ultimately realize when an available-for-sale security matures or is sold.

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Company's results as reported under GAAP. Reconciliations of GAAP to non-GAAP financial measures are attached to this release.

Earnings Webcast Information

Primerica will hold a webcast on Friday, May 6, 2022, at 9:00 a.m. Eastern, to discuss the quarter's results. To access the webcast, go to <https://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. This release and a detailed financial supplement will be posted on Primerica's website.

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 sales representatives; new laws or regulations that could apply to our distribution model, which could require us to modify our distribution structure; changes to the independent contractor status of sales representatives; our or sales representatives' violation of or non-compliance with laws and regulations; any failure to protect the confidentiality of client information; differences between our actual experience and our expectations regarding mortality or persistency as reflected in the pricing for our insurance policies; changes in federal, state and provincial legislation or regulation that affects our insurance, investment product and mortgage businesses; our failure to meet regulatory capital ratios or other minimum capital and surplus requirements; a significant downgrade by a ratings organization; the failure of our reinsurers or reserve financing counterparties to perform their obligations; the failure of our investment products to remain competitive with other investment options or the loss of our relationship with one or more of the companies whose investment products we provide; litigation and regulatory investigations and actions concerning us or sales representatives; heightened standards of conduct or more stringent licensing requirements for sales representatives; inadequate policies and procedures regarding suitability review of client transactions; revocation of our subsidiary's status as a non-bank custodian; economic down cycles that impact our business, financial condition and results of operations; major public health pandemics, epidemics or outbreaks or other catastrophic events; the failure of our information technology systems, breach of our information security, failure of our business continuity plan or the loss of the Internet; the effects of credit deterioration and interest rate fluctuations on our invested asset portfolio and other assets; incorrectly valuing our investments; changes in accounting standards may impact how we record and report our financial condition and results of operations; the inability of our subsidiaries to pay dividends or make distributions; litigation and regulatory investigations and actions; a significant change in the competitive environment in which we operate; the loss of key personnel or sales force leaders; any

acquisition or investment in businesses that do not perform as we expect or are difficult to integrate; due to our very limited history with e-TeleQuote, we cannot be certain that its business will be successful or that we will successfully address any risks not known to us that may become material; a failure by e-TeleQuote to comply with the requirements of the United States government's Centers for Medicare and Medicaid Services and those of its carrier partners; legislative or regulatory changes to Medicare Advantage or changes to the implementing guidance by the Centers for Medicare and Medicaid Services; e-TeleQuote's inability to acquire or generate leads on commercially viable terms, convert leads to sales or if customer policy retention is lower than assumed; e-TeleQuote's inability to enroll individuals during the Medicare annual election period; the loss of a key carrier, or the modification of commission rates or underwriting practices with a key carrier partner could adversely affect e-TeleQuote's business; cyber-attack(s), security breaches or if e-TeleQuote is otherwise unable to safeguard the security and privacy of confidential data, including personal health information; and fluctuations in the market price of our common stock or Canadian currency exchange rates. These and other risks and uncertainties affecting us are more fully described in our filings with the Securities and Exchange Commission, which are available in the "Investor Relations" section of our website at <https://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 provider of financial services to middle-income households in North America. Independent licensed representatives educate Primerica 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. We insured over 5.7 million lives and had over 2.7 million client investment accounts on December 31, 2021. Primerica, through its insurance company subsidiaries, was the #2 issuer of Term Life insurance coverage in the United States and Canada in 2021. Primerica stock is included in the S&P MidCap 400 and the Russell 1000 stock indices and is traded on The New York Stock Exchange under the symbol "PRI".

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PRIMERICA, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	(Unaudited)	
	March 31, 2022	December 31, 2021
	(In thousands)	
Assets		
Investments:		
Fixed-maturity securities available-for-sale, at fair value	\$ 2,705,131	\$ 2,702,567
Fixed-maturity security held-to-maturity, at amortized cost	1,390,310	1,379,100
Short-term investments available-for-sale, at fair value	43,700	85,243
Equity securities, at fair value	39,531	42,551
Trading securities, at fair value	12,717	24,355
Policy loans	30,295	30,612
Total investments	4,221,684	4,264,428
Cash and cash equivalents	359,779	392,501
Accrued investment income	19,541	18,702
Reinsurance recoverables	4,240,481	4,268,419
Deferred policy acquisition costs, net	2,994,367	2,943,782
Renewal commissions receivable	213,175	231,751
Agent balances, due premiums and other receivables	251,477	257,675
Goodwill	179,154	179,154
Intangible assets	193,400	195,825
Income taxes	89,373	81,799
Operating lease right-of-use assets	46,129	47,942
Other assets	429,362	441,253
Separate account assets	2,696,891	2,799,992
Total assets	\$ 15,934,813	\$ 16,123,223
Liabilities and Stockholders' Equity		
Liabilities:		
Future policy benefits	\$ 7,216,597	\$ 7,138,649
Unearned and advance premiums	17,368	16,437
Policy claims and other benefits payable	574,850	585,382
Other policyholders' funds	515,830	501,823
Notes payable - short term	6,000	15,000
Notes payable - long term	592,303	592,102
Surplus note	1,389,811	1,378,585
Income taxes	217,327	241,311
Operating lease liabilities	52,078	53,920
Other liabilities	631,786	615,710
Payable under securities lending	93,171	94,529
Separate account liabilities	2,696,891	2,799,992
Total liabilities	14,004,012	14,033,440
Temporary Stockholders' Equity		
Redeemable noncontrolling interests in consolidated entities	4,616	7,271
Permanent Stockholders' equity		
Equity attributable to Primerica, Inc.:		
Common stock	388	394
Paid-in capital	-	5,224
Retained earnings	1,980,467	2,004,506
Accumulated other comprehensive income (loss), net of income tax	(54,670)	72,388
Total permanent stockholders' equity	1,926,185	2,082,512
Total liabilities and temporary and permanent stockholders' equity	\$ 15,934,813	\$ 16,123,223

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

	Three months ended March 31,	
	2022	2021
<i>(In thousands, except per-share amounts)</i>		
Revenues:		
Direct premiums	\$ 798,666	\$ 762,227
Ceded premiums	(399,885)	(395,973)
Net premiums	398,781	366,254
Commissions and fees	251,800	234,044
Net investment income	18,905	20,052
Investment gains (losses)	751	1,766
Other, net	20,989	15,595
Total revenues	<u>691,226</u>	<u>637,711</u>
Benefits and expenses:		
Benefits and claims	187,069	183,789
Amortization of deferred policy acquisition costs	86,063	66,105
Sales commissions	133,924	121,894
Insurance expenses	59,509	48,766
Insurance commissions	7,721	8,740
Contract acquisition costs	20,649	-
Interest expense	6,853	7,145
Other operating expenses	86,435	72,963
Total benefits and expenses	<u>588,223</u>	<u>509,402</u>
Income before income taxes	103,003	128,309
Income taxes	24,239	30,437
Net income	<u>\$ 78,764</u>	<u>\$ 97,872</u>
Net income attributable to noncontrolling interests	(2,655)	-
Net income attributable to Primerica, Inc.	<u>\$ 81,419</u>	<u>\$ 97,872</u>
Earnings per share attributable to common stockholders:		
Basic earnings per share	<u>\$ 2.07</u>	<u>\$ 2.47</u>
Diluted earnings per share	<u>\$ 2.06</u>	<u>\$ 2.46</u>
Weighted-average shares used in computing earnings per share:		
Basic	<u>39,221</u>	<u>39,456</u>
Diluted	<u>39,332</u>	<u>39,581</u>

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

	Three months ended March 31,		% Change
	2022	2021	
Total revenues	\$ 691,226	\$ 637,711	8 %
Less: Investment gains (losses)	751	1,766	
Less: 10% deposit asset MTM included in NII	(2,099)	(793)	
Adjusted operating revenues	<u>\$ 692,574</u>	<u>\$ 636,738</u>	9 %
Income before income taxes	\$ 103,003	\$ 128,309	(20)%
Less: Investment gains (losses)	751	1,766	
Less: 10% deposit asset MTM included in NII	(2,099)	(793)	
Less: e-TeleQuote transaction-related expenses	(900)	-	
Less: Equity comp for awards exchanged during acquisition	(256)	-	
Less: Noncontrolling interest	(3,668)	-	
Adjusted operating income before income taxes	<u>\$ 109,175</u>	<u>\$ 127,336</u>	(14)%
Net income	\$ 78,764	\$ 97,872	(20)%
Less: Investment gains (losses)	751	1,766	
Less: 10% deposit asset MTM included in NII	(2,099)	(793)	
Less: e-TeleQuote transaction-related expenses	(900)	-	
Less: Equity comp for awards exchanged during acquisition	(256)	-	
Less: Noncontrolling interest	(3,668)	-	
Less: Tax impact of preceding items	1,603	(231)	
Adjusted net operating income	<u>\$ 83,333</u>	<u>\$ 97,130</u>	(14)%
Diluted earnings per share (1)	\$ 2.06	\$ 2.46	(16)%
Less: Net after-tax impact of operating adjustments	(0.05)	0.02	
Diluted adjusted operating earnings per share(1)	<u>\$ 2.11</u>	<u>\$ 2.44</u>	(14)%

