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January 3, 2012

Federal Election Commission
Office of General Counsel
999 E Street, N.W.
Washington, DC 20463

Re: Advisory Opinion Request Regarding Disaffiliation of Primerica, Inc. and Citigroup Inc. for Purposes of Primerica Establishing a Separate Segregated Fund

Dear Commissioners:

Please accept this request, on behalf of Primerica, Inc. ("Primerica"), for an advisory opinion from the Federal Election Commission (FEC or the "Commission") pursuant to 11 C.F.R. §112.1(a). Primerica seeks advice whether it is sufficiently disaffiliated from Citigroup Inc. ("Citigroup") to establish a Separate Segregated Fund ("PAC") that would be considered independent and detached from Citigroup's PAC for the purposes of the regulatory requirements set forth in 11 C.F.R. §100.5 and 11 C.F.R. §110.3.

Primerica has operated as a free-standing and independent corporate entity since April 1, 2010, when Citigroup conducted an Initial Public Offering of Primerica stock ("the spin-off"). As of December 19, 2011, Citigroup no longer holds any shares of Primerica common stock. As such, Primerica is no longer a subsidiary of Citigroup and the FEC should refrain from treating any future PAC created by Primerica as being affiliated with Citigroup's existing PAC.

In making disaffiliation determinations, the Commission first examines the relationship between the petitioning organizations to determine if it is one that requires "automatic affiliation" under FEC rules and regulations. *See* 11 C.F.R. § 100.5(g)(3)(i)-(iv). In situations not triggering automatic affiliation, the Commission subsequently undertakes a factual analysis of the organizational relationship to determine whether formal affiliation or disaffiliation is appropriate. In doing so, the Commission will weigh the relationship between the entities based upon the factors listed in 11 C.F.R. § 100.5(g)(4)(ii)(A)-(J). Given that the association between Primerica and Citigroup does not involve parent and subsidiary corporations, associated labor unions, or connected membership organizations, it is readily apparent that automatic affiliation is inapplicable in the present case. Rather, the FEC will need to examine the relationship between

Primerica and Citigroup in light of the aforementioned § 100.5(g)(4)(ii) factors to determine if affiliation or disaffiliation is appropriate. To assist the Commission with this process, Primerica has endeavored to provide additional data in this correspondence regarding each of those standards. While none of these factors is considered dispositive to an affiliation determination, it is Primerica's assertion that the facts presented below clearly indicate that Citigroup and Primerica should be disaffiliated for the purposes of future PAC operations and activities.

Before addressing any of these pertinent factors, however, Primerica would like to stress the fact that it does not currently have an established PAC. Rather, the company is contemplating the establishment of a political committee in the near future and, in advance of such action, desires an advisory opinion from the Commission regarding formal disaffiliation from Citigroup. Moving forward, it is Primerica's wish to establish a corporate separate segregated fund that will serve the needs of its employees and representatives, and be administered by only Primerica personnel. It is likewise Primerica's desire to establish a PAC that functions independently of Citigroup, its employees, and its officers. As such, it is Primerica's intention that its future PAC will operate differently than the company's previous PAC (terminated in 2007), which was both affiliated with Citigroup and informally advised by its employees. In fact, it is anticipated that Primerica's contemplated PAC will bear little to no resemblance to its previous separate segregated fund.

In light of these facts, Primerica provides the following information to the Commission regarding the nature of its anticipated PAC and the character of its current business relationship with Citigroup.

Citigroup Has No Interest in Primerica Voting Stock or Securities.

On April 1, 2010, Citigroup spun off Primerica Financial Services, Inc. forming a new corporate entity known as Primerica, Inc.[1] Immediately following completion of the corporate spin-off, public shareholders owned approximately 37% of Primerica's outstanding stock. The remainder of Primerica's stock, however, was owned by Citigroup (approximately 40% of outstanding shares) and by various private equity funds managed by Warburg Pincus, LLC (approximately 23% of outstanding shares). Primerica believes that Warburg Pincus, LLC does not currently maintain a federal political action committee.

Since the formation of Primerica, Inc., Citigroup has continued to methodically divest its remaining interest in Primerica. At present, and as announced on December 19, 2011, Citigroup no longer owns any of Primerica's outstanding stock. In turn, Citigroup no longer has any controlling interest in Primerica's voting stock or securities.

[1] Primerica Financial Services, Inc. (PFS) is the predecessor company of Primerica, Inc. PFS had several wholly-owned subsidiaries, most of which are now wholly-owned by Primerica.

Citigroup Has Very Limited Authority to Direct or Participate in the Governance of Primerica.

At present, Citigroup has very limited ability to direct or participate in the corporate governance of Primerica. This is due primarily to institutional restrictions put in place by Primerica during the spin-off and to Citigroup's rapid divestiture of Primerica stock over the last 20 months. In connection with the spin-off, Citigroup agreed to limit its initial representation on Primerica's Board of Directors to one member. This limitation remains in existence, with Mark Mason, the Chief Executive Officer of Citi Holdings, currently serving as Citigroup's sole Primerica board member. The initial decision to cap Citigroup's representation on the Primerica Board of Directors and the continued commitment to that decision-making structure inherently restricts Citigroup's ability to directly influence or participate in the governance of Primerica's corporate activities.

Along the same lines, the continued divestiture of Primerica stock by Citigroup has also fostered an environment where it has an extremely limited ability to influence the outcome of Primerica business conduct that requires stockholder approval. Immediately following the spin-off, Citigroup's 40% ownership of Primerica stock may have afforded it some degree of influence over shareholder decision making. At present, however, Citigroup holds no shares of Primerica common stock and maintains no measure of influence in this regard.

Despite Primerica's general independence from Citigroup influence over corporate governance, Citigroup and Primerica will continue to have interrelated activities as a result of the natural, orderly unwinding of the two companies. Included among these interrelated activities is the continued agreement between the corporations for Primerica to provide administrative services with respect to certain term life insurance policies ceded to Citigroup immediately prior to the spin-off. In addition to this agreement, there are a number of coinsurance contracts between Citigroup and Primerica that require interaction and coordination between the companies. It is also important to note that since the time of the spin-off, a contractual relationship has existed between certain Citigroup owned banks and Primerica's subsidiary loan broker company. This relationship, however, will terminate as of April 2012 in the wake of the subsidiary loan broker's decision to cease all brokering activities on December 31, 2011. Regardless of form, none of these business interactions provide Citigroup with the ability to direct or participate in the overall governance of Primerica.

Citigroup Has Extremely Limited Authority to Hire, Appoint, Promote or Control Primerica's Employees or Officers.

Citigroup has no authority or ability to hire, appoint, demote, or otherwise control the officers, or other decision-making employees or members of Primerica. As noted in the previous section of this correspondence, however, Citigroup does maintain one position on Primerica's Board of Directors. As such, Citigroup could be said to have extremely limited authority to

affect hiring, appointment and personnel decisions controlled by Primerica's Board of Directors. Such influence, although noteworthy for the purposes of this correspondence, does not afford Citigroup any meaningful control over Primerica's day-to-day workforce or management decisions.

Citigroup and Primerica Have No Common or Overlapping Members, Employees, or Officers.

Since the date of Primerica's initial spin-off from Citigroup, there has been no overlapping employment among the two companies. Primerica has functioned as a truly independent company with its own autonomous management structure and work force. As such, Primerica has shared no common or overlapping members, employees or officers with Citigroup, and Citigroup has shared no common or overlapping members, employees or officers with Primerica. This will continue to be the case moving forward as both companies seek unique business opportunities.

Primerica Does Have Officers or Employees Who Were Former Officers or Employees of Citigroup, But This Relationship Is Representative of a Typical Corporate Spin-Off and Does Not Indicate an Ongoing Business Affiliation or the Creation of a Successor Company.

It is inevitable in any scenario involving a corporate spin-off that a great number of employees of the new company would be former employees of the original corporate entity. Such a relationship between the companies, however, does not always indicate that there will be a clear business affiliation between the entities. Nor does such a relationship inevitably indicate that the new company is a "successor" to the original corporation. This is the case with regard to the Primerica-Citigroup spin-off – Primerica employs a great number of former Citigroup personnel, but it is not formally affiliated with Citigroup or a successor to its corporate interests.

At present, the only factor linking existing Primerica employees and officers to their previous roles with Citigroup is the fact that many of them still maintain particular employment "benefits" earned as a result of their service with Citigroup. For example, certain Primerica employees and officers received stock options and other stock-based compensation from Citigroup prior to the spin-off that continue to be exercisable under the requirements of Citigroup's financial plans. In addition, a number of Primerica employees who previously worked for Citigroup continue to maintain Citigroup-specific pension and retirement accounts. While the existence of these Citigroup-based benefits for Primerica employees and officers certainly reveals a unique relationship between the companies, it does not indicate any attempt by the corporations to establish an ongoing business affiliation or a predecessor-successor framework.

Citigroup Does Not Provide Primerica with a Significant Amount of Funds or Goods, Nor Does Citigroup Assist Primerica with Fundraising or Administrative Costs.

Since the spin-off, the amount of financial or non-financial support Primerica has received from Citigroup has continuously decreased to the point where, at present, it is virtually non-existent. At the time of the spin-off, Primerica and Citigroup were parties to a Transition Services Agreement that set forth a limited number of services that Citigroup would provide to Primerica and that Primerica would provide to Citigroup during the orderly unwinding of the businesses. This agreement is no longer in effect, however, and since its expiration, Citigroup has not appreciably assisted in the business activities of Primerica, nor has it defrayed any of Primerica's administrative or operational costs. Thus, Primerica is financially, administratively and operationally independent of Citigroup, and will continue to be so moving forward.

Despite this independence, however, Primerica anticipates that it will continue to sell certain Citigroup financial products – namely Citigroup Trust Bank mortgages and Citibank FHA mortgages – until April 2012, as part of its traditional provision of services to customers. Although the sale of such Citigroup products entails a certain amount of coordination between Primerica and Citigroup, the business deal is neither an exclusive arrangement between the companies, nor does it involve extensive administrative or financial support on the part of Citigroup. As such, it does not present the opportunity for substantial business entanglement between Primerica and Citigroup moving forward.

In much the same way that Primerica has reached a place of business independence from Citigroup, Primerica's PAC will be equally autonomous. Citigroup will not pay any of the administrative, fundraising, or operational costs associated with Primerica's PAC, nor will it offer any other forms of financial or non-financial support. As is expected of disaffiliated PACs under federal rules and regulations, Primerica's PAC and Citigroup's PAC will function as fully independent entities.

Citigroup Will Have No Role In The Formation of Primerica's PAC.

While it certainly may be said that Citigroup was responsible for the creation of Primerica as a corporate entity, the same cannot be said for the formation of Primerica's future PAC. The organization, development, and operation of Primerica's PAC will all be overseen by Primerica personnel, including its corporate executives, board members, and other employees serving on the future PAC's board. All of these individuals will help to shape the structure of the PAC, the nature of its involvement in various political activities, and the types of candidates and organizations it will support. None of these individuals, however, will be influenced by Citigroup, its officer, or its employees. As such, there is no reason to believe Citigroup will have any role or authority over the formation or operation of Primerica's future PAC.

Primerica's Proposed PAC Will Not Make or Receive Contributions in a Pattern Similar to Nor Establish Any Formal Relationship with Citigroup's PAC.

At present, Primerica's proposed PAC is in its early formative stages. As such, its specific solicitation and giving strategies have yet to be developed. It is anticipated, however, that such strategies will be devised in a manner that reflects the overall political and public policy goals of Primerica's employees and stockholders. While some of these goals may overlap with the political and public policy objectives of Citigroup's employees and shareholders, there is little reason to believe that Primerica's PAC will make or receive contributions in a pattern similar to Citigroup's PAC. Nor is there reason to believe that Primerica's PAC will attempt to establish any formal relationship with Citigroup's PAC.

As discussed previously, Primerica's PAC intends to operate as a purely independent entity that is free from Citigroup influence. The PAC's structure, operation, solicitation methods, and giving strategies will all be formulated by Primerica personnel to fit the unique needs of Primerica employees and shareholders. There will be no coordination between Primerica and Citigroup for the purposes of operating their respective PACs, nor will there be any attempt on the part of Primerica to model its PAC on Citigroup's existing PAC. In sum, there will be no means by which to infer collaboration or affillation between Primerica and Citigroup with regard to their proposed and existing separate segregated funds.

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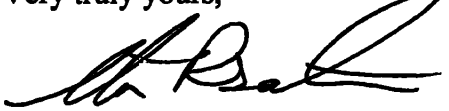
Thank you in advance for your consideration of Primerica's request for an Advisory Opinion. Should there be any questions regarding the nature of this request or any of the information provided in it, please do not hesitate to contact me.

Very truly yours,



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April 25, 2012

VIA OVERNIGHT DELIVERY
Cheryl Hemsley
Federal Election Commission
Office of General Counsel
999 E Street NW
Washington, DC 20463

Re: Supplement to Primerica, Inc.'s Existing Advisory Opinion Request in Response to the Commission's Request for Further Information

Dear Ms. Hemsley:

This correspondence issues on behalf of Primerica, Inc. in response to a January 24, 2012 request for further information ("RFI") that it received from the Federal Election Commission ("FEC" or the "Commission") regarding the company's January 3, 2012 advisory opinion request letter. In order to process Primerica's request for an advisory opinion confirming its disaffiliation from Citigroup Inc. for the purposes of establishing and operating an independent Separate Segregated Fund ("PAC"), the Commission has indicated that it requires supplemental documents associated with the separation of Citigroup and Primerica and additional information regarding various issues related to their business relationship following Primerica's spin-off. The contents of this letter and the documents attached to it represent Primerica's best efforts to respond to the Commission's request for additional information and to supplement the company's recently-submitted advisory opinion request letter. As such, Primerica hereby requests that the FEC treat this correspondence as an addendum to its existing advisory opinion request.