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

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

	Three months ended March 31,		% Change
	2022	2021	
Direct premiums	\$ 793,254	\$ 756,514	5 %
Less: Premiums ceded to IPO coinsurers	234,614	249,944	
Adjusted direct premiums	<u>558,640</u>	<u>506,570</u>	10 %
Ceded premiums	(398,446)	(394,550)	
Less: Premiums ceded to IPO coinsurers	(234,614)	(249,944)	
Other ceded premiums	(163,832)	(144,606)	
Net premiums	<u>\$ 394,808</u>	<u>\$ 361,964</u>	9 %

SENIOR HEALTH SEGMENT
Adjusted Operating Results Reconciliation
(Unaudited – in thousands)

	Three months ended March 31,		% Change
	2022	2021	
Loss before income taxes	\$ (23,085)	\$ -	
Less: e-TeleQuote transaction-related costs	(399)	-	
Less: Noncontrolling interest	(3,668)	-	
Adjusted operating loss before taxes	<u>\$ (19,018)</u>	<u>\$ -</u>	

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

	Three months ended March 31,		% Change
	2022	2021	
Total revenues	\$ 25,928	\$ 32,262	(20)%
Less: Investment gains (losses)	751	1,766	
Less: 10% deposit asset MTM included in NII	(2,099)	(793)	
Adjusted operating revenues	<u>\$ 27,276</u>	<u>\$ 31,289</u>	(13)%
Loss before income taxes	\$ (30,048)	\$ (23,290)	29%
Less: Investment gains (losses)	751	1,766	
Less: 10% deposit asset MTM included in NII	(2,099)	(793)	
Less: e-TeleQuote transaction-related expenses	(501)	-	
Less: Equity comp for awards exchanged during acquisition	(256)	-	
Adjusted operating loss before income taxes	<u>\$ (27,943)</u>	<u>\$ (24,263)</u>	15%

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

	March 31, 2022	December 31, 2021	% Change
Stockholders' equity (1)	\$ 1,926,185	\$ 2,082,512	(8)%
Less: Unrealized net investment gains (losses) recorded in stockholders' equity, net of income tax	(66,439)	63,777	
Adjusted stockholders' equity (1)	<u>\$ 1,992,624</u>	<u>\$ 2,018,735</u>	(1)%

(1) Reflects the Company's permanent stockholders' equity and does not include temporary stockholders' equity.



Supplemental Financial Information First Quarter 2022

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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, 2020.

First Quarter 2022

This document is a financial supplement to our fourth quarter 2021 earnings release. It is designed to enable comprehensive analysis of our ongoing business using the same core metrics that our management utilizes in assessing our business and making strategic and operational decisions. Throughout this document we provide financial information that is derived from our U.S. GAAP financial statements and adjusted for three different purposes, as follows:

- Operating adjustments exclude the impact of investment gains/losses, including credit impairments, mark-to-market (MTM) investment adjustments, loss on the extinguishment of debt, transaction-related expenses associated with the purchase of 80% of e-TeleQuote Insurance, Inc. and subsidiaries (collectively, "e-TeleQuote"), adjustments to share-based compensation expense for shares exchanged in the business combination, and non-cash goodwill impairment charges. We exclude investment gains/losses, including credit impairments, and MTM investment adjustments in measuring adjusted operating revenues to eliminate period-over-period fluctuations that may obscure comparisons of operating results due to items such as the timing of recognizing gains and losses and other factors prior to an invested asset's maturity or sale that are not directly associated with the Company's insurance operations. We exclude the loss on the extinguishment of debt, e-TeleQuote transaction-related expenses, and non-cash goodwill impairment charges in our non-GAAP financial measures as such expenses are non-recurring items that will cause incomparability between period-over-period results. We exclude adjustments to share-based compensation expense for shares exchanged in the business combination to eliminate period-over-period fluctuations that may obscure comparisons of operating results primarily due to the volatility of changes in the fair value of shares prior to the dates they can ultimately be redeemed. Adjusted operating income before income taxes and adjusted net operating income exclude income attributable to the noncontrolling interest to present only the income that is attributable to stockholders of the Company.
- Adjusted stockholders' equity refers to the removal of the impact of net unrealized gains and losses on invested assets. We exclude unrealized investment gains and losses in measuring adjusted stockholders' equity as unrealized gains and losses from the Company's invested assets are largely caused by market movements in interest rates and credit spreads that do not necessarily correlate with the cash flows we will ultimately realize when an invested asset matures or is sold.
- IPO coinsurance transactions adjustments relate to transactions in the first quarter of 2010, where we coinsured between 80% and 90% of our business that was in-force at year-end 2009 to entities then affiliated with Citigroup Inc. that were executed concurrent with our initial public offering (IPO). We exclude amounts ceded under the IPO coinsurance transactions in measuring adjusted direct premiums and other ceded premiums to present meaningful comparisons of the actual premiums economically maintained by the Company. Amounts ceded under the IPO coinsurance transactions will continue to decline over time as policies terminate within this block of business.

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

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

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

PRIMERICA, INC.
Financial Supplement

	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022
<i>(Dollars in thousands)</i>						
Condensed Balance Sheets						
Assets:						
Investments and cash excluding securities held to maturity	\$ 3,096,703	\$ 3,133,860	\$ 3,431,825	\$ 3,056,395	\$ 3,277,830	\$ 3,191,154
Securities held to maturity	1,346,350	1,362,210	1,368,740	1,376,090	1,379,100	1,390,310
Total investments and cash	4,443,053	4,496,070	4,800,565	4,432,485	4,656,930	4,581,464
Due from reinsurers	4,273,904	4,345,483	4,239,510	4,278,322	4,268,419	4,240,481
Deferred policy acquisition costs	2,629,644	2,712,169	2,808,347	2,877,921	2,943,782	2,994,367
Goodwill	—	—	—	224,180	179,154	179,154
Other assets	899,165	921,236	925,621	1,330,620	1,274,946	1,242,457
Separate account assets	2,659,520	2,638,901	2,745,827	2,672,606	2,799,992	2,696,891
Total assets	\$ 14,905,286	\$ 15,113,858	\$ 15,519,871	\$ 15,816,135	\$ 16,123,222	\$ 15,934,813
Liabilities:						
Future policy benefits	\$ 6,790,557	\$ 6,885,115	\$ 6,984,272	\$ 7,057,599	\$ 7,138,649	\$ 7,216,597
Other policy liabilities	984,612	1,020,349	977,373	1,054,925	1,103,642	1,108,047
Income taxes	223,496	235,233	204,197	260,264	241,311	217,326
Other liabilities	618,874	633,719	641,025	668,643	669,631	683,865
Debt obligations	374,415	374,511	499,606	514,702	607,102	598,303
Surplus note	1,345,772	1,361,648	1,368,194	1,375,559	1,378,585	1,389,811
Payable under securities lending	72,154	87,190	80,613	105,264	94,529	93,171
Separate account liabilities	2,659,520	2,638,901	2,745,827	2,672,606	2,799,992	2,696,891
Total liabilities	13,069,401	13,236,666	13,501,107	13,709,563	14,033,442	14,004,011
Redeemable noncontrolling interest	—	—	—	7,631	7,271	4,616
Stockholders' equity:						
Common stock (\$0.01 par value) (1)	393	394	394	395	394	388
Paid-in capital	(0)	8,138	12,880	17,454	5,224	(0)
Retained earnings	1,705,786	1,785,037	1,894,539	1,988,324	2,004,506	1,980,467
Treasury stock	—	—	—	—	—	—
Accumulated other comprehensive income (loss), net:						
Net unrealized gains (losses)	128,128	77,053	96,990	84,701	63,775	(66,439)
Cumulative translation adjustment	1,578	6,570	13,960	8,068	8,611	11,769
Total stockholders' equity (2)	1,835,885	1,877,192	2,018,764	2,098,941	2,082,510	1,926,185
Total liabilities and stockholders' equity	\$ 14,905,286	\$ 15,113,858	\$ 15,519,871	\$ 15,816,135	\$ 16,123,222	\$ 15,934,813
Reconciliation of Total Stockholders' Equity to Adjusted Stockholders' Equity						
Total stockholders' equity	\$ 1,835,885	\$ 1,877,192	\$ 2,018,764	\$ 2,098,941	\$ 2,082,510	\$ 1,926,185
Less: Net unrealized gains (losses)	128,128	77,053	96,990	84,701	63,775	(66,439)
Adjusted stockholders' equity	\$ 1,707,757	\$ 1,800,139	\$ 1,921,774	\$ 2,014,241	\$ 2,018,735	\$ 1,992,624
Adjusted Stockholders' Equity Rollforward						
Balance, beginning of period	\$ 1,614,688	\$ 1,707,757	\$ 1,800,139	\$ 1,921,774	\$ 2,014,241	\$ 2,018,735
Net Income attributable to Primerica, Inc.	100,084	97,872	128,162	112,456	34,868	81,418
Shareholder dividends	(15,851)	(18,620)	(18,660)	(18,671)	(18,686)	(21,645)
Retirement of shares and warrants	(13,426)	(5,966)	(521)	(88)	(18,829)	(103,862)
Net foreign currency translation adjustment	16,398	4,992	7,390	(5,892)	543	3,158
Other, net	5,864	14,105	5,264	4,662	6,597	14,820
Balance, end of period	\$ 1,707,757	\$ 1,800,139	\$ 1,921,774	\$ 2,014,241	\$ 2,018,735	\$ 1,992,624
Deferred Policy Acquisition Costs Rollforward						
Balance, beginning of period	\$ 2,532,409	\$ 2,629,644	\$ 2,712,169	\$ 2,808,347	\$ 2,877,921	\$ 2,943,782
General expenses deferred	9,510	10,558	10,055	9,248	9,062	9,519
Commission costs deferred	128,084	134,188	136,085	129,287	124,515	123,739
Amortization of deferred policy acquisition costs	(53,342)	(66,105)	(54,286)	(62,214)	(68,575)	(66,063)
Foreign currency impact and other, net	12,984	3,884	4,324	(6,748)	858	3,390
Balance, end of period	\$ 2,629,644	\$ 2,712,169	\$ 2,808,347	\$ 2,877,921	\$ 2,943,782	\$ 2,994,367