Documents Requested by the Commission

I. The Citigroup/Primerica Separation Agreement

As requested by the Commission in its RFI, a copy of the Citigroup/Primerica Separation Agreement document (the "Intercompany Agreement by and between Primerica, Inc. and Citigroup Inc.") has been attached to this letter as *Attachment #1*. Should there be any additional questions regarding its contents, please do not hesitate to contact me.

II. Primerica's Articles of Incorporation, Corporate Bylaws, Corporate Constitution, and Other Governing Documents

As requested by the Commission in its RFI, a copy of the following Primerica corporate documents have been attached to this letter:

- Primerica's Articles of Incorporation – *Attachment #2 (Restated Certificate of Incorporation of Primerica, Inc.)*
- Primerica's Corporate Bylaws – *Attachment #3 (Amended and Restated By-Laws of Primerica, Inc.)*
- Primerica's Corporate Constitution – *Attachment #4 (Primerica, Inc. Corporate Governance Guidelines)*
- Miscellaneous Primerica Governance Documents of Interest:
  - *Attachment #5 (Primerica, Inc. Nominating and Corporate Governance Committee Charter)*
  - *Attachment #6 (Primerica, Inc. Code of Conduct)*

Should there be any additional questions regarding the contents of any of these documents, please do not hesitate to contact me.

III. Relevant Contracts Between Citigroup and Primerica

As requested by the Commission in its RFI, a copy of the following relevant contracts and documents between Citigroup and Primerica have been attached to this letter:

- Citigroup-Primerica Agreements Related to the Provision of Administrative Services for Term Life Insurance Policies or Regarding the Sale of Citigroup Products
  - *Attachment #7 (Transition Services Agreement; Citigroup and Primerica)*
  - *Attachment #8 (Long-Term Services Agreement, Citilife and Primerica)*
- Citigroup-Primerica Co-Insurance Contracts
  - *Attachment #9 (80% Co-Insurance Agreement, Primerica Life and Prime Reinsurance)*

- *Attachment #10 (10% Co-Insurance Agreement, Primerica Life and Prime Reinsurance)*
- *Attachment #11 (80% Co-Insurance Trust Agreement)*
- *Attachment #12 (10% Co-Insurance Economic Trust Agreement)*
- *Attachment #13 (10% Co-Insurance Excess Trust Agreement)*
- *Attachment #14 (90% Co-Insurance Agreement, National Benefit and American)*
- *Attachment #15 (Co-Insurance Agreement, Primerica Life and Financial Reassurance)*
- *Attachment #16 (Co-Insurance Trust Agreement)*

- Other Pertinent Agreements Associated with the Citigroup Primerica Spin-Off
  - *Attachment #17 (Tax Separation Agreement)*
  - *Attachment #18 (Capital Maintenance Agreement)*
  - *Attachment #19 (Trust Agreement)*
  - *Attachment #20 (Common Stock Exchange Agreement)*
  - *Attachment #21 (Registration Rights Agreement)*
  - *Attachment #22 (Monitoring and Reporting Agreement, Primerica)*
  - *Attachment #23 (Monitoring and Reporting Agreement, Primerica Life)*
  - *Attachment #24 (Stock Purchase Plan)*
  - *Attachment #25 (Note Agreement)*

Should there be any additional questions regarding the contents of any of these contracts or agreements, please do not hesitate to contact me.

IV. Other Primerica Documents of Interest

Although not specifically requested by the Commission in its RFI, Primerica has also included a copy of its 2011 Annual Report and recently-filed 2012 Proxy Statement as attachments to this response letter. The contents of both documents should provide the Commission with additional information concerning several of the issues raised in its RFI, including Primerica's current stock ownership structure and the nature of its related-party transactions with Citigroup in the wake of the spin-off.

- Primerica's 2011 Annual Report – *Attachment #26*
- Primerica's 2012 Proxy Statement – *Attachment #27*

Additional Issues Raised by the Commission

1. No Corporate Subsidiary of Citigroup, Or Any Entity Owning a Controlling Interest in Citigroup, Currently Owns More Than a Fractional Percentage of Primerica Voting Stock or Securities.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *The advisory opinion request states that Citigroup no longer holds any shares of Primerica common stock. As we discussed, however, a disaffiliation analysis will likely address Primerica's relationship not only with Citigroup but also with Citigroup's subsidiaries and any entity owning a controlling interest in Citigroup. Thus, please provide information about any Citigroup subsidiary, or any entity owning a controlling interest in Citigroup, that also owns voting stock or other securities in Primerica. If any such owning entities or subsidiaries exist please answer the questions below with respect to those entities as appropriate.*

In exploring the relationship between Primerica and Citigroup's corporate subsidiaries, it is readily apparent that Citigroup's ancillary entities have no "controlling interest" in Primerica voting stock or securities.[1] As mentioned in Primerica's original advisory opinion request letter and as announced on December 19, 2011, Citigroup itself no longer holds any shares of

[1] Rule 405 of the Securities Act of 1933 defines "control" (including the terms "controlling", "controlled by" and "under common control with") to mean the possession, direct or indirect, of the power to direct or cause the direction of management and the policies of a corporation, whether through the ownership of voting securities, contract or otherwise. In interpreting this definition, the SEC has stated that a person's status as a director, officer, or 10% shareholder is one fact that must be taken into consideration when determining "affiliate" or "control" status. In light of this interpretive standard and the language of Rule 405, it is almost universally accepted that stock ownership interests falling below the 10% threshold are non-controlling in nature.

Primerica common stock. At present, much the same thing can be said for nearly all known Citigroup subsidiary entities. Based upon the most-recent SEC disclosures available to Primerica, the universe of Citigroup subsidiaries[2] held only 16,152 shares of Primerica common stock at the end of 2011.[3] This amounted to approximately .02% of Primerica's outstanding public shares. As such, it can be said that Citigroup and its subsidiaries have far from a controlling interest in Primerica as a company and have no ability to direct or participate in its corporate governance through shareholder voting power.

Examination of the relationship between Primerica and Citigroup's institutional shareholders reveals a similar ownership environment. Based upon the most up-to-date public information available for Citigroup, there are at present no entities with a "controlling interest" in its stock. In fact, according to the Citigroup's recently-filed 2012 Proxy Statement, the largest institutional owner of its corporate stock appears to be BlackRock Inc., which (in conjunction with subsidiaries) holds approximately 5.26% of outstanding shares. This percentage, although substantial, falls well short of qualifying as a controlling interest in Citigroup. Given that there currently appear to be no controlling owners of Citigroup stock, there can by definition be no Citigroup controlling-interest entities or individuals that also own voting stock or other securities in Primerica.

2. The Terms "Common Stock", "Stock", and "Voting Stock or Other Securities" Were Intended to Mean the Same Thing in Primerica's Advisory Opinion Request.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *Please also confirm whether the statements in the advisory opinion request that Citigroup does not own any "common stock," "stock," or "voting stock or other securities" in Primerica are intended to mean the same thing. If not, what are the differences?*

Primerica apologizes for any confusion caused by the different nomenclature it utilized to refer to the company's publicly-traded stock in its original advisory opinion request letter. All

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[2] A conglomerate the size of Citigroup has countless corporate subsidiaries across the country and around the world. In light of this fact and given the focused nature of the Commission's present inquiry, Primerica has endeavored to provide the best available information regarding the collective scope of common stock ownership by all known Citigroup subsidiaries.

[3] *See* Citigroup Amended Schedule 13-D Filing, December 21, 2011. According to this Amended Schedule 13-D Filing, those 16,152 shares were acquired in the ordinary course of business by Citigroup subsidiaries in transactions unrelated to the spin-off or December 2011 public offering of Primerica stock by Citigroup Inc. Since the end of 2011, however, the amount of Primerica stock held by Citigroup subsidiaries appears to have decreased to 8,407 shares, which constitutes approximately .01% of Primerica's outstanding common stock.

references to "common stock", "stock", or "voting stock or other securities" in that piece of correspondence and the current supplemental response letter are intended to describe the same thing – Primerica, Inc.'s publicly-traded common stock. Should there be any questions regarding the nature of Primerica's outstanding publicly-traded securities, please do not hesitate to contact me.

3. Citi Holdings Chief Executive Officer Mark Mason Is An Equal Member of Primerica's Board of Directors for the Purposes of Corporate Governance, and There Are No Current Plans for Citigroup's Representative Presence on Primerica's Board to Change in the Near Future.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *The request states that Citigroup's representation on Primerica's board of directors is currently limited to one member, Mr. Mark Mason. As a member of Primerica's board, what is Mr. Mason's ability to direct or participate in Primerica's corporate governance? What authority does he have to hire, appoint, demote, or otherwise control the officers or other decision-making employees or directors of Primerica? What is the duration of the "initial limitation" to one board member? Is Citigroup's representation on Primerica's board expected to change in the future? How?*

As indicated in Primerica's existing advisory opinion request letter, Citigroup's current representation on Primerica's Board of Directors is limited to one member – Mark Mason, the Chief Executive Officer of Citi Holdings. Mr. Mason is one of nine individuals presently serving on the Primerica Board, including the following: John A. Addison, Jr., Chairman of Primerica Distribution & Co-Chief Executive Officer of Primerica; Joel M. Babbit, Chief Executive Officer of Mother Nature Network; P. George Benson, President of The College of Charleston; Michael E. Martin, a Partner with Warburg Pincus & Co. and a Managing Director for Warburg Pincus LLC; Robert F. McCullough, a former Senior Partner with Invesco Ltd.; D. Richard Williams, Chairman of the Board and Co-Chief Executive Officer of Primerica; Barbara A. Yastine, Chief Administrative Officer for Ally Financial, Inc.; and Daniel Zilberman, a Partner with Warburg Pincus & Co. and a Managing Director for Warburg Pincus, LLC.

As a member of the Primerica Board, Mr. Mason has the same ability to direct or participate in the corporation's governance as do any of the other eight Directors. In that sense, he has no special authority to control Primerica's corporate decision making. His influence over Primerica corporate governance and business activities is limited to those powers granted to all members of the Board of Directors in Primerica's Restated Certificate of Incorporation, its Amended and Restated By-Laws, and its Corporate Governance Guidelines. Each of those documents has been provided to the Commission as an Attachment to this letter. Based upon the content of those materials, it is clear that all members of the Primerica Board of Directors possess the same authority to manage "the business and affairs of the Corporation" and to

"exercise all such powers and do all such acts and things that may be exercised or done by the Corporation" subject to the General Corporate Law of the State of Delaware, Primerica's Restated Certificate of Incorporation, and its Amended and Restated By-Laws.

At the Board of Directors level, however, additional influence over Primerica's corporate governance is wielded by the Nominating and Corporate Governance Committee (NCGC), which "has the authority of an executive committee of the Board of Directors." *See* Attachment #4, p. 6. Within Primerica's leadership structure, the NCGC "takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board of Directors the Corporate Governance Guidelines applicable to the Company ... and monitoring the Company's compliance with said policies and Guidelines." *See* Attachment #5, p. 1. The current members of the NCGC include Mr. Babbit, Mr. Benson, and Mr. Zilberman. As such, they possess heightened responsibility amongst the Board Members for initiating and shaping various aspects of corporate governance, including the review, assessment and development of company policies and practices, and the evaluation and nomination of corporate officers. Those Primerica Directors not serving on the NCGC (including Mr. Mason) do not share in these supplemental leadership obligations, but nevertheless still have equal say on implementation of the NCGC's recommendations.

All members of the Primerica Board hold equal voting rights with regard to key personnel decisions associated with corporate officers. As set forth in the Primerica By-Laws, the Board of Directors as a whole has the authority to elect, remove, and fix the salaries of all corporate officers, including the co-Chief Executive Officers, the President, the corporate Secretary, and the corporate Treasurer. The Board also possesses the sole power to fill a vacancy in any of these positions caused by either death or resignation, and likewise holds the authority to create and fill other corporate officer positions as are from time to time needed. In light of these responsibilities set forth in Primerica's formational documents, it is accurate to assert that Mr. Mason holds authority (along with the other eight Board members) over the company's ability to hire, appoint, demote, or otherwise control its officers and executive employees. He holds less sway, however, over the election and removal of Primerica Directors, who must be "elected by a plurality of the [shareholder] votes cast at each Annual [Shareholders] Meeting" and can only be removed for cause by an "affirmative vote of at least two-third of the votes entitled to be cast thereon by holders of the then outstanding capital stock of the Corporation." Attachment #3, p. 18.

In addition to its inquiry regarding Director Mark Mason's ability to hire, appoint, demote, or otherwise control the officers and other decision-making employees of Primerica, the Commission also sought additional information concerning the nature of the "initial limitation" on Board membership for Citigroup representatives. As noted in Primerica's existing advisory opinion request letter, Citigroup's representation on Primerica's Board of Directors is currently limited to one member. This limitation on Citigroup representation was initially included as part of original Securities Purchase Agreement with Citigroup and Warburg Pincus LLC, and was subsequently described in the company's Registration Statement (on Form S-1, as amended)

filed with the SEC in connection with the initial public offering. The Citigroup limitation continues to remain in effect (as corroborated by Primerica's December 14, 2011 Current Report on Form 8-K filed with the SEC), and at present, there is no desire among corporate management or the Board of Directors to either remove or alter it. As such, it is anticipated that the limitation will remain intact moving forward.