- (1) Outstanding common shares exclude restricted stock units.
(2) Reflects the company's permanent stockholders' equity and does not include temporary stockholders' equity

Financial Results and Other Statistical Data

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	YOY Q1	
						\$/# 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	39,455,948	39,530,691	39,560,786	39,568,470	39,221,003	(234,945)	-0.6 %
Net income attributable to Primerica, Inc.	\$ 97,872	\$ 128,162	\$ 112,456	\$ 34,868	\$ 81,418	\$ (16,454)	-16.8 %
Less income attributable to unvested participating securities	(417)	(525)	(458)	(141)	(337)	80	19.1 %
Net income used in computing basic EPS	\$ 97,455	\$ 127,636	\$ 111,997	\$ 34,728	\$ 81,081	\$ (16,374)	-16.8 %
Basic earnings per share	\$ 2.47	\$ 3.23	\$ 2.83	\$ 0.88	\$ 2.07	\$ (0.40)	-16.3 %
Adjusted net operating income	\$ 97,129	\$ 129,355	\$ 118,708	\$ 117,007	\$ 83,333	\$ (13,797)	-14.2 %
Less operating income attributable to unvested participating securities	(414)	(530)	(484)	(472)	(345)	69	16.6 %
Adjusted net operating income used in computing basic operating EPS	\$ 96,715	\$ 128,825	\$ 118,224	\$ 116,535	\$ 82,988	\$ (13,728)	-14.2 %
Basic adjusted operating income per share	\$ 2.45	\$ 3.26	\$ 2.99	\$ 2.95	\$ 2.12	\$ (0.34)	-13.7 %
Diluted earnings per share:							
Weighted-average common shares and fully vested equity awards	39,455,948	39,530,691	39,560,786	39,568,470	39,221,003	(234,945)	-0.6 %
Dilutive impact of contingently issuable shares	124,505	121,595	117,923	122,929	110,941	(13,564)	-10.9 %
Shares used to calculate diluted EPS	39,580,453	39,652,286	39,678,709	39,691,399	39,331,944	(248,509)	-0.6 %
Net income attributable to Primerica, Inc.	\$ 97,872	\$ 128,162	\$ 112,456	\$ 34,868	\$ 81,418	\$ (16,454)	-16.8 %
Less income attributable to unvested participating securities	(416)	(524)	(457)	(140)	(337)	79	19.1 %
Net income used in computing diluted EPS	\$ 97,456	\$ 127,638	\$ 111,998	\$ 34,728	\$ 81,081	\$ (16,374)	-16.8 %
Diluted earnings per share	\$ 2.46	\$ 3.22	\$ 2.82	\$ 0.87	\$ 2.06	\$ (0.40)	-16.3 %
Adjusted net operating income	\$ 97,129	\$ 129,355	\$ 118,708	\$ 117,007	\$ 83,333	\$ (13,797)	-14.2 %
Less operating income attributable to unvested participating securities	(413)	(529)	(483)	(471)	(344)	68	16.6 %
Adjusted net operating income used in computing diluted operating EPS	\$ 96,717	\$ 128,827	\$ 118,225	\$ 116,536	\$ 82,988	\$ (13,728)	-14.2 %
Diluted adjusted operating income per share	\$ 2.44	\$ 3.25	\$ 2.98	\$ 2.94	\$ 2.11	\$ (0.33)	-13.7 %
Annualized Return on Equity							
Average stockholders' equity (1)	\$ 1,856,539	\$ 1,947,978	\$ 2,058,852	\$ 2,090,726	\$ 2,004,348	\$ 147,809	8.0 %
Average adjusted stockholders' equity (1)	\$ 1,753,948	\$ 1,860,956	\$ 1,968,007	\$ 2,016,488	\$ 2,005,679	\$ 251,731	14.4 %
Net income attributable to Primerica, Inc. return on stockholders' equity	21.1 %	26.3 %	21.8 %	6.7 %	16.2 %	-4.8 %	nm
Net income attributable to Primerica, Inc. return on adjusted stockholders' equity	22.3 %	27.5 %	22.9 %	6.9 %	16.2 %	-6.1 %	nm
Adjusted net operating income return on adjusted stockholders' equity	22.2 %	27.8 %	24.1 %	23.2 %	16.6 %	-5.5 %	nm
Capital Structure							
Debt-to-capital (2)	16.6 %	19.8 %	19.7 %	22.6 %	23.7 %	7.1 %	nm
Debt-to-capital, excluding AOCI (2)	17.3 %	20.8 %	20.4 %	23.2 %	23.2 %	5.9 %	nm
Cash and invested assets to stockholders' equity	2.4 x	2.4 x	2.1 x	2.2 x	2.4 x	(0.0x)	nm
Cash and invested assets to adjusted stockholders' equity	2.5 x	2.5 x	2.2 x	2.3 x	2.3 x	(0.2x)	nm
Share count, end of period (3)	39,414,085	39,443,561	39,470,748	39,367,754	38,751,885	(662,200)	-1.7 %
Adjusted stockholders' equity per share	\$ 45.67	\$ 48.72	\$ 51.03	\$ 51.28	\$ 51.42	\$ 5.75	12.6 %
Financial Strength Ratings - Primerica Life Insurance Co							
Moody's	A1	A1	A1	A1	A1	nm	nm
S&P	AA-	AA-	AA-	AA-	AA-	nm	nm
A.M. Best	A+	A+	A+	A+	A+	nm	nm
Holding Company Senior Debt Ratings							
Moody's	Baa1	Baa1	Baa1	Baa1	Baa1	nm	nm
S&P	A-	A-	A-	A-	A-	nm	nm
A.M. Best	a-	a-	a-	a-	a-	nm	nm

- (1) Reflects the company's permanent stockholders' equity and does not include temporary stockholders' equity
- (2) Debt-to-capital is that of the parent company only. Capital in the debt-to-capital ratio includes stockholders' equity and the note payable.
- (3) Share count reflects outstanding common shares, but excludes restricted stock units (RSUs).