Likewise, there is no plan in place at present to fundamentally alter Citigroup's current representation on the Primerica Board of Directors. Mr. Mason is universally recognized as a capable and important member of the Primerica Board and will undoubtedly serve out his full term in that position. Following the completion of his term, it will be up to the NCGC and the remaining Board members to recommend a suitable replacement nominee for direct election by Primerica's stockholders. It remains to be seen whether this future replacement nominee will be Mr. Mason himself or another representative of Citigroup, as the topic has not been taken up for discussion at the NCGC and Board of Directors levels.

4. No Representatives of Warburg Pincus LLC Currently Serve as Members of Citigroup's Board of Directors.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *The request states that two officers of Warburg Pincus are on the board of directors of Primerica. Do officers of Warburg Pincus also sit on Citigroup's board?*

As indicated in public financial disclosure documents, Warburg Pincus LLC is the largest institutional owner of Primerica stock. Immediately prior to mid-April 2012, Warburg held approximately 29.6% of Primerica's outstanding public shares. On April 18, 2012, however, Primerica, Inc. entered into an agreement to repurchase 5,736,137 shares of Primerica common stock beneficially owned by Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. (entities directly affiliated with Warburg Pincus LLC).[4] Following the completion of this repurchase transaction, Warburg will own approximately 17.9% of Primerica's outstanding common stock on a primary basis and approximately 23.2% including warrants to purchase Primerica common stock. In addition, Warburg presently has two corporate representatives on Primerica's Board of Directors – Mr. Michael E. Martin and Mr. Daniel Zilberman, who are both Partners with Warburg Pincus & Co. and Managing Directors for Warburg Pincus LLC. By contrast, Warburg Pincus LLC is not listed among the top 15

[4] *See* Primerica, Inc. Press Release, "Primerica Announces Repurchase of $150 Million of Shares Held By Warburg Pincus," April 18, 2012.

institutional owners of Citigroup stock, nor does it currently have a corporate representative on Citigroup's Board of Directors.[5]

5. Those Subsidiaries of Primerica Financial Services That Are Not Now Wholly Owned by Primerica, Inc. Were Kept by Citigroup as Part of the Corporate Spin-Off.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *Footnote 1 of the request states that Primerica Financial Services had several wholly owned subsidiaries, most of which are now wholly owned by Primerica. What happened to the PFS subsidiaries that are not now wholly owned by Primerica?*

Prior to the 2010 spin-off of Primerica Financial Services ("PFS" and the predecessor company of Primerica, Inc.) from Citigroup to form Primerica, Inc., PFS had a number of wholly-owned subsidiaries. As part of the separation agreement associated with the spin-off, Primerica kept sole control over four of the largest PFS subsidiaries – Primerica Financial Services, Inc. (PFS), Primerica Life Insurance Company (Primerica Life), PFS Investments Inc. (PFS Investments), and Primerica Financial Services Home Mortgages, Inc. (Primerica Mortgages). Each of those entities continues to be a wholly-owned subsidiary of Primerica and the first three still constitute principal operating units of the company.[6] In the wake of the spin-off, all other PFS subsidiaries were either taken over by Primerica as its own subsidiaries[7] or were wholly absorbed by Citigroup as part of the separation agreement.

The complete list of Citigroup-absorbed PFS subsidiaries following the Primerica separation is as follows: Citi Holdings LP Interest Corp.; Citi Holdings General LP Interest L.P.; Citi Holdings Mezzanine LP Interest L.P.; Citi Life Financial Ltd.; Keeper Holdings LLC; and PriEurope Financial Limited. Each of these former PFS subsidiaries were either holding companies designed to maintain Citigroup assets or insurance entities that Citigroup wished to retain control over following the spin-off. To the best of Primerica's knowledge, Citigroup has maintained complete control and ownership of these former PFS subsidiaries since the time of

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[5] Although no representatives of Warburg Pincus LLC currently serve as members of Citigroup's Board of Directors, Mr. Alain J.P. Belda – a Managing Director for Warburg – did serve in that capacity from 1997 until April 17, 2012.

[6] Primerica Mortgages is no longer a principal operating subsidiary of Primerica due to the corporation's decision to discontinue its mortgage origination business.

[7] All other minor PFS subsidiaries taken over by Primerica as a result of the spin-off continue to be wholly-owned components of Primerica, Inc.

the spin-off.[8] Primerica, however, has never had any ownership stake or control over these particular entities since its separation from Citigroup.

6. As of February 29, 2012, Approximately .02 Percent of Primerica Stock Was Owned by Citigroup Institutional Subsidiaries, 29.6 Percent Was Owned by Warburg Pincus LLC, 3.0 Percent Was Owned by Primerica Directors, Director Nominees and Executive Officers (Independent of Warburg Pincus LLC), and 67.4 Percent Was Owned by Other Institutional and Non-Institutional Public Shareholders.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *The request states that, immediately following the formation of Primerica on April 1, 2010, approximately 37 percent of Primerica's outstanding stock was owned by public shareholders, 40 percent was owned by Citigroup, and 23 percent was owned by private equity firms managed by Warburg Pincus. Please provide more recent figures regarding the ownership of Primerica's stock, if available.*

As indicated in Primerica's existing advisory opinion request letter, following its "spin-off" from Citigroup on April 1, 2010, approximately 37% of Primerica's outstanding stock was owned by public shareholders, 40% was owned by Citigroup, and 23% was owned by private equity funds managed by Warburg Pincus LLC. In April 2011, Citigroup publicly sold 12 million shares of Primerica common stock, reducing its ownership stake to 23.1%. Following that sale, in November 2011, Primerica repurchased $200 million in shares, further reducing Citigroup's ownership to 12.5%. On December 19, 2011, Citigroup announced that it had completed the sale of all its remaining shares of Primerica stock (approximately 8 million shares in total), thereby reducing its equity stake in the company to near zero.[9] As disclosed in the company's 2012 Proxy Statement, the ownership figures for Primerica stock as of February 29, 2012 were as follows: Warburg Pincus LLC (approximately 29.6% of outstanding public

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[8] It is Primerica's belief, however, that Citigroup chose to shut down PriEurope Financial Limited at some point following the 2010 spin-off.

[9] As noted above, Citigroup's amended Schedule 13D filed with the SEC on December 21, 2011 indicated that (in conjunction with all of its subsidiaries) the company owned only 16,152 shares of Primerica stock, which were acquired by Citigroup's subsidiaries in the ordinary course of business outside of the company's larger public offering. These 16,152 shares represented approximately a .02% stake in Primerica's outstanding public stock as of December 2011. Since that time, the amount of Primerica stock held by Citigroup subsidiaries appears to have decreased even further to 8,407 shares, an amount which constitutes approximately .01% of Primerica's outstanding common stock.

shares)[10]; Primerica directors, director nominees and executive officers as a group (approximately 3.0% of outstanding public shares)[11]; and other public institutional and non-institutional shareholders[12] (approximately 67.4% of outstanding public shares, .02% of which was held by Citigroup institutional subsidiaries).

7. As of December 31, 2011, Former Citigroup Employees Made Up Approximately 86.4 Percent of Primerica Employees, and If These Employees Were to Exercise Their Options in Citigroup Stock, They Would Fall Well Short of Owning a Controlling Interest in Citigroup.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *The request states that Primerica and Citigroup do not currently have overlapping employees, but that many Primerica employees are former Citigroup employees. Please provide information about the relative percentage of, and roles played by, the former Citigroup employees, particularly if they were in management at Citigroup and are currently in management at Primerica. The request also states that many Primerica employees currently hold Citigroup stock options. If these employees exercised their options in Citigroup stock, would they own a controlling interest in Citigroup?*

As indicated in Primerica's original advisory opinion request letter, the company does not currently share any overlapping employees with Citigroup. Upon information and belief, however, approximately 86.4% of Primerica's workforce (as of December 31, 2011) were Citigroup employees prior to the Primerica spin-off.[13] Counted among these former Citigroup

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[10] According to a Schedule 13D amendment filed with the SEC on December 21, 2011 and Primerica's 2012 Proxy Statement, Warburg Pincus (as of February 29, 2012) owned the equivalent of 20,515,550 shares of Primerica stock, which "include[d] warrants ... exercisable for 4,103,110 shares of common stock, par value $0.01 per share." This amount of stock effectively represented 29.6% of Primerica's outstanding public shares as of the February date indicated in the 2012 Proxy Statement. However, as set forth earlier in this response letter, Warburg Pincus recently entered into an agreement to sell 5,736,137 shares of Primerica stock, which (upon completion of the transaction) will lower its effective ownership percentage to approximately 23.2% of outstanding Primerica common stock.

[11] This 3.0% figure, reflected in Primerica's 2012 Proxy Statement, represents the amount of Primerica stock owned by corporate Directors, Director Nominees and Executive Officers (as of February 29, 2012) independent of Warburg Pincus LLC's 29.6% ownership stake.

[12] After Warburg Pincus LLC, the next largest institutional holder of Primerica stock is Ruane, Cunniff & Goldfarb, Inc., which owned approximately 5% of Primerica's outstanding shares as of the end of 2011. Ruane, Cunniff & Goldfarb is a privately owned investment management firm.

[13] As of December 31, 2011, company records and information contained within Primerica's 2011 Annual Report indicate that 2,192 employees of the corporation's 2,537 employees were "legacy" workers who were employed by PFS (as a unit of Citigroup) prior to the April 1, 2010 spin-off.

employees are the following key members of the current Primerica executive team: John A. Addison, Jr. (Chairman of Primerica Distribution & Co-Chief Executive Officer, who has been with Primerica and its predecessor companies since 1982); D. Richard Williams (Chairman of the Board and Co-Chief Executive Officer, who has been with Primerica and its predecessor companies since 1989); Peter W. Schneider (Executive Vice President, General Counsel, Corporate Secretary and Chief Administrative Officer, who has been with Primerica and its predecessor companies since 2000); Glenn J. Williams (President, who has been with Primerica and its predecessor companies since 1981); Alison S. Rand (Executive Vice President and Chief Financial Officer, who has been with Primerica and its predecessor companies since 1995); and Gregory C. Pitts (Executive Vice President and Chief Operating Officer, who has been with Primerica and its predecessor companies since 1985). Each of these individuals worked for PFS prior to the spin-off and thus can technically be considered former Citigroup employees. They were not, however, part of Citigroup's senior management team.

As discussed in Primerica's original advisory opinion request letter, however, this type of employment scenario is indicative of nearly all corporate spin-offs, where a great number of workers for the newly-autonomous company are hold-over employees from the period before independence. In no way does this carry forward of common employees indicate that there will be a direct business affiliation between the two independent companies. Nor does such a reallocation inevitably indicate that the new corporation is a "successor" to the original company. To this end, in no way is Primerica formally affiliated with Citigroup or a successor to its corporate interests.

In addition to the issue of employee overlap, it is also important to readdress the topic of Citigroup stock options currently owned by Primerica employees who held positions with PFS prior to the spin-off. As indicated in Primerica's existing advisory opinion request letter, certain Primerica employees and officers received stock options and other stock-based compensation from Citigroup prior to the spin-off that continue to be exercisable under the requirements of Citigroup's financial plans. At present, it is estimated that approximately 1085[14] current Primerica employees hold such stock options, which if exercised[15], would entitle the employees to approximately 103,800 Citigroup shares. In the aggregate, this number of shares falls well

[14] Internal corporate research has revealed that there are 1447 active Citigroup option grants held by current Primerica employees. It is estimated that approximately 75% of such grants are issuances to unique individuals.

[15] Given the current market environment and the downturn in value that Citigroup stock has experienced since the Primerica spin-off, it is important to note that it would be highly unlikely for any owners of the identified holdover Citigroup stock options to exercise such options. For the Commission's reference, the options at issue have an exercise price of $40.80, and as of April 24, 2012, Citigroup stock was trading at $33.42 on the New York Stock Exchange. Given that the strike price of these Citigroup options is approximately 22% higher than the current market price of the stock, the options are currently "out of the money" and unlikely to be exercised because it would be substantially less expensive for an option holder to purchase shares of Citigroup directly on the open market.

short of the amount of stock necessary to generate a "controlling interest" in Citigroup, which presently has approximately 2.93 billion shares outstanding.[16]

8. The Assistance Provided by Citigroup to Primerica and by Primerica to Citigroup Since the Implementation of the Separation Agreement Has Been Very Minimal.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *The request states that since the end of the Separation Agreement, Citigroup has not "appreciably" assisted Primerica in its business. Please provide additional information as to any assistance, financial or otherwise, that Citigroup has given to Primerica, and vice versa, since the end of the Separation Agreement.*

As set forth in Primerica's original advisory opinion request letter, the orderly unwinding of Citigroup and Primerica required both companies to be parties to a Transition Services Agreement ("TSA") that set forth a limited number of services that Citigroup would provide to Primerica and that Primerica would provide to Citigroup in the wake of the spin-off. The services Citigroup agreed to provide Primerica included: (1) continuing non-benefit services that are required to ensure compliance by Citigroup and its affiliates with the Bank Holding Company Act ("BHCA") or any other bank regulatory law, rule, regulation, guidance, order or directive; (2) continuing employee benefit services that are required to ensure compliance by Citigroup and its affiliates with the BHCA or any other bank regulatory law, rule, regulation, guidance, order or directive; and (3) any other required employee benefit or non-benefit services agreed to among the parties. *See* Attachment #7, p. 7. Meanwhile, the services Primerica agreed to provide Citigroup included: (1) all services provided to Citigroup and its affiliates in the ordinary course of business prior to the effective date of the TSA; and (2) any other required services agreed to among the parties. *Id.* at p. 8. In addition to these forms of assistance, it is also important to note that in the wake of the spin-off Citigroup had a right of first refusal (which ended on April 7, 2012) to provide certain banking services to Primerica, and likewise has a current right to lead a debt offering if the proceeds are used to repay the Citigroup note.

Since the expiration of the TSA on October 6, 2011 and the termination of the Long-Term Services Agreement on July 1, 2011, however, Citigroup and Primerica have not "appreciably" assisted each other with their independent business activities apart from what is set forth in the various agreements and reinsurance transactions entered into following Citigroup's December 2011 initial public offering of Primerica stock. For the Commission's reference, each of these agreements is included as an attachment to this response letter. *See* Attachments #8-17. In addition, a condensed summary of the nature of these agreements and their affiliated

[16] *See* Citigroup Inc.'s 2012 Proxy Statement.

transactions is included in Primerica's 2012 Proxy Statement, which is also included as an attachment to this response letter. *See* Attachment #27, pp. 55-63.

Outside of these agreements, all other assistance rendered to Citigroup by Primerica and vice versa since the expiration of the TSA can best be described as administrative in nature. For example, Primerica is paying Citigroup nearly $75,000 per month to sublet approximately 31,700 square feet of office space in Long Island City, New York under a five-year sublease that is due to expire on August 31, 2014.[17] As a result of this sublease and affiliated occupancy agreements, Primerica receives certain mail, security, voice, conferencing and medical services from Citigroup and its various outside providers. *See* Attachment #27, p. 62. In addition to the administrative assistance offered under this sublease agreement, Citigroup and Primerica have offered each other minor forms of organizational support since the end of the TSA. Such support has included aid from Primerica to various Citigroup entities for printing, shipping and warehousing services (for printed materials). *Id.* at p. 63. Likewise, this administrative assistance has included the provision of cash management, automated clearing house, fund transfer and lockbox services to Primerica by Citibank. *Id.* At all times, however, the party receiving organizational assistance has paid a fair market price for such services.

9. Primerica's Former PAC Was Named the Primerica Financial Services Political Action Committee and Primerica's Current Board of Directors Will Play an Extremely Limited Role in the Formation and Operation of the Company's Proposed New PAC.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *The request states that Primerica's former separate segregated fund was terminated in 2007. Please provide the name and committee number of that SSF. The request also states that Primerica wishes to form a new SSF. What role will Primerica's board of directors play in the formation and operation of the new SSF, particularly the Citigroup representative on the board and any board members representing entities that also own or control Citigroup?*

Primerica's existing advisory opinion request letter indicates that the company previously operated a SSF that ceased operations in 2007. This previous PAC, generally known as the Primerica Financial Services Political Action Committee ("PFS PAC"), did not have a FEC committee identification number because it did not operate for the purpose of influencing federal elections and subsequently did not register with the Commission. Rather, PFS PAC operated to influence only state and local elections, and as such, only registered at the state level in various

[17] In relative terms, $75,000 per month represents an extremely small portion of Citigroup's annual revenue, which in 2011 topped $78 billion. *See* Citigroup Inc.'s 2011 Annual Report.

jurisdictions around the country. For example, while operational, PFS PAC registered with the Georgia State Ethics Commission (now known as the Georgia Government Transparency and Campaign Finance Commission) for the purpose of providing contributions within the State of Georgia, and was given the following registration number for the year 2006 – NC2006000080. Similar registrations took place in a number of other jurisdictions, including the states of Alabama, California, Florida, Illinois, Indiana, North Carolina, Rhode Island, Texas, Utah, and Vermont.[18]

In the existing advisory opinion request letter, Primerica also indicates its current desire to form a SSF that will operate for the purpose of influencing federal elections, and as such, will register with the Commission. Within the content of this previous correspondence with the FEC, Primerica asserted that "[t]he organization, development, and operation of Primerica's PAC [would] all be overseen by Primerica personnel, including its corporate executives, board members, and other employees servicing on the future PAC's board." Likewise, the company noted that "[a]ll of these individuals will help to shape the structure of the PAC, the nature of its involvement in various political activities, and the types of candidates and organizations that it will support." In light of these comments, the Commission now inquires into what type of role Primerica's Board of Directors will have in these formative and operational activities.

Given that Primerica's new PAC is still in its developmental stages, the specific roles of various company personnel with regard to its formation and operation are not firmly established. It is safe to say, however, that the members of the Primerica Board of Directors will have a much more limited role with regard to the proposed SSF than other key corporate personnel. At present, it is anticipated that the bulk of formational planning for the PAC will be completed by Primerica's legal and government affairs staff in consultation with the company's executives. In turn, these individuals will hold the primary responsibilities for assessing and setting PAC goals, choosing PAC leadership, creating a PAC donation and disbursement structure, establishing a PAC operational and administrative framework, drafting PAC communication and solicitation materials, and forming PAC bylaws and spending policies. Members of the Primerica Board may be consulted at various intervals during this planning process, but it is not anticipated that they will have more than a sporadic role in the SSF's development.

Moreover, it is anticipated that the Primerica Board of Directors will have an even lesser role when it comes to the operational aspects of the proposed SSF. At present, it is Primerica's plan to establish an independent PAC Board of five to seven individuals from throughout the company that will be tasked, in conjunction with the PAC's Treasurer, with overseeing the day-to-day operations of the SSF. These PAC leaders will not be members of the Board of Directors, nor will they consult with the Board when making decisions about SSF activities. PAC decision

[18] Should the Commission require detailed information regarding Primerica's previous state PAC registrations, the company would be happy to provide all such data that it presently has available.

making will originate purely from the PAC Board itself in occasional consultation with the company's legal, government affairs and non-Board executive staff.

In sum, the Primerica Board of Directors is anticipated to play an extremely minor role in the formation and operation of the company's proposed PAC. At most, Board members will have a negligible ability to provide advice during PAC planning, but will not be the final decision makers and will not have veto authority over any developmental actions. As such, Citi Holdings CEO Mark Mason and Warburg Pincus Managing Directors Michael Martin and Daniel Zilberman will have the same minimal ability as all other Primerica Directors (nine in total) to offer suggestions on how the SSF should be planned and structured.

10. Citigroup Supports Primerica's Existing Advisory Opinion Request Seeking a Determination That Any Future PAC Formed by Primerica Will Be Considered Disaffiliated from Citigroup's Current PAC – Citigroup Inc. Political Action Committee.

In its RFI concerning Primerica's existing advisory opinion request, the Commission raised the following inquiry:

> *In our conversation on Wednesday, you indicated that Citigroup wishes to be disaffiliated from Primerica, just as Primerica wishes to be disaffiliated from Citigroup. Based on our experience with prior advisory opinion requests involving potentially disaffiliated entities, we would strongly recommend that Citigroup join Primerica's advisory opinion request, if at all possible.*

In light of its desire to promote an affirmative disaffiliation determination for Primerica's planned PAC, Citigroup (by and through its appointed counsel) has issued a formal letter of support for Primerica's existing advisory opinion request to the Commission. A copy of Citigroup's letter of support is attached to this correspondence as *Attachment #28* and has also been forwarded to the Commission by Citigroup's counsel.

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Thank you again for your time and attention to Primerica's existing advisory opinion request and for your consideration of the additional information contained in this addendum. Should the Commission or its staff have any supplemental inquiries, please do not hesitate to contact me.

Very truly yours,

SCP/bk
Attachments

Stefan C. Passantino
Counsel to Primerica, Inc.

ATTACHMENT 1

EX-10.1 8 dex101.htm INTERCOMPANY AGREEMENT, PRIMERICA AND CITIGROUP

Exhibit 10.1

EXECUTION COPY

INTERCOMPANY AGREEMENT

by and between

PRIMERICA, INC.
(formerly named PUCK HOLDING COMPANY, INC.)

and

CITIGROUP INC.

Dated as of April 7, 2010

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INTERCOMPANY AGREEMENT

INTERCOMPANY AGREEMENT, dated as of April 7, 2010, by and between PRIMERICA, INC. (formerly named Puck Holding Company, Inc.), a Delaware corporation ("Primerica"), and CITIGROUP INC., u Delaware corporation ("Citigroup").

WHEREAS, Citigroup is the indirect owner of all of the issued and outstanding Common Stock (as defined below) of Primerica immediately prior to the date hereof; and

WHEREAS, in contemplation of Primerica ceasing to be so wholly owned by Citigroup, the parties hereto have determined that it is desirable to set forth certain agreements that will govern certain matters between the parties hereto following the completion of the Initial Public Offering (as defined below).

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Certain Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first Person. The term "control" (including its correlative meanings "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"Agreement" means this Intercompany Agreement, including all amendments, modifications and supplements and any exhibits or schedules to any of the foregoing, and shall refer to the Agreement as the same may be in effect at the time such reference becomes operative.

"Applicable Restructuring Documents" means the agreements listed on Schedule 1.1(a) hereto.

"Beneficially Own" and "Beneficially Owned" means "beneficial ownership" within the meaning of Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act.

"Business Day" or "business day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are authorized or obligated by law or executive order to close.

"Citi Note" means the note issued to Citigroup Insurance Holding Corporation ("CIHC") (which terms are governed by that certain Note Agreement, dated as of April 1, 2010, by and between CIHC and Primerica (the "Note Agreement")) pursuant to the Exchange Agreement and any and all notes issued upon exchange, substitution or transfer thereof.

"Citigroup Affiliated Group" means, collectively, Citigroup and all corporations, partnerships, joint ventures, limited liability companies, associations and other entities (a) in which Citigroup owns, directly or indirectly, fifty percent (50%) or more of the outstanding voting stock, voting power, partnership interests or similar ownership interests, (b) of which Citigroup otherwise directly or indirectly controls or directs the policies or operations or (c) which would be considered subsidiaries of Citigroup within the meaning of Regulation S-K or Regulation S-X, now or hereafter existing, other than Primerica and its Subsidiaries, now or hereafter existing (all determinations hereunder to be made after giving effect to the Reorganization (as defined below)).

"Citigroup Competitor" means any entity that is primarily engaged in the provision of banking or financial services, and has consolidated revenues greater than $10 billion.

"Citigroup Proprietary Software" means the software identified on Schedule 7.2(a) hereto, which reflects certain software owned by a member of the Citigroup Affiliated Group and being used by Primerica as of the date hereof as has been mutually agreed by the parties hereto.

"Commercial Agreements" means those agreements identified on Schedule 9.13 hereto.

"Common Stock" means the common stock, par value $0.01 per share, of Primerica and any other class or series of common stock of Primerica hereafter created.

"Concurrent Transactions" means the transactions contemplated by the Related Agreements and the other concurrent transactions described in the IPO S-1 to be completed contemporaneously with the Initial Public Offering.

"Continuing Agreements" means the Related Agreements and the Commercial Agreements.

"Continuing Employees" means all active employees of Primerica or any of its Subsidiaries who have not been terminated by Primerica in the ordinary course of business as of the date hereof (as determined by Primerica and provided to Citigroup on Schedule 7.5(g) hereto). For purposes of this Agreement, active employees shall include employees who are on approved absences from work (e.g., disability leave, statutory leave, approved leave of absence, etc.) as of the date hereof.

"Distribution," "Distributing" or "Distributes" means selling, marketing, offering or distributing of a product or service to consumers.

"Equity Purchase Shares" means shares of Voting Stock or any securities convertible into or exchangeable for shares of Voting Stock or any options, warrants or rights to acquire shares of Voting Stock; provided that no securities issued upon the exercise or conversion of the Warrant, or issued in exchange for any such securities, shall constitute Equity Purchase Shares.

"Exchange Act" means the Securities Exchange Act of 1934.

"Exchange Agreement" means the Exchange and Transfer Agreement, dated as of March 31, 2010, by and between CIHC and Primerica.

"Fair Market Value" means, with respect to shares of Voting Stock, the fair market value thereof as jointly determined by Primerica and Citigroup or, in the event Primerica and Citigroup are unable to agree, as determined by a mutually acceptable nationally recognized investment banking or other financial advisory firm.

"First Trigger Date" means the first date on which the members of the Citigroup Affiliated Group cease to Beneficially Own, in the aggregate, shares entitled to fifty percent (50%) or more of the votes entitled to be cast by the holders of then outstanding Common Stock.

"GAAP" means United States generally accepted accounting principles.

"Independent Contractor Representative" means, with respect to any person, an unsalaried salesperson who has a contractual arrangement with, but is not an employee of, a marketing company and who (i) Distributes authorized products and services of such marketing company by means of relationship referral, (ii) is encouraged to recruit or train additional non-employee salespersons and (iii) is compensated for sales by any such non-employee salespersons so recruited, directly or indirectly, as well as for his or her own sales.

"Initial Public Offering" means the proposed initial public offering of the Common Stock as contemplated by the IPO S-1.