Statements of Income

					Q1 2022	YOY Q1	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021		\$ Change	% Change
<i>(Dollars in thousands)</i>							
Statement of Income							
Revenues:							
Direct premiums	\$ 762,227	\$ 780,299	\$ 785,277	\$ 794,344	\$ 798,666	\$ 36,439	4.8 %
Ceded premiums	(395,973)	(413,850)	(401,295)	(405,147)	(399,885)	(3,913)	-1.0 %
Net premiums	366,254	366,450	383,983	389,197	398,781	32,526	8.9 %
Net investment income	20,052	20,535	20,000	20,001	18,905	(1,148)	-5.7 %
Commissions and fees:							
Sales-based (1)	98,112	104,716	95,229	103,451	103,242	5,129	5.2 %
Asset-based (2)	101,241	108,490	113,558	118,015	113,112	11,871	11.7 %
Account-based (3)	21,120	21,848	21,456	22,514	21,541	421	2.0 %
Other commissions and fees	13,571	15,635	39,553	44,304	13,905	335	2.5 %
Investment (losses) gains	1,766	701	1,410	1,995	751	(1,015)	-57.5 %
Other, net	15,595	16,313	18,051	24,616	20,988	5,394	34.6 %
Total revenues	637,711	654,687	693,240	724,094	691,225	53,514	8.4 %
Benefits and expenses:							
Benefits and claims	183,789	168,347	183,425	187,192	187,069	3,280	1.8 %
Amortization of DAC	66,105	54,286	62,214	68,575	86,063	19,958	30.2 %
Insurance commissions	8,740	8,838	8,412	8,542	7,721	(1,019)	-11.7 %
Insurance expenses	48,766	48,579	51,901	53,359	59,509	10,743	22.0 %
Sales commissions:							
Sales-based (1)	68,594	73,629	67,745	77,390	74,606	6,011	8.8 %
Asset-based (2)	46,866	50,488	53,233	55,614	53,366	6,500	13.9 %
Other sales commissions	6,434	7,185	8,290	6,839	5,952	(482)	-7.5 %
Interest expense	7,145	7,141	7,529	8,804	6,853	(292)	-4.1 %
Contract acquisition costs (4)	—	—	23,524	29,264	20,649	20,649	—
Other operating expenses	72,964	66,730	79,866	77,292	86,434	13,470	18.5 %
Goodwill impairment	—	—	—	76,000	—	—	—
Loss on extinguishment of debt	—	—	—	8,927	—	—	—
Total benefits and expenses	509,403	485,222	546,138	657,797	588,222	78,819	15.5 %
Income before income taxes	128,308	169,465	147,102	66,296	103,003	(25,305)	-19.7 %
Income taxes	30,437	41,304	35,663	31,788	24,239	(6,197)	-20.4 %
Net income	\$ 97,872	\$ 128,162	\$ 111,439	\$ 34,508	\$ 78,764	\$ (19,108)	-19.5 %
Net income attributable to noncontrolling interests	—	—	(1,017)	(360)	(2,654)	(2,654)	—
Net Income attributable to Primerica, Inc.	\$ 97,872	\$ 128,162	\$ 112,456	\$ 34,868	\$ 81,418	\$ (16,454)	-16.8 %
Income Before Income Taxes by Segment							
Term Life	\$ 88,236	\$ 116,778	\$ 107,589	\$ 102,019	\$ 91,577	\$ 3,341	3.8 %
Investment & Savings Products	63,363	71,154	69,369	70,699	64,560	1,197	1.9 %
Senior Health	—	—	(8,489)	(76,561)	(23,085)	(23,085)	—
Corporate & Other Distributed Products	(23,290)	(18,467)	(21,367)	(29,861)	(30,048)	(6,758)	-29.0 %
Income before income taxes	\$ 128,308	\$ 169,465	\$ 147,102	\$ 66,296	\$ 103,003	\$ (25,305)	-19.7 %

- (1) Sales-based - revenues or commission expenses relating to the sales of mutual funds and variable annuities.
- (2) Asset-based - revenues or commission expenses relating to the value of assets in client accounts for which we earn ongoing service, distribution, and other fees.
- (3) Account-based - revenues relating to the fee generating client accounts we administer.
- (4) Contract acquisition costs (CAC) - Includes direct marketing costs incurred to acquire Senior Health product leads through internal and external sources, including commissions paid to Primerica representatives, as well as ETQ agent compensation, training and licensing costs

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

					Q1 2022	YOY Q1	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021		\$ Change	% Change
<i>(Dollars in thousands)</i>							
Reconciliation from Term Life Direct Premiums to Term Life Adjusted Direct Premiums							
Term Life direct premiums	\$ 756,514	\$ 774,500	\$ 779,490	\$ 789,325	\$ 793,254	\$ 36,740	4.9 %
Less: Premiums ceded to IPO Coinsurers	249,944	246,874	241,439	239,828	234,614	(15,330)	-6.1 %
Term Life adjusted direct premiums	\$ 506,570	\$ 527,626	\$ 538,051	\$ 549,496	\$ 558,640	\$ 52,070	10.3 %
Reconciliation from Term Life Ceded Premiums to Term Life Other Ceded Premiums							
Term Life ceded premiums	\$ (394,550)	\$ (412,028)	\$ (399,835)	\$ (403,184)	\$ (398,446)	\$ (3,896)	-1.0 %
Less: Premiums ceded to IPO Coinsurers	(249,944)	(246,874)	(241,439)	(239,828)	(234,614)	15,330	6.1 %
Term Life other ceded premiums	\$ (144,606)	\$ (165,154)	\$ (158,397)	\$ (163,356)	\$ (163,832)	\$ (19,227)	-13.3 %
Reconciliation from Net Investment Income to Adjusted Net Investment Income							
Net Investment Income	\$ 20,052	\$ 20,535	\$ 20,000	\$ 20,001	\$ 18,905	\$ (1,148)	-5.7 %
Less: MTM investment adjustments	(793)	(170)	(640)	(899)	(2,099)	nm	nm
Adjusted net investment income	\$ 20,845	\$ 20,705	\$ 20,640	\$ 20,900	\$ 21,004	\$ 159	0.8 %
Reconciliation from Other Operating Expenses to Adjusted other operating expenses							
Other operating expenses	\$ 72,964	\$ 66,730	\$ 79,866	\$ 77,292	\$ 86,434	\$ 13,470	18.5 %
Less: eTeleQuote transaction-related costs	—	2,109	10,027	812	900	nm	nm
Less: Equity comp for awards exchanged during acquisition	—	—	(1,004)	(739)	256	nm	nm
Adjusted other operating expenses	\$ 72,964	\$ 64,620	\$ 70,843	\$ 77,219	\$ 85,278	\$ 12,314	16.9 %
Reconciliation from Total Revenues to Adjusted Operating Revenues							
Total revenues	\$ 637,711	\$ 654,687	\$ 693,240	\$ 724,094	\$ 691,225	\$ 53,514	8.4 %
Less: Investment gains/(losses)	1,766	701	1,410	1,995	751	nm	nm
Less: MTM investment adjustments	(793)	(170)	(640)	(899)	(2,099)	nm	nm
Adjusted operating revenues	\$ 636,738	\$ 654,156	\$ 692,470	\$ 722,998	\$ 692,573	\$ 55,835	8.8 %
Reconciliation from Income Before Income Taxes to Adjusted Operating Income Before Income Taxes							
Income before income taxes	\$ 128,308	\$ 169,465	\$ 147,102	\$ 66,296	\$ 103,003	\$ (25,305)	-19.7 %
Less: Investment gains/(losses)	1,766	701	1,410	1,995	751	nm	nm
Less: MTM investment adjustments	(793)	(170)	(640)	(899)	(2,099)	nm	nm
Less: eTeleQuote transaction-related costs	—	(2,109)	(10,027)	(812)	(900)	nm	nm
Less: Equity comp for awards exchanged during acquisition	—	—	1,004	739	(256)	nm	nm
Less: Noncontrolling interest before income taxes	—	—	(1,465)	(540)	(3,668)	nm	nm
Less: Goodwill impairment	—	—	—	(76,000)	—	nm	nm
Less: Loss on extinguishment of debt	—	—	—	(8,927)	—	nm	nm
Adjusted operating income before income taxes	\$ 127,335	\$ 171,044	\$ 156,819	\$ 150,740	\$ 109,175	\$ (18,160)	-14.3 %
Reconciliation from Net Income to Adjusted Net Operating Income							
Net income	\$ 97,872	\$ 128,162	\$ 111,439	\$ 34,508	\$ 78,764	\$ (19,108)	-19.5 %
Less: Investment gains/(losses)	1,766	701	1,410	1,995	751	nm	nm
Less: MTM investment adjustments	(793)	(170)	(640)	(899)	(2,099)	nm	nm
Less: e-TeleQuote transaction-related costs	—	(2,109)	(10,027)	(812)	(900)	nm	nm
Less: Equity comp for awards exchanged during acquisition	—	—	1,004	739	(256)	nm	nm
Less: Noncontrolling interest before income taxes	—	—	(1,465)	(540)	(3,668)	nm	nm
Less: Goodwill impairment	—	—	—	(76,000)	—	nm	nm
Less: Loss on extinguishment of debt	—	—	—	(8,927)	—	nm	nm
Less: Tax impact of reconciling items	(231)	385	2,449	1,945	1,603	nm	nm
Adjusted net operating income	\$ 97,129	\$ 129,355	\$ 118,708	\$ 117,007	\$ 83,333	\$ (13,797)	-14.2 %

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

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	YOY Q1	
						\$ Change	% Change
<i>(Dollars in thousands)</i>							
Reconciliation from Senior Health Income Before Income Taxes to Senior Health Adjusted Operating Income Before Income Taxes							
Income before income taxes	na	na	\$(8,489)	\$(76,561)	\$(23,085)	na	na
Less: e-TeleQuote transaction-related costs	na	na	(417)	(389)	(399)	na	na
Less: Noncontrolling interest	na	na	(1,465)	(540)	(3,668)	na	na
Less: Goodwill impairment	na	na	—	(76,000)	—	na	na
Adjusted operating income before income taxes	na	na	\$(6,608)	\$369	\$(19,018)	na	na
Reconciliation from C&O Income Before Income Taxes to C&O Adjusted Operating Income Before Income Taxes							
Income before income taxes	\$(23,290)	\$(18,467)	\$(21,367)	\$(29,861)	\$(30,048)	\$(6,758)	-29.0%
Less: Investment gains/(losses)	1,766	701	1,410	1,995	751	nm	nm
Less: MTM investment adjustments	(793)	(170)	(640)	(899)	(2,099)	nm	nm
Less: e-TeleQuote transaction-related costs	—	(2,109)	(9,610)	(423)	(501)	nm	nm
Less: Equity comp for awards exchanged during acquisition	—	—	1,004	739	(256)	nm	nm
Less: Loss on extinguishment of debt	—	—	—	(8,927)	—	nm	nm
Adjusted operating income before income taxes	\$(24,263)	\$(16,888)	\$(13,531)	\$(22,346)	\$(27,943)	\$(3,680)	-15.2%