"IPO S-1" means Primerica's registration statement on Form S-1 (No. 333-162918) relating to the Initial Public Offering as the same may be amended or supplemented from time to time.

"Keepwell" means any guaranty, keepwell, surety bond, indemnity agreement, net worth or financial condition maintenance agreement of or by any member of the Citigroup Affiliated Group provided to any Person (including any insurance regulatory authority) with respect to any actual or contingent obligation of Primerica, any Subsidiary of Primerica or any of their respective employees.

"Knowledge of Primerica" means the knowledge of Primerica's Named Executive Officers (as defined in the IPO S-1) and those individuals set forth on Schedule 1.1(b) (and, in each case, any of their successors), or the knowledge each reasonably should have had.

"Long Term Services Agreement" means the Long Term Services Agreement, dated as of the date hereof, by and between Primerica Life Insurance Company ("PLIC") and CitiLife Financial Limited (Ireland).

"Occupancy Services Agreement" means the Occupancy Services Agreement, dated as of the date hereof, by and between Citibank, N.A. and National Benefit Life Insurance Company ("NBLIC").

"Outstanding Voting Stock" means the shares of Voting Stock issued and outstanding, and shall not include shares of Voting Stock held by Primerica as treasury stock or by any Subsidiary of Primerica.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association or other business entity and any trust, unincorporated organization or government or any agency or political subdivision thereof.

"Primerica Business" means the business of Primerica and its Subsidiaries (after giving effect to the Reorganization), including the underwriting, administration and Distribution of term life insurance, student life insurance and short-term disability insurance, the administration and Distribution of mutual funds, variable annuities and segregated funds, the Distribution of long-term care insurance, automobile insurance, homeowners insurance and stand-alone prepaid legal contracts, the administration, marketing, brokering and referral of mortgage and consumer loans and the management of a sales organization of Independent Contractor Representatives, as more fully described in the IPO S-1.

"Primerica Charter" means the Restated Certificate of Incorporation of Primerica filed with the Secretary of State of the State of Delaware on March 31, 2010.

"Primerica Employees" means all current, former or retired employees of Primerica or a Subsidiary of Primerica.

"Prospectus" means the prospectus or prospectuses included in any Registration Statement, as amended or supplemented by any prospectus supplement and by all other amendments and supplements to such prospectus, including post-effective amendments and all material incorporated by reference in such prospectus or prospectuses.

"Region" means the United States and its territories and possessions (including Puerto Rico, Guam, U.S. Virgin Islands and the Commonwealth of Northern Mariana Islands) and Canada.

"Registration Statement" means any registration statement of Primerica filed with the SEC under the Securities Act (including the IPO S-1), including in each such case the Prospectus relating thereto, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all materials incorporated by reference in such Registration Statement and Prospectus.

"Regulation S-K" means Regulation S-K of the General Rules and Regulations under the Securities Act.

"Regulation S-X" means Regulation S-X of the General Rules and Regulations under the Securities Act.

"Reinsurance Agreements" means the (i) Co-Insurance Agreement (relating to ten percent (10%) of the reinsured business), dated as of March 31, 2010, by and between PLIC and Prime Reinsurance Company, Inc. ("Prime Re"), and a related trust agreement, (ii) Co-Insurance Agreement (relating to eighty percent (80%) of the reinsured business), dated as of March 31, 2010, by and between PLIC and Prime Re, and a related trust agreement, (iii) Co-Insurance Agreement, dated as of March 31, 2010, by and between NBLIC and American Health and Life Insurance Company, and a related trust agreement, (iv) Co-Insurance Agreement, dated as of March 31, 2010, by and between Primerica Life Insurance Company of Canada and Financial Reassurance Company 2010 Ltd., and a related trust agreement and (v) Capital Maintenance Agreement, dated as of March 31, 2010, by and between Citigroup and Prime Re, and, in each case, all agreements primarily relating thereto (including monitoring and reporting agreements).

"Related Agreements" means the Reinsurance Agreements, the Tax Separation Agreement, the Transition Services Agreement, the Exchange Agreement, the Applicable Restructuring Documents, the Long Term Services Agreement, the Note Agreement and the Occupancy Services Agreement.

"Reorganization" means the (a) transfer by Primerica or one of its Subsidiaries to certain members of the Citigroup Affiliated Group of the specifically identified contractual rights and obligations or assets and liabilities not related to the Primerica Business as described in and documented by the Applicable Restructuring Documents listed on Schedule 1.1(a) hereto, and (b) transactions contemplated by the Exchange Agreement, in each case, as may be adjusted pursuant to Section 9.15 hereto.

"SEC" means the Securities and Exchange Commission.

"Second Trigger Date" means the first date on which the members of the Citigroup Affiliated Group cease to Beneficially Own, in the aggregate, shares entitled to twenty percent (20%) or more of the votes entitled to be cast by the holders of then outstanding Common Stock.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Purchase Agreement" means the Securities Purchase Agreement, dated as of February 8, 2010, by and among Primerica, CIHC, Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P.

"Subsidiary" of Primerica includes all corporations, partnerships, joint ventures, limited liability companies, associations and other entities (a) in which Primerica owns, directly or indirectly, fifty percent (50%) or more of the outstanding voting stock, voting power, partnership interests or similar ownership interests, (b) of which Primerica otherwise directly or indirectly controls or directs the policies or operations or (c) which would be considered subsidiaries of Primerica within the meaning of Regulation S-K or Regulation S-X.

"Tax Separation Agreement" means the Tax Separation Agreement, dated as of March 30, 2010, by and between Primerica and Citigroup.

"Third Trigger Date" means the first date on which members of the Citigroup Affiliated Group cease to Beneficially Own, in the aggregate, shares entitled to five percent (5%) or more of the votes entitled to be cast by the holders of the then outstanding Common Stock.

"Transactions" means, collectively, (a) the Reorganization, (b) the Initial Public Offering and (c) the Concurrent Transactions.

"Transition Services Agreement" means the Transition Services Agreement, dated as of the date hereof, by and between Primerica and Citigroup.

"Voting Stock" means all securities issued by Primerica having the ordinary power to vote in the election of directors of Primerica, other than securities having such power only upon the occurrence of a default or any other extraordinary contingency.

"Warrant" has the meaning given to such term in the Securities Purchase Agreement.

ARTICLE II

COSTS AND EXPENSES

Section 2.1 Allocation of Costs and Expenses.

(a) Except as otherwise provided in the Related Agreements, Primerica shall pay for all fees, costs and expenses incurred by Primerica or any of its Subsidiaries in connection with the Transactions, and Citigroup shall pay for all fees, costs and expenses incurred by any member of the Citigroup Affiliated Group in connection with the Transactions.

(b) Notwithstanding Section 2.1(a) or Section 2.1(c) hereof, Citigroup shall pay (or to the extent incurred prior to the date hereof and paid for by Primerica or any of its Subsidiaries, will promptly reimburse Primerica or such Subsidiary for any and all amounts so paid upon receipt of an invoice or similar documentation), for all fees, costs and expenses incurred prior to the date hereof as set forth on Schedule 2.1(b).

(c) Notwithstanding Section 2.1(a) or Section 2.1(b) hereof, Primerica shall pay (or to the extent incurred and paid for by any member of the Citigroup Affiliated Group, will promptly reimburse such member of the Citigroup Affiliated Group for any and all amounts so paid upon receipt of an invoice or similar documentation), for all the fees, costs and expenses incurred prior to the date hereof as set forth on Schedule 2.1(c).

(d) Citigroup shall, to the extent commercially available and for a claims reporting period of six years from the effective date of the Initial Public Offering, arrange directors' and officers' liability insurance or "Tail Insurance," applicable to acts occurring at or prior to such date, substantially upon the terms set forth in Schedule 2.1(d). Such insurance shall provide protection to directors and officers of Primerica and its Subsidiaries as respects their non-indemnifiable acts or omissions and shall provide protection to Primerica as respects indemnifiable acts or omissions of such insured directors and officers, and protection to Primerica for entity securities related claims. Such Tail Insurance shall be primary to any

protection that could be available under Citigroup's directors' and officers' liability insurance. The Tail Insurance shall be placed with insurers that have an AM Best rating of no less than A-, VII, or equivalent S&P rating. Citigroup shall have total control and management over the negotiation and placement of such insurance coverage; provided that the coverage shall be reasonably acceptable to Primerica.

ARTICLE III

TRADEMARK LICENSING AGREEMENT

Section 3.1 Grant of Trademark Licenses.

(a) Citigroup hereby grants to Primerica, or to the extent another member of the Citigroup Affiliated Group owns the Citi Marks (as defined below), Citigroup hereby causes such member to grant to Primerica, for the term set forth in Section 3.4(a) hereof, a non-exclusive royalty-free license (the "Citi License") to use the marks set forth in Schedule 3.1(a) hereto (such marks hereinafter referred to as the "Citi Marks"), but only in the manner identified in Schedule 3.1(a) hereto and the mark "A Member of Citigroup" or as otherwise approved in advance in writing by Citigroup's trademark counsel, in each case, solely for the purpose of identifying, advertising, marketing and promoting the Primerica Business in any form or media in the United States and/or Canada, in each case, in substantially the same manner as the Primerica Business is identified, advertised, marketed and promoted as of the date hereof. Primerica shall only use the Citi Marks in connection with its business, products, services and activities related thereto of a nature and quality which are at least equal to that used by Primerica and its Subsidiaries in connection with the Citi Marks as of the date hereof, and in a manner that is in conformity with past practices and existing agreements between members of the Citigroup Affiliated Group, on the one hand, and Primerica and its Subsidiaries, on the other hand, regarding quality control and usage of such marks. Primerica shall have no right to sublicense the Citi Marks; provided, however, that Primerica may sublicense the Citi Marks (i) to any Subsidiary of Primerica (for so long as such Subsidiary remains a Subsidiary of Primerica) for purposes of advertising, marketing, promoting and selling products and services bearing Citi Marks in accordance with the terms of this Article III and (ii) as necessary in order for a Primerica Subsidiary to fulfill its obligations under any agreement with a third party existing as of the date hereof, which may include the granting of further sublicenses to such third party (a "Designated Primerica Sublicensee"). Notwithstanding the foregoing, Citigroup agrees that Primerica's Independent Contractor Representatives shall be a Designated Primerica Sublicensee. A breach by a Designated Primerica Sublicensee of any of the provisions of this Article III shall be deemed a breach by Primerica of this Article III. Primerica shall not use any Citi Mark as a corporate name for any new business or company, and shall not use the Citi Marks in the name of any new product, service or corporate entity. Subsequent to the date hereof, except as provided in Section 3.1(b) below, if Primerica identifies additional marks that were in use as of the date hereof and which should have been included in Schedule 3.1(a) hereto, then at Primerica's written request and subject to Citigroup's written approval (such approval not to be unreasonably withheld, conditioned or delayed), Citigroup shall grant Primerica a license to use such other marks, and such marks shall be deemed Citi Marks for all purposes under this Agreement.

(b) Primerica agrees that the Citi License is a "phase-out" license and agrees that during the term of the Citi License its use of the Citi Marks shall be consistent with the purposes of such "phase-out" license.

(c) Primerica shall have no rights with respect to the Citi Marks other than those expressly set forth in this Agreement. This Agreement supersedes all prior agreements (whether written, oral or implied) between any member of the Citigroup Affiliated Group and Primerica or any Subsidiary of Primerica, with respect to the use of the Citi Marks.

(d) Primerica shall, shall cause its Subsidiaries to, and shall use commercially reasonable efforts to cause the Primerica Independent Contractor Representatives to, execute all additional documents which Citigroup may reasonably request (at Citigroup's expense), both prior and subsequent to the expiration or earlier termination of the Citi License, in order to perfect, maintain, defend or terminate any right of any party in the Citi Marks hereunder in any jurisdiction of the world.

(e) Primerica hereby grants, or to the extent a Subsidiary of Primerica owns the Primerica Marks (as defined below), Primerica hereby causes such Subsidiary to grant, for the term set forth in Section 3.4(c), to Citigroup a worldwide, non-exclusive, royalty-free license (the "Primerica License") to use the marks set forth in Schedule 3.1(e) hereto (such marks hereinafter referred to as the "Primerica Marks"), but only in the manner identified in Schedule 3.1(e) hereto or as otherwise approved in advance in writing by Primerica, in each case, solely for the purpose of identifying, advertising, marketing and promoting Citigroup's business, products and services and activities related thereto as reasonably necessary to operate existing Citigroup businesses that are using the Primerica Marks, in each case, in substantially the same manner as such businesses are using the Primerica Marks as of the date hereof. Citigroup shall only use the Primerica Marks in connection with the business, products and services and activities related thereto of the Citigroup Affiliated Group that are of a nature and quality which are at least equal to that currently used by any member of the Citigroup Affiliated Group in connection with the Primerica Marks as of the date hereof, and in a manner that is in conformity with past practices and existing agreements between members of the Citigroup Affiliated Group, on the one hand, and Primerica and its Subsidiaries, on the other hand, regarding quality control and usage of such marks. Citigroup shall have no right to sublicense the Primerica Marks; provided, however, that Citigroup may sublicense the Primerica Marks (i) to any member of the Citigroup Affiliated Group (for so long as such member of the Citigroup Affiliated Group remains a member of the Citigroup Affiliated Group) for purposes of advertising, marketing, promoting and selling products and services bearing Primerica Marks in accordance with the terms of this Article III and (ii) as necessary in order for a member of the Citigroup Affiliated Group to fulfill its obligations under any agreement with a third party existing as of the date hereof, which may include the granting of further sublicenses to such third party (a "Designated Citigroup Sublicensee"). Notwithstanding the foregoing, Primerica agrees that independent agents appointed by Citigroup to market Citigroup's products and services shall be a Designated Citigroup Sublicensee. A breach by a Designated Citigroup Sublicensee of any of the provisions of this Article III shall be deemed a breach by Citigroup of this Article III. Citigroup shall not use any Primerica Mark as a corporate name for any new business or company, and shall not use the Primerica Marks in the name of any new product, service or corporate entity. Subsequent to the date hereof, if Citigroup identifies additional

marks that were in use as of the date hereof and which should have been included in Schedule 3.1(e) hereto, then at Citigroup's written request and subject to Primerica's written approval (such approval not to be unreasonably withheld, conditioned or delayed), Primerica shall grant Citigroup a license to use such other marks, and such marks shall be deemed Primerica Marks for all purposes under this Agreement.

(f) Citigroup agrees that the Primerica License is a "phase-out" license and agrees that during the term of the Primerica License its use of the Primerica Marks shall be consistent with the purposes of such "phase-out" license.

(g) Citigroup shall have no rights with respect to the Primerica Marks other than those expressly set forth in this Agreement. This Agreement supersedes all prior agreements (whether written, oral or implied) between any member of the Citigroup Affiliated Group and Primerica or any Subsidiary of Primerica, with respect to the use of the Primerica Marks.

(h) Citigroup shall, and shall cause each member of the Citigroup Affiliated Group to, execute all additional documents which Primerica may reasonably request (at Primerica's expense), both prior and subsequent to the expiration or earlier termination of the Primerica License, in order to perfect, maintain, defend or terminate any right of any party in the Primerica Marks hereunder in any jurisdiction of the world.

Section 3.2 Trademark Guidelines and Standards.

(a) Primerica agrees that, in the conduct of the business and activities of Primerica and its Designated Primerica Sublicensees under the Citi License, it shall, and shall use commercially reasonable efforts to cause each Designated Primerica Sublicensee to, adhere to the appropriate ethical standards pertaining to Primerica's and its Designated Primerica Sublicensees' businesses and operations, and shall, and shall use commercially reasonable efforts to cause each Designated Primerica Sublicensee to, do nothing to bring disrepute to or damage the goodwill symbolized by the Citi Marks.

(b) Citigroup agrees that, in the conduct of the business and activities of Citigroup and its Designated Citigroup Sublicensees under the Primerica License, it shall, and shall use commercially reasonable efforts to cause each Designated Citigroup Sublicensee to, adhere to the appropriate ethical standards pertaining to Citigroup's and its Designated Citigroup Sublicensees' businesses and operations, and shall, and shall use commercially reasonable efforts to cause each Designated Citigroup Sublicensee to, do nothing to bring disrepute to or damage the goodwill symbolized by the Primerica Marks.

Section 3.3 Retention of Trademark Ownership.

(a) Primerica acknowledges and agrees that Citigroup, and/or such other member of the Citigroup Affiliated Group referred to in the first sentence of Section 3.1(a) hereof, as the case may be, is the owner of all of the right, title and interest in and to the Citi Marks and all goodwill associated therewith throughout the world and acknowledges the validity of the Citi Marks and of all trademark and service mark registrations and applications of each member of the Citigroup Affiliated Group pertaining thereto. Primerica agrees that it

shall, and shall use commercially reasonable efforts to cause each Designated Primerica Sublicensee to, uphold the goodwill inherent in the Citi Marks and to assist Citigroup at Citigroup's expense to protect the rights of Citigroup and the other members of the Citigroup Affiliated Group therein. All use of the Citi Marks by Primerica and all Designated Primerica Sublicensees (including all past, present and future use), and the goodwill generated thereby, shall inure to the benefit of Citigroup and shall not vest in Primerica or in any Designated Primerica Sublicensee. Primerica shall not, directly or indirectly, contest or challenge the validity or enforceability of the Citi Marks and/or Citigroup's ownership thereof. To the extent that Primerica or any Designated Primerica Sublicensee is deemed to have any ownership rights in the Citi Marks, at Citigroup's written request, Primerica shall, and shall cause each such Designated Primerica Sublicensee to, assign such rights to Citigroup or to a member of the Citigroup Affiliated Group designated by Citigroup.

(b) Citigroup acknowledges and agrees that Primerica, and/or such other Subsidiary of Primerica referred to in the first sentence of Section 3.1(f) hereof, as the case may be, is the owner of all of the right, title and interest in and to the Primerica Marks and all goodwill associated therewith throughout the world and acknowledges the validity of the Primerica Marks and of all trademark and service mark registrations and applications of Primerica and its Subsidiaries pertaining thereto. Citigroup agrees that it shall, and shall use commercially reasonable efforts to cause each Designated Citigroup Sublicensee to, uphold the goodwill inherent in the Primerica Marks and to assist Primerica at Primerica's expense to protect the rights of Primerica and its Subsidiaries therein. All use of the Primerica Marks by Citigroup and all Designated Citigroup Sublicensees (including all past, present and future use), and the goodwill generated thereby, shall inure to the benefit of Primerica and shall not vest in Citigroup or in any Designated Citigroup Sublicensee. Citigroup shall not, directly or indirectly, contest or challenge the validity or enforceability of the Primerica Marks and/or Primerica's ownership thereof. To the extent that Citigroup or any Designated Citigroup Sublicensee is deemed to have any ownership rights in the Primerica Marks, at Primerica's written request, Citigroup shall, and shall cause each such Designated Citigroup Sublicensee to, assign such rights to Primerica or to such other Subsidiary of Primerica designated by Primerica.

Section 3.4 Termination of Trademark Licenses.

(a) The Citi License granted pursuant to this Article III shall automatically expire (subject to earlier termination in accordance with Section 3.4(b) hereof) upon the earlier to occur of the date (i) on which Primerica and the Designated Primerica Sublicensees cease use of all the Citi Marks with no intent to resume use (for which Primerica shall notify Citigroup in writing as soon as reasonably practicable thereafter) or (ii) that is six (6) months after the completion of the Initial Public Offering; provided, however, that notwithstanding anything in this Agreement to the contrary, (y) the Primerica Independent Contractor Representatives may continue to use the Citi Marks for up to one (1) year after the completion of the Initial Public Offering; provided, further, that Primerica and its Subsidiaries shall use commercially reasonable efforts to cause each Primerica Independent Contractor Representative to cease use of all Citi Marks as soon as possible following the completion of the Initial Public Offering and (z) the Citi License will be extended as and to the extent required by applicable law or regulation or for Primerica and its Subsidiaries to comply with any applicable contractual commitments existing as of the date hereof, as set forth on Schedule 3.4(a). Without limiting

the generality of the foregoing, if Citi identifies any use of the Citi Marks by a Primerica Independent Contractor Representative following the date that is one year after the completion of the Initial Public Offering, Citi shall notify Primerica of such use and Primerica and its Subsidiaries shall use commercially reasonable efforts to cause such Primerica Independent Contractor Representatives to cease such use of the Citi Marks as soon as possible. Any failure by a Primerica Independent Contractor Representative to cease such use within 90 days of Primerica's receipt of notice thereof shall be deemed a breach by Primerica of this Section 3.4.

(b) Citigroup shall have the right to terminate the Citi License with regard to a particular business unit of Primerica or a particular Designated Primerica Sublicensee at any time if such business unit of Primerica or such Designated Primerica Sublicensee has materially breached any term or provision of this Article III, and in either case Primerica or such Designated Primerica Sublicensee (as the case may be) has not (i) taken reasonable steps to cure such non-compliance within 60 days of Primerica's receipt of written notice of such non-compliance or (ii) cured such non-compliance within a commercially reasonable period of time following the 60 day period; provided, that such time periods shall be extended if necessary to obtain required regulatory approvals.

(c) The Primerica License granted pursuant to this Article III shall automatically expire (subject to earlier termination in accordance with Section 3.4(d) hereof) upon the earlier to occur of the date (i) on which Citigroup and the Designated Citigroup Sublicensees cease use of all the Primerica Marks with no intent to resume use (for which Citigroup shall notify Primerica in writing as soon as reasonably practicable thereafter), or (ii) that is six (6) months after the completion of the Initial Public Offering; provided, however, that notwithstanding anything in this Agreement to the contrary, the Primerica License will be extended as and to the extent required by applicable law or regulation or for Citigroup to comply with any applicable contractual commitments existing as of the date hereof, as set forth on Schedule 3.4(c). Without limiting the generality of the foregoing, any use of the Primerica Marks by a Designated Citigroup Sublicensee following the date that is six (6) months after the completion of the Initial Public Offering shall be deemed a breach by Citigroup of this Section 3.4.

(d) Primerica shall have the right to terminate the Primerica License with regard to a particular business unit of Citigroup or with regard to a particular Designated Citigroup Sublicensee at any time if such business unit of Citigroup or such Designated Citigroup Sublicensee has materially breached any term or provision of this Article III, and in either case Citigroup or such Designated Citigroup Sublicensee (as the case may be) has not (i) taken reasonable steps to cure such non-compliance within 60 days of Citigroup's receipt of written notice of such non-compliance or (ii) cured such non-compliance within a commercially reasonable period of time following the 60 day period; provided that such time periods shall be extended if necessary to obtain required regulatory approvals.

Section 3.5 Use After Termination.

(a) Upon the termination (but not the expiration) of the Citi License, Primerica shall, (i) and shall cause each of its Subsidiaries to, subject to the provisions of Section 3.4(a) hereof, discontinue all uses of the Citi Marks within 60 days, (ii) notify the

Primerica Independent Contractor Representatives that they are required to discontinue all uses of the Citi Marks within sixty (60) days in accordance with the terms of Primerica's agent agreements and policies and (iii) use commercially reasonable efforts to ensure that such Primerica Independent Contractor Representatives have so ceased using the Citi Marks; provided, that any failure of the Primerica Independent Contractor Representatives to so cease use of the Citi Marks within one hundred twenty (120) days following any such termination shall be deemed a breach by Primerica of this Section 3.5(a).

(b) Upon the termination (but not the expiration) of the Primerica License, Citigroup shall, and shall cause each of the Designated Citigroup Sublicensees to, subject to the provisions of Section 3.4(c) hereof, discontinue all uses of the Primerica Marks within 60 days.

Section 3.6 Trademark Usage Marking Requirements and Quality Control.

(a) Citigroup shall have the right to periodically inspect and evaluate the products and services of Primerica or any Designated Primerica Sublicensee bearing the Citi Marks. Upon request by Citigroup, no more than twice per year (unless reasonably justified under the circumstances), Primerica shall deliver to Citigroup samples of such use. In addition, if Primerica or any Designated Primerica Sublicensee creates any new material following the date hereof that bear the Citi Marks and that are materially different from the materials created prior to the date hereof, Primerica shall, prior to the distribution of any such materials, present such materials to Citigroup for Citigroup's review and approval, not to be unreasonably withheld, conditioned or delayed.

(b) Primerica shall have the right to periodically inspect and evaluate the products and services of Citigroup or any Designated Citigroup Sublicensee bearing the Primerica Marks. Upon request by Primerica, no more than twice per year (unless reasonably justified under the circumstances), Citigroup shall deliver to Primerica samples of such use. In addition, in the event that Citigroup or any Designated Citigroup Sublicensee creates any new material following the date hereof that bear the Primerica Marks and that are materially different from the materials created prior to the date hereof, Citigroup shall, prior to the distribution of any such materials, present such materials to Primerica for Primerica's review and approval, not to be unreasonably withheld, conditioned or delayed.

Section 3.7 Disclaimers of Representations and Warranties.

(a) CITIGROUP, ON ITS OWN BEHALF AND ON BEHALF OF THE CITIGROUP AFFILIATED GROUP, HEREBY SPECIFICALLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED (INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY, REGISTRABILITY OR NON-INFRINGEMENT AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE), REGARDING THE CITI MARKS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PRIMERICA ACKNOWLEDGES THAT THE LICENSES GRANTED IN THIS AGREEMENT (INCLUDING THOSE GRANTED IN THIS ARTICLE III) AND THE CITI MARKS ARE PROVIDED "AS IS."

(b) PRIMERICA, ON ITS OWN BEHALF AND ON BEHALF OF ITS SUBSIDIARIES, HEREBY SPECIFICALLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED (INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY, REGISTRABILITY OR NON-INFRINGEMENT AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE), REGARDING THE PRIMERICA MARKS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, CITIGROUP ACKNOWLEDGES THAT THE LICENSES GRANTED IN THIS AGREEMENT (INCLUDING THOSE GRANTED IN THIS ARTICLE III) AND THE PRIMERICA MARKS ARE PROVIDED "AS IS."

ARTICLE IV

EQUITY PURCHASE RIGHTS

Section 4.1 Equity Purchase Rights. The members of the Citigroup Affiliated Group shall have the equity purchase rights set forth in this Section 4.1 (the "Equity Purchase Rights"), so long as the exercise of such Equity Purchase Rights is necessary in order to permit the members of the Citigroup Affiliated Group to continue to account for their investment in Primerica using the equity method of accounting; provided, that the members of the Citigroup Affiliated Group shall not be entitled to Equity Purchase Rights to the extent that the principal national securities exchange in the United States on which the Common Stock is listed, if any, prohibits or limits the granting by Primerica of such Equity Purchase Rights.