Term Life Insurance - Financial Results and Analysis

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	YOY Q1	
						\$ Change	% Change
<i>(Dollars in thousands)</i>							
Term Life Insurance Income Before Income Taxes							
Revenues:							
Direct Premiums	\$ 756,514	\$ 774,500	\$ 779,490	\$ 789,325	\$ 793,254	\$ 36,740	4.9 %
Premiums ceded to IPO coinsurers (1)	(249,944)	(246,874)	(241,439)	(239,828)	(234,614)	15,330	6.1 %
Adjusted direct premiums (2)	506,570	527,626	538,051	549,496	558,640	52,070	10.3 %
Other ceded premiums (3)	(144,606)	(165,154)	(158,397)	(163,356)	(163,832)	(19,227)	-13.3 %
Net premiums	361,964	362,472	379,654	386,140	394,808	32,843	9.1 %
Allocated net investment income	8,253	8,751	9,320	10,162	11,445	3,192	38.7 %
Other, net	11,810	12,315	12,476	12,369	12,175	365	3.1 %
Revenues	382,028	383,537	401,450	408,672	418,428	36,400	9.5 %
Benefits and expenses:							
Benefits and claims	178,963	162,488	179,696	182,749	182,903	3,940	2.2 %
Amortization of DAC	62,584	52,235	59,287	67,344	81,883	19,298	30.8 %
Insurance commissions	4,869	4,785	4,345	4,458	3,793	(1,076)	-22.1 %
Insurance expenses	47,375	47,252	50,534	52,102	58,272	10,897	23.0 %
Benefits and expenses	293,792	266,760	293,862	306,652	326,851	33,059	11.3 %
Income before income taxes	\$ 88,236	\$ 116,778	\$ 107,589	\$ 102,019	\$ 91,577	\$ 3,341	3.8 %
Total Term Life Insurance - Financial Analysis							
Post-IPO direct premiums (4)	\$ 401,106	\$ 420,865	\$ 431,022	\$ 440,490	\$ 448,657	\$ 47,551	11.9 %
Pre-IPO direct premiums (5)	355,408	353,635	348,468	348,834	344,597	(10,811)	-3.0 %
Total direct premiums	\$ 756,514	\$ 774,500	\$ 779,490	\$ 789,325	\$ 793,254	\$ 36,740	4.9 %
Premiums ceded to IPO coinsurers	\$ 249,944	\$ 246,874	\$ 241,439	\$ 239,828	\$ 234,614	\$ (15,330)	-6.1 %
% of Pre-IPO direct premiums	70.3 %	69.8 %	69.3 %	68.8 %	68.1 %	nm	nm
Benefits and claims, net (6)	\$ 323,569	\$ 327,642	\$ 338,093	\$ 346,105	\$ 346,735	\$ 23,166	7.2 %
% of adjusted direct premiums	63.9 %	62.1 %	62.8 %	63.0 %	62.1 %	nm	nm
DAC amortization & insurance commissions	\$ 67,454	\$ 57,020	\$ 63,632	\$ 71,802	\$ 85,676	\$ 18,222	27.0 %
% of adjusted direct premiums	13.3 %	10.8 %	11.8 %	13.1 %	15.3 %	nm	nm
Insurance expenses, net (7)	\$ 35,565	\$ 34,937	\$ 38,057	\$ 39,732	\$ 46,097	\$ 10,532	29.6 %
% of adjusted direct premiums	7.0 %	6.6 %	7.1 %	7.2 %	8.3 %	nm	nm
Total Term Life income before income taxes	\$ 88,236	\$ 116,778	\$ 107,589	\$ 102,019	\$ 91,577	\$ 3,341	3.8 %
Term Life operating margin (8)	17.4 %	22.1 %	20.0 %	18.6 %	16.4 %	nm	nm

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

Term Life Insurance - Key Statistics

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	YOY Q1	
						\$/# Change	% Change
<i>(Dollars in thousands, except as noted)</i>							
Key Statistics							
Life-insurance licensed sales force, beginning of period	134,907	132,030	132,041	130,023	129,515	(5,392)	-4.0 %
New life-licensed representatives	10,833	10,112	9,381	9,296	9,983	(850)	-7.8 %
Non-renewal and terminated representatives	(13,710)	(10,101)	(11,399)	(9,804)	(9,292)	4,418	32.2 %
Life-insurance licensed sales force, end of period	132,030	132,041	130,023	129,515	130,206	(1,824)	-1.4 %
Estimated annualized issued term life premium (\$mills) (1):							
Premium from new policies	\$ 74.5	\$ 82.6	\$ 70.7	\$ 69.4	\$ 65.5	\$ (9.0)	-12.1 %
Additions and increases in premium	18.0	20.3	19.5	19.1	18.4	0.4	2.0 %
Total estimated annualized issued term life premium	\$ 92.5	\$ 103.0	\$ 90.2	\$ 88.5	\$ 83.8	\$ (8.7)	-9.4 %
Issued term life policies	82,667	90,071	75,914	75,203	71,324	(11,343)	-13.7 %
Estimated average annualized issued term life premium per policy (1)(2)	\$ 901	\$ 917	\$ 931	\$ 923	\$ 918	\$ 17	1.9 %
Term life face amount in-force, beginning of period (\$mills)	\$ 858,818	\$ 869,643	\$ 886,519	\$ 894,018	\$ 903,404	\$ 44,586	5.2 %
Issued term life face amount (3)	26,643	29,981	26,219	25,678	24,773	(1,870)	-7.0 %
Terminated term life face amount	(17,240)	(14,706)	(16,241)	(16,610)	(19,787)	(2,547)	-14.8 %
Foreign currency impact, net	1,422	1,602	(2,480)	319	1,242	(180)	-12.6 %
Term life face amount in-force, end of period	\$ 869,643	\$ 886,519	\$ 894,018	\$ 903,404	\$ 909,632	\$ 39,989	4.6 %

(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.

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

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	YOY Q1	
						\$ Change	% Change
<i>(Dollars in thousands, except as noted)</i>							
Investment & Savings Products Income Before Income Taxes							
Revenues:							
Commissions and fees:							
Sales-based	\$ 98,112	\$ 104,716	\$ 95,229	\$ 103,451	\$ 103,242	\$ 5,129	5.2 %
Asset-based	101,241	108,490	113,558	118,015	113,112	11,871	11.7 %
Account-based	21,120	21,848	21,456	22,514	21,541	421	2.0 %
Other, net	2,949	2,958	3,094	3,096	3,144	195	6.6 %
Revenues	223,422	238,012	233,337	247,076	241,039	17,616	7.9 %
Benefits and expenses:							
Amortization of DAC	3,275	1,786	2,580	1,027	3,925	650	19.8 %
Insurance commissions	3,572	3,747	3,747	3,839	3,646	74	2.1 %
Sales commissions:							
Sales-based	68,594	73,629	67,745	77,390	74,606	6,011	8.8 %
Asset-based	46,866	50,488	53,233	55,614	53,366	6,500	13.9 %
Other operating expenses	37,752	37,207	36,664	38,507	40,936	3,183	8.4 %
Benefits and expenses	160,060	166,858	163,968	176,377	176,479	16,419	10.3 %
Income before income taxes	\$ 63,363	\$ 71,154	\$ 69,369	\$ 70,699	\$ 64,560	\$ 1,197	1.9 %
Financial Analysis							
Fees paid based on client asset values (1)	\$ 6,964	\$ 7,535	\$ 7,891	\$ 8,482	\$ 8,037	\$ 1,073	15.4 %
Fees paid based on fee-generating positions (2)	10,451	10,021	9,128	9,852	10,948	496	4.7 %
Other operating expenses	20,337	19,652	19,645	20,172	21,951	1,614	7.9 %
Total other operating expenses	\$ 37,752	\$ 37,207	\$ 36,664	\$ 38,507	\$ 40,936	\$ 3,183	8.4 %
Sales-based net revenue as % of revenue-generating sales (3)							
U.S.	1.29 %	1.28 %	1.25 %	1.11 %	1.20 %	nm	nm
Canada	1.05 %	0.96 %	0.92 %	0.65 %	1.00 %	nm	nm
Total	1.25 %	1.23 %	1.20 %	1.05 %	1.16 %	nm	nm
Asset-based net revenue as % of average asset values (4)							
U.S.	0.039 %	0.039 %	0.039 %	0.040 %	0.039 %	nm	nm
Canada	0.103 %	0.112 %	0.106 %	0.115 %	0.091 %	nm	nm
Total	0.049 %	0.050 %	0.050 %	0.052 %	0.047 %	nm	nm
Account-based net revenue per average fee generating position (5)(6)	\$ 3.77	\$ 4.08	\$ 4.17	\$ 4.22	\$ 3.48	nm	nm

- (1) Fees paid based on client asset values - administration fees on Canadian Segregated Funds and advisory fees on Managed Accounts that vary directly with client asset values.
- (2) Fees paid based on fee-generating positions - recordkeeping fees that vary with the number of fee-generating positions.
- (3) Sales-based net revenue - commission and fee revenue less commissions paid to the sales force based on product sales activity.
- (4) Asset-based net revenue - commission and fee revenue less administration and advisory fees paid to third-party providers and commissions paid to the sales force earned based on product account values including amortization of deferred acquisition costs for segregated funds.
- (5) Account-based net revenue - fee revenue less recordkeeping fees paid to third-party providers based on fee-generating positions and certain direct general expenses.
- (6) In whole dollars.

Investment and Savings Products - Key Statistics

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	YOY Q1	
						\$/# Change	% Change
<i>(Dollars in thousands, except as noted)</i>							
Key Statistics							
Product sales (\$mills)							
U.S. Retail Mutual Funds	\$ 1,261.9	\$ 1,336.1	\$ 1,247.8	\$ 1,300.3	\$ 1,298.6	\$ 36.7	2.9 %
Canada Retail Mutual Funds	424.0	357.0	314.8	343.0	437.6	13.6	3.2 %
Indexed Annuities	55.5	62.8	51.9	60.1	57.5	2.0	3.6 %
Variable Annuities and other	627.1	767.6	668.7	782.2	668.4	41.4	6.6 %
Total sales-based revenue generating product sales	2,368.4	2,523.4	2,283.1	2,485.7	2,462.1	93.7	4.0 %
Managed Accounts	330.1	381.8	387.5	406.3	453.7	123.7	37.5 %
Segregated Funds and other	154.9	135.0	119.8	127.0	149.5	(5.4)	-3.5 %
Total product sales	\$ 2,853.5	\$ 3,040.2	\$ 2,790.4	\$ 3,019.0	\$ 3,065.4	\$ 211.9	7.4 %
Canada Retail Mutual Funds	\$ 424.0	\$ 357.0	\$ 314.8	\$ 343.0	\$ 437.6	\$ 13.6	3.2 %
Segregated Funds and other	154.9	135.0	119.8	127.0	149.5	(5.4)	-3.5 %
Total Canada product sales	579.0	492.0	434.6	470.0	587.1	8.2	1.4 %
Total U.S. product sales	2,274.5	2,548.2	2,355.8	2,549.0	2,478.2	203.8	9.0 %
Total product sales	\$ 2,853.5	\$ 3,040.2	\$ 2,790.4	\$ 3,019.0	\$ 3,065.4	\$ 211.9	7.4 %
Client asset values, beginning of period (\$mills)	\$ 81,533	\$ 85,888	\$ 91,735	\$ 91,765	\$ 97,312	\$ 15,779	19.4 %
Inflows	2,853	3,040	2,790	3,019	3,065	212	7.4 %
Outflows (1)	(1,759)	(1,826)	(1,756)	(1,819)	(1,900)	(141)	-8.0 %
Net flows	1,095	1,214	1,034	1,200	1,166	71	6.5 %
Foreign currency impact, net	172	200	(323)	42	171	(1)	-0.8 %
Change in market value, net and other (2)	3,088	4,433	(681)	4,306	(4,941)	(8,029)	nm
Client asset values, end of period	\$ 85,888	\$ 91,735	\$ 91,765	\$ 97,312	\$ 93,708	\$ 7,820	9.1 %
Annualized net flows as % of beginning of period asset values	5.4 %	5.7 %	4.5 %	5.2 %	4.8 %	1.7 %	nm
Average client asset values (\$mills)							
U.S. Retail Mutual Funds	\$ 41,161	\$ 44,398	\$ 46,113	\$ 47,139	\$ 46,429	\$ 5,269	12.8 %
Canada Retail Mutual Funds	10,268	11,256	11,667	11,984	12,119	1,850	18.0 %
Managed Accounts	5,295	5,915	6,362	6,772	7,077	1,782	33.7 %
Indexed Annuities	2,495	2,541	2,585	2,620	2,650	156	6.2 %
Variable Annuities and other	21,291	22,554	23,193	23,567	23,218	1,927	9.0 %
Segregated Funds	2,622	2,713	2,732	2,727	2,710	89	3.4 %
Total	\$ 83,131	\$ 89,378	\$ 92,652	\$ 94,809	\$ 94,203	\$ 11,072	13.3 %
Canada Retail Mutual Funds	\$ 10,268	\$ 11,256	\$ 11,667	\$ 11,984	\$ 12,119	\$ 1,850	18.0 %
Segregated Funds	2,622	2,713	2,732	2,727	2,710	89	3.4 %
Total Canada average client assets	12,890	13,969	14,399	14,711	14,829	1,939	15.0 %
Total U.S. average client assets	70,241	75,409	78,252	80,098	79,374	9,133	13.0 %
Total average client assets	\$ 83,131	\$ 89,378	\$ 92,652	\$ 94,809	\$ 94,203	\$ 11,072	13.3 %
Average number of fee-generating positions (thous) (3)							
Recordkeeping and custodial	2,115	2,159	2,192	2,218	2,243	128	6.0 %
Recordkeeping only	714	741	762	780	797	83	11.6 %
Total	2,830	2,899	2,954	2,998	3,040	211	7.5 %

- (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 4% 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 and expenses.
- (3) **Fee generating positions** - mutual fund positions for which we receive recordkeeping fees. An individual client account may include multiple mutual fund positions. We may also receive fees earned for custodial services that we provide to clients with retirement plan accounts that hold positions in these mutual funds.

Senior Health - Financial Results, Financial Analysis Key Statistics

<i>(Dollars in thousands)</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Senior Health Income Before Income Taxes					
Revenues:					
Commissions and fees (1)			\$21,558	\$29,345	\$1,278
Other, net (2)			\$1,378	\$8,159	\$4,553
Revenues			\$22,937	\$37,504	\$5,831
Benefits and expenses:					
Contract acquisition costs (3)			\$23,524	\$29,264	\$20,649
Adjusted other operating expenses			\$7,485	\$8,411	\$7,868
Adjusted operating benefits and expenses			\$31,009	\$37,675	\$28,517
Adjusted operating income before income taxes including NCI			\$ (8,072)	\$ (171)	\$ (22,686)
Non-controlling interest before income taxes			(1,465)	(540)	(3,668)
Adjusted operating income before income taxes attributable to Primerica, Inc.			\$ (6,608)	\$369	\$ (19,018)
Senior Health EBITDA					
Adjusted operating income before income taxes including NCI			\$ (8,072)	\$ (171)	\$ (22,686)
Less: Amortization of intangibles			(2,900)	(2,900)	(2,600)
Less: Depreciation			(244)	(249)	(245)
Adjusted EBITDA (Including non-controlling interest) (4)			\$ (4,928)	\$2,978	\$ (19,841)
Financial Analysis and Key Statistics					
Senior Health submitted policies (5)			\$20,867	\$39,142	\$26,231
Senior Health approved policies (6)			18,276	32,047	23,594
Primerica representatives Senior Health certified			17,588	26,441	42,147
Senior Health submitted policies sourced by Primerica representatives			319	4,175	988
LTV per approved policy (7)			\$1,180	\$1,069	\$862
CAC per approved policy (7)			\$1,287	\$913	\$875
LTV / CAC multiple			0.9 x	1.2 x	1.0 x

- (1) Commission revenue recognized based on the estimated Lifetime value (LTV) to be collected over the estimated life of an approved policy for the relevant period based on multiple factors, including but not limited to contracted commission rates, carrier mix, expected policy turnover, historical chargeback activity and applied constraints. Adjustments to revenue outside of LTV for approved policies from prior periods are recognized when our cash collections are different from the estimated constrained LTV's which we refer to as tail revenue.
- (2) Primarily reflects marketing development revenues, which are non-commission revenues received from carriers to support marketing efforts and lead acquisition
- (3) Contract acquisition costs (CAC) - Includes direct marketing costs incurred to acquire leads through internal and external sources, including commissions paid to Primerica representatives, as well as ETQ agent compensation, training and licensing costs.
- (4) Adjusted EBITDA - Earnings before interest, taxes, depreciation, amortization and certain adjustments for non-cash or non-recurring expenses including purchase accounting adjustments
- (5) Senior Health submitted policies - represents the number of completed applications that, with respect to each such application, the applicant has authorized us to submit to the health insurance carrier. The applicant may need to take additional actions, including providing subsequent information before the application is reviewed by the health insurance carrier.
- (6) Senior Health approved policies - represent an estimate of submitted policies approved by health insurance carriers during the indicated period. Not all approved policies will go in force
- (7) In whole dollars.