As soon as practicable after determining to issue Equity Purchase Shares, but in any event at least five Business Days prior to the issuance of Equity Purchase Shares to any Person, other than to a member of the Citigroup Affiliated Group (and other than Equity Purchase Shares issued (i) under dividend reinvestment plans which offer Voting Stock to security holders at a discount from Average Market Price (as defined below) no greater than is then customary for public corporations, (ii) pursuant to the Transactions, (iii) in mergers, acquisitions and exchange offers, (iv) pursuant to its equity incentive plans, (v) in connection with third party transactions otherwise permitted by the Primerica Charter to be consummated without the prior written consent of Citigroup or (vi) pursuant to any provision of the Securities Purchase Agreement), Primerica shall notify Citigroup in writing of such proposed sale (which notice shall specify, to the extent practicable, the purchase price for, and terms and conditions of, such Equity Purchase Shares) and shall offer to sell to Citigroup (which offer may be assigned by Citigroup to another member of the Citigroup Affiliated Group) at the purchase price (net of any underwriting discounts or commissions), if any, to be paid by the transferee(s) of such Equity Purchase Shares an amount of Equity Purchase Shares determined as provided below. Immediately after the amount of Equity Purchase Shares to be sold to other Persons is known to Primerica, it shall notify Citigroup (or such assignee) of such amount. If such offer is accepted in writing within five Business Days after the notice of such proposed sale (or such longer period as is necessary for the members of the Citigroup Affiliated Group to obtain regulatory approvals), Primerica shall sell to such member of the Citigroup Affiliated Group an amount of Equity Purchase Shares equal to the minimum amount reasonably determined by such member of the Citigroup Affiliated Group as is necessary to maintain equity method accounting for the Citigroup Affiliated Group. If Primerica determines in good faith that, in light of the advice of

an investment banking firm advising it or of its other financial advisors, it must consummate the issuance and sale of the Equity Purchase Shares prior to the members of the Citigroup Affiliated Group having obtained the necessary regulatory approvals, Primerica shall notify Citigroup in writing of such determination and shall then be free so to consummate such issuance and sale without the members of the Citigroup Affiliated Group having the right then to purchase the number of such Equity Purchase Shares reasonably determined by such member of the Citigroup Affiliated Group as is necessary to maintain equity method accounting for the Citigroup Affiliated Group; provided, however, that in such event the members of the Citigroup Affiliated Group shall have the right to purchase from Primerica, within 60 Business Days (or such longer period (up to two years) as is necessary for the members of the Citigroup Affiliated Group to obtain regulatory approvals) Voting Stock in an amount equal to the amount of Voting Stock it would have received had it been able to purchase (and, in the case of Equity Purchase Shares other than Voting Stock, securities exercisable or exchangeable for or convertible into Voting Stock) the Equity Purchase Shares offered to it pursuant to this Section 4.1, at a per share purchase price equal to the Average Market Price per share of Voting Stock and, if there is no Average Market Price, the Fair Market Value per share of Voting Stock, in each case, at the time of such purchase by the members of the Citigroup Affiliated Group.

The purchase and sale of any Equity Purchase Shares pursuant to this Section 4.1 shall take place at 9:00 a.m. on the latest of (i) the fifth Business Day following the acceptance of such offer, (ii) the Business Day on which such Equity Purchase Shares are issued to Persons other than the members of the Citigroup Affiliated Group and (iii) the fifth Business Day following the expiration of any required governmental or other regulatory waiting periods or the obtaining of any required governmental or other regulatory consents or approvals, at the offices of Citigroup indicated in Section 9.1 hereof, or at such other time and place in New York City as Citigroup and Primerica shall agree. At the time of purchase, Primerica shall deliver to Citigroup (or such assignee) certificates (or, in the event that Primerica issues securities to a third party in an uncertificated form, other evidence of ownership) registered in the name of the appropriate members of the Citigroup Affiliated Group representing the shares purchased and the members of the Citigroup Affiliated Group shall transfer to Primerica the purchase price in United States dollars by bank check or wire transfer of immediately available funds, as specified by Primerica, to an account designated by Primerica not less than five Business Days prior to the date of purchase. Primerica and the members of the Citigroup Affiliated Group will use their best efforts to comply as soon as practicable with all federal and state laws and regulations and stock exchange listing requirements applicable to any purchase and sale of securities under this Section 4.1.

As used herein, "Average Market Price" of any security on any date means the average of the daily closing prices for the 10 consecutive trading days selected by Primerica commencing not less than 20 trading days nor more than 30 trading days before the day in question. The closing price for each day shall be the last reported sales price regular way or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case on the New York Stock Exchange or, if such security is not listed or admitted to trading on such exchange, on the principal national securities exchange on which such security is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the Nasdaq Stock Market, or, if such security is not listed or admitted to trading on any national securities exchange or quoted on such stock market, the

average of the closing bid and asked prices in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by Primerica for that purpose. For the purpose of this definition, the term "trading day" means each Monday, Tuesday, Wednesday, Thursday and Friday, other than any day on which securities are not traded on such exchange or in such market.

ARTICLE V

FINANCIAL AND OTHER INFORMATION

Section 5.1 Five Percent Threshold. Primerica agrees that after the Second Trigger Date and until the Third Trigger Date, Primerica shall:

(a) furnish to Citigroup as soon as publicly available, copies of all financial statements, reports, notices and proxy statements sent by Primerica in a general mailing to all its stockholders, of all annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and of all final prospectuses filed pursuant to Rule 424 under the Securities Act; and

(b) at Citigroup's expense, permit Citigroup or any member of the Citigroup Affiliated Group to visit and inspect any of the properties, corporate books, and financial and other records of Primerica and its Subsidiaries, and to discuss the affairs, finances and accounts of any such entities with the appropriate personnel of such entities and the Primerica Auditors (as defined below), in each case, at reasonable times and during normal business hours as often as Citigroup or any member of the Citigroup Affiliated Group may reasonably request.

Section 5.2 Twenty Percent Threshold. Primerica agrees that after the First Trigger Date and until the Second Trigger Date, or during any period in which any member of the Citigroup Affiliated Group is required to account for its investment in Primerica under the equity method of accounting (determined in accordance with GAAP consistently applied after consultation with the Citigroup Auditors):

(a) Public Information and SEC Reports. Primerica and each of its Subsidiaries which files information with the SEC shall deliver to Citigroup (to the attention of Michael Zuckert, Deputy General Counsel and Managing Director, and Reza Shah, Head of Citi Reinsurance and Monitoring (or their successors)) in final form, all reports, notices and proxy and information statements to be sent or made available by Primerica or any of its Subsidiaries to their security holders and all regular, periodic and other reports filed under Sections 13, 14 and 15 of the Exchange Act (including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and Annual Reports to Shareholders), and all registration statements and prospectuses to be filed by Primerica or any of its Subsidiaries with the SEC or any securities exchange pursuant to the listed company manual (or similar requirements) of such exchange (collectively, "Primerica Public Documents"). Primerica shall also deliver to Citigroup, in final form, copies of all press releases and other statements made available by Primerica or any of its Subsidiaries to the public, including information concerning material developments in the business, properties, results of operations, financial condition or prospects of Primerica or any of its Subsidiaries. No report, registration, information or proxy statement,

prospectus or other document which refers, or contains information with respect, to any member of the Citigroup Affiliated Group shall be filed with the SEC or otherwise made public by Primerica or any of its Subsidiaries without the prior written consent of Citigroup with respect to those portions of such document which contain information with respect to any member of the Citigroup Affiliated Group, except as may be required by law, rule or regulation (in such cases, Primerica shall use its best efforts to notify the relevant member of the Citigroup Affiliated Group and obtain such member's prior written consent before making such filing with the SEC or otherwise making any such information public).

(b) Access. Primerica shall, at Citigroup's expense, permit Citigroup or any member of the Citigroup Affiliated Group to visit and inspect any of the properties, corporate books, and financial and other records of Primerica and its Subsidiaries, and to discuss the affairs, finances and accounts of any such entities with the appropriate personnel of such entities and the Primerica Auditors (as defined below), in each case, at reasonable times and during normal business hours as often as Citigroup or any member of the Citigroup Affiliated Group may reasonably request.

(c) Other Financial Information. Primerica shall provide to Citigroup or any member of the Citigroup Affiliated Group upon Citigroup's or such member's request, in a format prescribed by Primerica, such other financial information and analyses as Citigroup may reasonably request on behalf of any member of the Citigroup Affiliated Group in order to analyze the financial statements and condition of Primerica and its Subsidiaries. As soon as practicable and, in any event, within 20 days after the end of each month, Primerica shall provide to Citigroup the unaudited consolidated statement of operations of Primerica and its Subsidiaries for the prior month, to the extent that such consolidated statement of operations are prepared for Primerica's internal use.

(d) Maintenance of Books and Records. Primerica shall, and shall cause each of its consolidated Subsidiaries to comply with Section 13(b)(2)(b) of the Exchange Act. Primerica shall, and shall cause each of its consolidated Subsidiaries to, use good faith efforts to ensure that their internal controls over financial reporting are effective and use good faith efforts to ensure that there are no material weaknesses in their internal controls over financial reporting. Primerica shall, and shall cause each of its consolidated Subsidiaries, to establish and maintain "disclosure controls and procedures" (as defined in Rules 13a–15(e) and 15d–15(e) of the Exchange Act) (a) required in order for the co-Chief Executive Officers and Chief Financial Officer of Primerica to engage in the review and evaluation process mandated by Section 302 of the Sarbanes–Oxley Act of 2002 and (b) that are reasonably designed to ensure that information required to be disclosed by Primerica in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such information is accumulated and communicated to Primerica's management as appropriate to allow timely decisions regarding required disclosure.

(e) Budgets and Projections. Primerica shall, as promptly as practicable, deliver to Citigroup copies of annual budgets and financial projections, in a format prescribed by Primerica, relating to Primerica or any of its Subsidiaries, and shall provide Citigroup an opportunity to meet with management of Primerica to discuss such budgets and projections at Citigroup's expense.

Section 5.3 Fifty Percent Threshold. Primerica agrees that until the First Trigger Date (or during any period in which, notwithstanding the percentage of voting stock of Primerica owned, any member of the Citigroup Affiliated Group is required, in accordance with GAAP, to consolidate Primerica's financial statements with its financial statements):

(a) Fiscal Year. Primerica shall, and shall cause each of its consolidated Subsidiaries to, maintain a fiscal year which commences on January 1 and ends on December 31 of each calendar year; provided that, if on the date hereof any consolidated Subsidiary of Primerica has a fiscal year which ends on a date other than December 31, Primerica shall use its good faith efforts to cause such Subsidiary to change its fiscal year to one which ends on December 31 if such change is reasonably practical.

(b) Maintenance of Books and Records. Primerica shall, and shall cause each of its consolidated Subsidiaries to comply with Section 13(b)(2) of the Exchange Act. Primerica shall, and shall cause each of its consolidated Subsidiaries to, use good faith efforts to ensure that their internal controls over financial reporting are effective and use good faith efforts to ensure that there are no material weaknesses in their internal controls over financial reporting. Primerica shall, and shall cause each of its consolidated Subsidiaries, to establish and maintain "disclosure controls and procedures" (as defined in Rules 13a–15(e) and 15d–15(e) of the Exchange Act) (a) required in order for the co-Chief Executive Officers and Chief Financial Officer of Primerica to engage in the review and evaluation process mandated by Section 302 of the Sarbanes–Oxley Act of 2002 and (b) that are reasonably designed to ensure that information required to be disclosed by Primerica in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such information is accumulated and communicated to Primerica's management as appropriate to allow timely decisions regarding required disclosure.

(c) Summary Monthly Financial Information. As soon as practicable, and within five Business Days after the end of each month in each fiscal year of Primerica, Primerica shall deliver to Citigroup a summary of consolidated net income (loss) and consolidated pre-tax income (loss) for Primerica and its Subsidiaries for such month and the year-to-date period.

(d) Detailed Monthly Financial Information. As soon as practicable, and within fifteen Business Days after the end of each month in each fiscal year of Primerica, Primerica shall deliver to Citigroup information that is substantially consistent with that presently provided in the "Controllables Package."

(e) Unaudited Quarterly Financial Statements. As soon as practicable, but in any event, not later than 5 days prior to the date on which Citigroup is required to file its quarterly reports on Form 10-Q for the first three fiscal quarters in each fiscal year of Citigroup, Primerica shall deliver to Citigroup drafts of (i) the consolidated financial statements of Primerica and its Subsidiaries (and notes thereto) for such periods and for the period from the

beginning of the current fiscal year to the end of such quarter, setting forth in each case in comparative form for each such fiscal quarter of Primerica the consolidated figures (and notes thereto) for the corresponding quarter and periods of the previous fiscal year and all in reasonable detail and prepared in accordance with Article 10 of Regulation S-X and (ii) a discussion and analysis by management of Primerica's and its Subsidiaries' financial condition and results of operations for such fiscal period, including an explanation of any material adverse change, all in reasonable detail and prepared in accordance with Item 303(b) of Regulation S-K. The information set forth in clauses (i) and (ii) above is herein referred to as the "Quarterly Financial Statements." Primerica shall deliver to Citigroup all revisions to such drafts as soon as any such revisions are prepared or made. Primerica shall deliver to Citigroup the final form of the Quarterly Financial Statements certified by the chief financial officer of Primerica as presenting fairly, in all material respects, the financial condition and results of operations of Primerica and its consolidated Subsidiaries, pursuant to Section 5.3(h).