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	YOY Q1	
						\$ Change	% Change
<i>(Dollars in thousands)</i>							
Corporate & Other Distributed Products Income Before Income Taxes							
Revenues:							
Direct premiums	\$5,713	\$5,800	\$5,788	\$5,020	\$5,412	\$(301)	-5.3%
Ceded premiums	(1,423)	(1,822)	(1,459)	(1,963)	(1,439)	(16)	-1.2%
Net premiums	4,290	3,978	4,328	3,057	3,973	(317)	-7.4%
Allocated net investment income	12,592	11,954	11,321	10,738	9,559	(3,033)	-24.1%
Commissions and fees:							
Prepaid Legal Services	4,783	5,182	6,712	4,085	4,287	(496)	-10.4%
Auto and Homeowners Insurance	1,787	2,101	2,436	1,971	1,591	(195)	-10.9%
Mortgage loans	4,960	6,061	6,719	6,598	4,818	(142)	-2.9%
Other sales commissions	2,041	2,291	2,129	2,307	1,932	(110)	-5.4%
Other, net	836	1,040	1,101	992	1,117	281	33.7%
Adjusted operating revenues	31,288	32,607	34,746	29,746	27,276	(4,012)	-12.8%
Benefits and expenses:							
Benefits and claims	4,826	5,859	3,728	4,443	4,166	(660)	-13.7%
Amortization of DAC	246	264	347	203	255	10	4.0%
Insurance commissions	299	306	320	246	282	(17)	-5.8%
Insurance expenses	1,391	1,327	1,367	1,257	1,237	(154)	-11.1%
Sales commissions	6,434	7,185	8,290	6,839	5,952	(482)	-7.5%
Interest expense	7,145	7,141	7,529	8,804	6,853	(292)	-4.1%
Adjusted other operating expenses	35,211	27,413	26,695	30,301	36,475	1,263	3.6%
Adjusted benefits and expenses	55,551	49,495	48,277	52,093	55,219	(333)	-0.6%
Adjusted operating income before income taxes	\$(24,263)	\$(16,888)	\$(13,531)	\$(22,346)	\$(27,943)	\$(3,680)	-15.2%

Investment Portfolio - Summary of Holdings

As of or for the period ended March 31, 2022							
	Market Value	Amortized Cost	Unrealized G/(L)	% of Total		Avg Book Yield	Avg Rating
				Market Value	Amortized Cost		
<i>(Dollars in thousands)</i>							
Investment Portfolio by Asset Class							
Cash, Cash Equivalents, and Short Term	\$ 407,075	\$ 407,075	\$ -	12.9 %	12.5 %		
Fixed Income:							
Treasury	38,965	39,317	(353)	1.2 %	1.2 %	1.03 %	AAA
Government	245,414	253,303	(7,889)	7.8 %	7.8 %	2.87 %	AA-
Tax-Exempt Municipal	38,239	39,219	(980)	1.2 %	1.2 %	2.72 %	AA
Corporate	1,433,603	1,466,999	(33,396)	45.4 %	45.2 %	3.35 %	BBB+
Mortgage Backed	461,247	484,171	(22,923)	14.6 %	14.9 %	2.76 %	AAA
Asset Backed	132,066	137,521	(5,455)	4.2 %	4.2 %	2.94 %	AA-
Cmbs	142,865	147,425	(4,560)	4.5 %	4.5 %	3.04 %	AA-
Private	219,930	228,830	(8,900)	7.0 %	7.1 %	3.90 %	BBB
Redeemable Preferred	5,518	5,448	70	0.2 %	0.2 %	5.46 %	BBB
Total Fixed Income	2,717,848	2,802,235	(84,386)	86.0 %	86.3 %	3.18 %	A
Equities and Other:							
Perpetual Preferred	9,600	9,600	-	0.3 %	0.3 %		
Common Stock	19,952	19,952	(0)	0.6 %	0.6 %		
Mutual Fund	6,637	6,637	0	0.2 %	0.2 %		
Derivatives	-	-	-	0.0 %	0.0 %		
Total Equities	36,190	36,190	(0)	1.1 %	1.1 %		
Total Invested Assets	\$ 3,161,113	\$ 3,245,499	\$ (84,386)	100.0 %	100.0 %		

Public Corporate Portfolio by Sector

Insurance	\$ 167,129	\$ 172,403	\$ (5,274)	11.7 %	11.8 %		
Consumer Non Cyclical	165,272	169,075	(3,803)	11.5 %	11.5 %		
Energy	148,788	150,646	(1,858)	10.4 %	10.3 %		
Reits	138,246	142,719	(4,473)	9.6 %	9.7 %		
Banking	126,476	127,687	(1,212)	8.8 %	8.7 %		
Technology	116,154	117,550	(1,396)	8.1 %	8.0 %		
Consumer Cyclical	101,779	104,853	(3,074)	7.1 %	7.1 %		
Capital Goods	76,970	79,021	(2,051)	5.4 %	5.4 %		
Electric	68,308	69,309	(1,001)	4.8 %	4.7 %		
Basic Industry	65,549	67,011	(1,462)	4.6 %	4.6 %		
Transportation	61,191	62,762	(1,571)	4.3 %	4.3 %		
Brokerage	56,493	57,934	(1,440)	3.9 %	3.9 %		
Communications	54,906	55,284	(378)	3.8 %	3.8 %		
Finance Companies	54,861	57,731	(2,869)	3.8 %	3.9 %		
Industrial Other	10,245	10,496	(251)	0.7 %	0.7 %		
Financial Other	9,129	9,579	(450)	0.6 %	0.7 %		
Natural Gas	5,049	5,228	(180)	0.4 %	0.4 %		
Utility Other	5,012	5,387	(375)	0.3 %	0.4 %		
Owned No Guarantee	2,047	2,325	(278)	0.1 %	0.2 %		
Total Corporate portfolio	\$ 1,433,603	\$ 1,466,999	\$ (33,396)	100.0 %	100.0 %		

Fixed-Maturity Securities - Effective Maturity

Effective maturity							
< 1 Yr.	\$ 286,145	\$ 284,489	\$ 1,657	10.5 %	10.2 %	2.86 %	
1-2 Yrs.	222,412	221,613	799	8.2 %	7.9 %	3.68 %	
2-5 Yrs.	855,677	865,379	(9,702)	31.5 %	30.9 %	3.38 %	
5-10 Yrs.	1,079,035	1,139,929	(60,894)	39.7 %	40.7 %	2.96 %	
> 10 Yrs.	274,578	290,825	(16,247)	10.1 %	10.4 %	3.35 %	
Total Fixed Income	\$ 2,717,848	\$ 2,802,235	\$ (84,386)	100.0 %	100.0 %	3.18 %	

Duration

Fixed Income portfolio duration 4.9 years

Note: Investment Portfolio pages in this Financial Supplement exclude the Held to Maturity asset on our balance sheet.

Investment Portfolio - Quality Ratings As of March 31, 2022

(Dollars in thousands)

Investment Portfolio Quality Ratings (1)

	Amortized Cost	% of Total
Total Fixed Income portfolio:		
<u>Rating</u>		
AAA	\$ 590,961	21.1 %
AA	313,238	11.2 %
A	663,470	23.7 %
BBB	1,114,465	39.8 %
Below Investment Grade	85,535	3.1 %
NA	34,566	1.2 %
Total Fixed Income	\$ 2,802,235	100.0 %

	Amortized Cost	% of Total
Public Corporate asset class:		
<u>Rating</u>		
AAA	\$ 12,496	0.9 %
AA	72,344	4.9 %
A	405,455	27.6 %
BBB	909,176	62.0 %
Below Investment Grade	67,351	4.6 %
NA	176	0.0 %
Total Corporate	\$ 1,466,999	100.0 %

	Amortized Cost	% of Total
Private Placement asset class:		
<u>Rating</u>		
AAA	\$ -	—
AA	5,398	2.4 %
A	36,128	15.8 %
BBB	174,775	76.4 %
Below Investment Grade	12,528	5.5 %
NA	-	—
Total Private	\$ 228,830	100.0 %

	Amortized Cost	% of Total
CMBS asset class:		
<u>Rating</u>		
AAA	\$ 68,018	46.1 %
AA	8,981	6.1 %
A	70,426	47.8 %
BBB	-	—
Below Investment Grade	-	—
NA	-	—
Total CMBS	\$ 147,425	100.0 %

	Amortized Cost	% of Total
Mortgage-Backed asset class:		
<u>Rating</u>		
AAA	\$ 434,412	89.7 %
AA	49,493	10.2 %
A	154	0.0 %
BBB	-	—
Below Investment Grade	79	0.0 %
NA	32	0.0 %
Total Mortgage-Backed	\$ 484,171	100.0 %

	Amortized Cost	% of Total
Asset-Backed asset class:		
<u>Rating</u>		
AAA	\$ 13,556	9.9 %
AA	6,678	4.9 %
A	72,211	52.5 %
BBB	8,573	6.2 %
Below Investment Grade	2,145	1.6 %
NA	34,358	25.0 %
Total Asset-Backed	\$ 137,521	100.0 %

	Amortized Cost	% of Total
Treasury & Government asset classes:		
<u>Rating</u>		
AAA	\$ 59,514	20.5 %
AA	140,753	48.4 %
A	74,021	25.5 %
BBB	13,088	4.5 %
Below Investment Grade	3,430	1.2 %
NA	0	0.0 %
Total Treasury & Government	\$ 290,807	100.0 %

NAIC Designations

1	\$ 1,323,534	53.5 %
2	1,052,805	42.6 %
3	85,004	3.4 %
4	5,590	0.2 %
5	691	0.0 %
6	4,308	0.2 %
U.S. Insurer Fixed Income (2)	2,471,931	100.0 %
Other (3)	366,493	
Cash and cash equivalents	407,075	
Total Invested Assets	\$ 3,245,499	

(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.

Note: Investment Portfolio pages in this Financial Supplement exclude the Held to Maturity asset on our balance sheet.

Investment Portfolio - Supplemental Data and Trends

(Dollars in thousands)	Q1	Q2	Q3	Q4	Q1	YOY Q1	
	2021	2021	2021	2021	2022	\$	%
Net Investment Income by Source						Change	Change
Fixed-maturity securities (available-for-sale)	\$ 20,020	\$ 20,155	\$ 19,860	\$ 20,328	\$ 20,889	\$ 869	4.3%
Fixed-maturity securities (held-to-maturity)	15,146	15,495	15,741	15,825	15,515	369	2.4%
Equity Securities	391	411	413	416	387	(4)	-1.1%
Deposit asset underlying 10% reinsurance treaty	1,368	1,238	987	785	589	(779)	-56.9%
Deposit asset - Mark to Market	(793)	(170)	(640)	(899)	(2,099)	(1,306)	nm
Policy loans and other invested assets	231	98	289	401	102	(129)	-55.9%
Cash & cash equivalents	119	156	96	85	125	6	5.3%
Total investment income	36,483	37,383	36,746	36,940	35,508	(975)	-2.7%
Investment expenses	1,284	1,353	1,004	1,114	1,088	(196)	-15.3%
Interest Expense on Surplus Note	15,146	15,495	15,741	15,825	15,515	369	2.4%
Net investment income	\$ 20,052	\$ 20,535	\$ 20,001	\$ 20,001	\$ 18,905	\$ (1,147)	-5.7%
Fixed income book yield, end of period	3.30 %	3.31 %	3.23 %	3.12 %	3.18 %		
New money yield	1.72 %	2.68 %	2.21 %	1.60 %	3.37 %		

	Q1	Q2	Q3	Q4	Q1	YOY Q1
	2021	2021	2021	2021	2022	% Pt Change
Fixed Income Portfolio Quality Ratings						
Rating						
AAA	16.6 %	16.5 %	18.0 %	18.7 %	21.0 %	4.4 %
AA	12.2 %	11.6 %	11.0 %	11.8 %	11.2 %	-1.0 %
A	23.0 %	22.1 %	23.6 %	24.4 %	23.7 %	0.7 %
BBB	44.0 %	45.5 %	42.9 %	40.8 %	39.8 %	-4.2 %
Below Investment Grade	4.1 %	4.2 %	4.1 %	3.5 %	3.1 %	-1.0 %
NA	0.1 %	0.1 %	0.3 %	0.8 %	1.2 %	1.1 %
Total Fixed Income	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	—
Average rating by amortized cost	A-	A-	A	A	A	

	As of March 31, 2022			As of March 31, 2022			As of March 31, 2022		
	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	\$ 17,054	\$ 17,505	AAA	Canada	\$ 96,017	\$ 96,975	AAA	\$ 2,053	\$ 2,131
2 Province of Ontario Canada	13,940	14,140	A+	Australia	26,547	26,585	AA	8,717	8,657
3 Province of Quebec Canada	13,283	13,234	AA-	United Kingdom	17,848	17,754	A	14,694	15,240
4 Morgan Stanley	13,072	13,079	BBB+	Cayman Islands	15,325	15,595	BBB	11,416	11,647
5 TC Energy Corp	11,993	12,583	BBB+	Japan	10,285	10,198	Below Investment Grade	3,136	3,430
6 Province of Alberta Canada	11,919	12,319	A	Ireland	9,223	9,458	NA	—	—
7 ConocoPhillips	11,507	11,060	A-	Bermuda	8,916	8,902	Total	\$ 40,015	\$ 41,105
8 Enbridge Inc	11,340	11,708	BBB+	France	8,251	8,192			
9 Manulife Financial Corp	10,418	10,434	A	Mexico	7,095	7,575			
10 Oracle Corp	10,285	10,274	BBB+	Netherlands	6,061	5,456	Non-Government Investments (1)		
11 Capital One Financial Corp	9,904	9,811	BBB	Supranational	4,567	4,620	AAA	\$ 2,975	\$ 2,999
12 Ontario Teachers' Pension Plan	9,820	10,201	AA+	Switzerland	4,400	4,536	AA	4,412	4,429
13 Western & Southern Mutual Holdings Co	9,364	9,580	AA-	Brazil	4,271	4,368	A	56,133	56,126
14 Fairfax Financial Holdings Ltd	9,153	9,854	BBB-	Israel	3,693	3,554	BBB	138,498	139,711
15 Kemper Corp	8,998	9,096	BBB	Luxembourg	3,450	3,500	Below Investment Grade	12,330	12,140
16 Province of British Columbia Canada	8,775	8,893	AA+	Emerging Markets (2)	13,746	14,389	NA	4,018	3,990
17 Province of Newfoundland and Labrador	8,752	8,913	A	All Other	18,685	18,842	Total	\$ 218,365	\$ 219,396
18 Entergy Corp	8,691	9,008	BBB+	Total	\$ 258,380	\$ 260,501			
19 Province of New Brunswick Canada	8,628	8,660	A+						
20 Bristol-Myers Squibb Co	8,555	8,608	A+						
21 GATX Corp	7,930	7,792	BBB						
22 Bunge Ltd	7,785	8,146	BBB						
23 The Williams Cos Inc	7,775	8,091	BBB						
24 Realty Income Corp	7,736	7,871	A-						
25 Air Lease Corp	7,521	7,882	BBB						
Total	\$ 254,198	\$ 258,741							
% of total fixed income portfolio	8.0 %	8.0 %							

(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.
Note: Investment Portfolio pages in this Financial Supplement exclude the Held to Maturity asset on our balance sheet.

Five-Year Historical Key Statistics

(Dollars in millions)	2017	2018	2019	2020	2021	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Recruits	303,867	290,886	282,207	400,345	349,374	94,633	89,285	91,884	73,572	84,707
Life-insurance licensed sales force, beginning of period	116,827	126,121	130,736	130,522	134,907	134,907	132,030	132,041	130,023	129,515
New life-licensed representatives	48,535	48,041	44,739	48,106	39,622	10,833	10,112	9,381	9,296	9,983
Non-renewal and terminated representatives	(39,241)	(43,426)	(44,953)	(43,721)	(45,014)	(13,710)	(10,101)	(11,399)	(9,804)	(9,292)
Life-insurance licensed sales force, end of period	126,121	130,736	130,522	134,907	129,515	132,030	132,041	130,023	129,515	130,206
Issued term life policies	312,799	301,589	287,809	352,868	323,855	82,667	90,071	75,914	75,203	71,324
Issued term life face amount	\$ 95,635	\$ 95,209	\$ 93,994	\$ 109,436	\$ 108,521	\$ 26,643	\$ 29,981	\$ 26,219	\$ 25,678	\$ 24,773
Term life face amount in force, beginning of period	\$ 728,385	\$ 763,831	\$ 781,041	\$ 808,262	\$ 858,818	\$ 858,818	\$ 869,643	\$ 886,519	\$ 894,018	\$ 903,404
Issued term life face amount	95,635	95,209	93,994	109,436	108,521	26,643	29,981	26,219	25,678	24,773
Terminated term life face amount	(65,958)	(70,291)	(71,519)	(60,848)	(64,798)	(17,240)	(14,706)	(16,241)	(16,610)	(19,787)
Foreign currency impact, net	5,769	(7,708)	4,746	1,968	862	1,422	1,602	(2,480)	319	1,242
Term life face amount in force, end of period	\$ 763,831	\$ 781,041	\$ 808,262	\$ 858,818	\$ 903,404	\$ 869,643	\$ 886,519	\$ 894,018	\$ 903,404	\$ 909,632
Estimated annualized issued term life premium										
Premium from new policies	\$ 255.4	\$ 250.8	\$ 244.8	\$ 303.6	\$ 297.2	\$ 74.5	\$ 82.6	\$ 70.7	\$ 69.4	\$ 65.5
Additions and increases in premium	49.5	55.2	60.2	68.9	77.0	18.0	20.3	19.5	19.1	18.4
Total estimated annualized issued term life premium	\$ 304.9	\$ 306.0	\$ 305.0	\$ 372.5	\$ 374.2	\$ 92.5	\$ 103.0	\$ 90.2	\$ 88.5	\$ 83.8
Investment & Savings product sales	\$ 6,192.2	\$ 7,040.1	\$ 7,533.2	\$ 7,842.5	\$ 11,703.1	\$ 2,853.5	\$ 3,040.2	\$ 2,790.4	\$ 3,019.0	\$ 3,065.4
Investment & Savings average client asset values	\$ 56,791	\$ 61,842	\$ 65,029	\$ 69,709	\$ 89,993	\$ 83,131	\$ 89,378	\$ 92,652	\$ 94,809	\$ 94,203
Closed U.S. Mortgage Volume (brokered)	\$ —	\$ —	\$ 31.1	\$ 442.5	\$ 1,229.2	\$ 262.3	\$ 298.6	\$ 337.6	\$ 330.8	\$ 235.9