(f) Audited Annual Financial Information. As soon as is practicable, but in any event, not later than 10 days prior to the date on which Citigroup is required to file its annual report on Form 10-K, Primerica shall deliver to Citigroup (i) drafts of (a) the consolidated financial statements of Primerica (and notes thereto) for such year, setting forth in each case in comparative form the consolidated figures (and notes thereto) for the previous fiscal year and all in reasonable detail and prepared in accordance with Regulation S-X and (b) a discussion and analysis by management of Primerica's consolidated financial condition and results of operations for such year, including an explanation of any material adverse change, all in reasonable detail and prepared in accordance with Item 303(a) of Regulation S-K and (ii) a draft of a discussion and analysis of Primerica's consolidated financial condition and results of operations for such year, including an explanation of any material adverse change, all in reasonable detail and prepared in accordance with Item 303(a) of Regulation S-K,. The information set forth in (i) and (ii) above is herein referred to as the "Annual Financial Statements." Primerica shall deliver to Citigroup all material revisions to such drafts as soon as any such material revisions are prepared or made. Primerica shall deliver to Citigroup, in final form, the Annual Financial Statements accompanied by an opinion thereon by Primerica's independant certified public accountants, pursuant to Section 5.3 (h).

(g) General Financial Statement Requirements. All financial information required by Citigroup's monthly close, provided by Primerica or any of its Subsidiaries to Citigroup, shall be consistent in terms of timing, format and detail and otherwise with the procedures and practices in effect on the date hereof with respect to the provision of such financial and other information by Primerica and its Subsidiaries to Citigroup (and where appropriate, as presently presented in financial and other reports delivered to the Board of Directors of Citigroup), with such changes therein as may be reasonably requested by Citigroup from time to time, unless changes in such procedures or practices are required in order to comply with the rules and regulations of the SEC, as applicable.

(h) Public Information and SEC Reports. Primerica and each of its Subsidiaries which files information with the SEC shall deliver to Citigroup (to the attention of Michael Zuckert, Deputy General Counsel and Managing Director, and Reza Shah, Head of Citi Reinsurance and Monitoring (or their successors)) as soon as the same are substantially final, drafts of all reports, notices and proxy and information statements to be sent or made available

by Primerica or any of its Subsidiaries to their security holders and all regular, periodic and other reports filed under Sections 13, 14 and 15 of the Exchange Act (including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and Annual Reports to Shareholders), and all registration statements and prospectuses to be filed by Primerica or any of its Subsidiaries with the SEC or any securities exchange pursuant to the listed company manual (or similar requirements) of such exchange (collectively, "Primerica Public Documents"), but in no event later than two Business Days in the case of any current report on Form 8-K, five Business Days in the case of any annual report on Form 10-K or quarterly report on Form 10-Q or 10 Business Days in the case of any other such filing, prior to the filing thereof with the SEC, and, no later than the date the same are printed, filed or publicly disseminated, whichever is earliest, final copies of all Primerica Public Documents. Prior to issuance, Primerica shall deliver to Citigroup copies of all press releases and other statements containing financial information to be made available by Primerica or any of its Subsidiaries to the public, including information concerning material developments in the business, properties, results of operations, financial condition or prospects of Primerica or any of its Subsidiaries. No report, registration, information or proxy statement, prospectus or other document which refers, or contains information with respect, to any member of the Citigroup Affiliated Group shall be filed with the SEC or otherwise made public by Primerica or any of its Subsidiaries without the prior written consent of Citigroup with respect to those portions of such document which contain information with respect to any member of the Citigroup Affiliated Group, except as may be required by law, rule or regulation (in such cases, Primerica shall use its best efforts to notify the relevant member of the Citigroup Affiliated Group and obtain such member's prior written consent before making such filing with the SEC or otherwise making any such information public).

(i) Budgets and Projections. Primerica shall deliver to Citigroup copies of annual and other budgets and financial projections (consistent in terms of format and detail and otherwise with the procedures in effect on the date hereof) relating to Primerica or any of its Subsidiaries and shall provide Citigroup an opportunity to meet with management of Primerica to discuss such budgets and projections.

(j) Other Financial Information. With reasonable promptness, Primerica shall deliver to Citigroup such additional financial and other information and data with respect to Primerica and its Subsidiaries and their business, properties, financial position, results of operations and prospects as from time to time may be reasonably requested by Citigroup.

(k) Earnings Releases. Citigroup agrees that, unless required by law, rule or regulation or unless Primerica shall have consented thereto in writing, no member of the Citigroup Affiliated Group will publicly release any quarterly, annual or other financial information of Primerica or any of its Subsidiaries ("Primerica Information") delivered to Citigroup pursuant to this Section 5.3 prior to the time that Citigroup publicly releases financial information of Citigroup for the relevant period. If any member of the Citigroup Affiliated Group is required by law to publicly release such Primerica Information prior to the public release of Citigroup's financial information, Citigroup will give Primerica notice of such release of Primerica Information as soon as practicable, but no later than two days prior to such release of Primerica Information.

(l) Quarterly and Annual Statements Furnished to State Insurance Regulatory Authorities. Primerica shall deliver, in final form, Quarterly or Annual Statements filed by Primerica or any Subsidiary of Primerica with any and all state insurance regulatory authorities in each jurisdiction in which such reports are required to be filed.

(m) Primerica Selection of Auditor. Subject to the requirements of all applicable laws, rules, regulations and stock exchange listing standards, (i) if Primerica is to submit to a vote of its stockholders the election, approval or ratification of the selection of its firm of independent certified public accountants pursuant to Schedule 14A under the Exchange Act, Primerica shall so submit to such a vote such accounting firm as is designated by Citigroup, and (ii) if Primerica does not so submit a firm of accountants to such a vote, Primerica shall cause its independent certified public accountants to be such accounting firm as is designated, from time to time, by Citigroup.

(n) Coordination of Auditors' Opinions. Primerica will use good faith efforts to enable its independent certified public accountants (the "Primerica Auditors") to complete their audit such that they will date their opinion on Primerica's Annual Financial Statements on the same date that Citigroup's independent certified public accountants (the "Citigroup Auditors") date their opinion on Citigroup's audited annual financial statements and its Annual Reports to Shareholders (collectively the "Citigroup Annual Statements"), and to enable Citigroup to meet its timetable for the printing, filing and public dissemination of the Citigroup Annual Statements.

(o) Cooperation. Each of Citigroup and Primerica will provide to the other party on a timely basis all information that such other party (including any member of the Citigroup Affiliated Group or any Subsidiary of Primerica) reasonably requires to meet its schedule for the printing, filing and public dissemination of its public filings. In this respect, Citigroup or Primerica, as the case may be, will provide all required financial information with respect to it and its consolidated subsidiaries to the other party's auditors and management in a sufficient and reasonable time and in sufficient detail to permit such auditors to take all steps and perform all review necessary to provide sufficient assistance to such auditors with respect to information to be included or contained in the Public Filings, such assistance to such auditors to be in conformity with current and past practices.

(p) Access to Personnel and Working Papers. Primerica will authorize the Primerica Auditors to make available to the Citigroup Auditors, at Citigroup's expense, both the personnel who performed or are performing the annual audit of Primerica and, consistent with customary professional practice and courtesy of such auditors with respect to the furnishing of work papers, work papers related to the annual audit of Primerica, in all cases within a reasonable time after the Primerica Auditors' opinion date, so that the Citigroup Auditors are able to perform the procedures they consider necessary or appropriate to take responsibility for the work of the Primerica Auditors as it relates to the Citigroup Auditors' report on the Citigroup Annual Statements, all within sufficient time to enable Citigroup to meet its timetable for the printing, filing and public dissemination of the Citigroup Annual Statements.

(q) Internal Auditors. Primerica shall provide Citigroup's internal auditors or other representatives of Citigroup access to Primerica's and its Subsidiaries' books and records so that Citigroup may conduct reasonable audits relating to the financial statements provided by Primerica pursuant to Sections 5.3(c)-(h) hereof, inclusive, as well as to the internal accounting controls and operations of Primerica and its Subsidiaries.

(r) Accounting Estimates and Principles. Primerica will give Citigroup reasonable notice of any proposed significant change in accounting estimates or material changes in accounting principles from those in effect on the date hereof, excluding changes that are mandated or required by the SEC, the Financial Accounting Standards Board or the American Institute of Certified Public Accountants, that could affect both Primerica or Citigroup. In this connection, Primerica will consult with Citigroup and, if requested by Citigroup, Primerica will consult with its independent public accountants with respect thereto. As to material changes in accounting principles which could affect Primerica or Citigroup, Primerica will not make any such changes without Citigroup's prior written consent, excluding changes that are mandated or required by the SEC, the Financial Accounting Standards Board or the American Institute of Certified Public Accountants, if such a change would be sufficiently material to be required to be disclosed in Primerica's financial statements as filed with the SEC or otherwise publicly disclosed therein.

(s) Management Certification. Primerica's chief financial or accounting officer shall submit a quarterly representation in the form prescribed by Citigroup attesting to the accuracy and completeness of the financial and accounting records referred to therein in all material respects. In addition, Primerica's chief financial or accounting officer shall submit a quarterly representation in the form prescribed by Citigroup attesting to the design and operation of its internal controls over financial reporting.

(t) Accountants' Reports and Letters. Promptly, but in no event later than five Business Days following receipt thereof, Primerica shall deliver to Citigroup copies of all reports and letters submitted to Primerica or any of its Subsidiaries by their independent certified public accountants, including each report or letter submitted to Primerica or any of its Subsidiaries concerning its accounting practices and systems or internal controls and any comment letter submitted to management in connection with their annual audit and all responses by management to such reports and letters.

Section 5.4 Attorney Client Privilege. The provision of any information pursuant to this Article V shall not be deemed a waiver of any privilege, including privileges arising under or related to the attorney-client privilege (a "Privilege"). Neither Primerica nor its Subsidiaries will be required to provide any information pursuant to Sections 5.1 through and including Section 5.3 hereof if the provision of such information would serve as a waiver of any Privilege afforded such information.

ARTICLE VI

INDEMNIFICATION

Section 6.1 General Cross Indemnification.

(a) Subject to the terms of the Related Agreements, Citigroup agrees to indemnify and hold harmless Primerica and its Subsidiaries and each of the officers, directors, employees and agents of Primerica and its Subsidiaries against any and all costs and expenses arising out of claims (including attorneys' fees, interest, penalties and costs of investigation or preparation for defense), judgments, fines, losses, claims, damages, liabilities, demands, assessments and amounts paid in settlement (collectively, "Losses"), in each case, based on, arising out of, resulting from or in connection with any third party claim, action, cause of action, suit, proceeding or investigation, whether civil, criminal, administrative, investigative or other (collectively, "Actions"), based on, arising out of, pertaining to or in connection with (i) any breach by Citigroup of this Agreement or any other agreement between Primerica and its Subsidiaries, on the one hand, and any member of the Citigroup Affiliated Group, on the other hand, (ii) the ownership or the operation of the assets or properties (other than capital stock of Primerica and its Subsidiaries), and the operation or conduct of the business of, including contracts entered into by, the members of the Citigroup Affiliated Group, whether before, on or after the date hereof (all determinations hereunder to be made after giving effect to the Reorganization), (iii) any claim that the Citi Marks licensed to and used by Primerica and the Designated Primerica Sublicensees within the scope of the Citi License infringe upon a third party's intellectual property rights, (iv) any activity, action or inaction on the part of any member of the Citigroup Affiliated Group or any of their officers, directors, employees, Affiliates acting as such (other than Primerica or any of its Subsidiaries acting as such), fiduciaries or agents, other than any activity, action or inaction for which Primerica is obligated to indemnify and hold harmless the members of the Citigroup Affiliated Group and the officers, directors, employees and agents of the members of the Citigroup Affiliated Group pursuant to clause (iii) of Section 6.1(b), (v) Primerica's use of the software set forth on Schedule 6.1(a) in Primerica's business prior to the First Trigger Date, solely to the extent that such use (A) was made pursuant to an agreement entered into by a member of the Citigroup Affiliated Group, (B) required by any member of the Citigroup Affiliated Group, (C) was in accordance with the applicable Citigroup Affiliated Group agreement and all then-current Citigroup Affiliated Group policies and procedures, requirements, restrictions, directions or instructions and (D) did not involve any modification or customization of applicable software that was not approved in advance by Citigroup or (vi) any third party claim by an employee or former employee of Primerica or any of its Subsidiaries with respect to actions taken by Primerica prior to the First Trigger Date to the extent such actions are required by the employment policies of the Citigroup Affiliated Group.

(b) Subject to the terms of the Related Agreements, Primerica agrees to indemnify and hold harmless each member of the Citigroup Affiliated Group and each of the officers, directors, employees and agents of each member of the Citigroup Affiliated Group against any and all Losses, in each case, based on, arising out of, resulting from or in connection with any Actions, based on, arising out of, pertaining to or in connection with (i) any activity, action or inaction on the part of Primerica or any of its Subsidiaries or any of their officers, directors, employees, Affiliates acting as such (other than a member of the Citigroup Affiliated Group acting as such), fiduciaries or agents, other than any activity, action or inaction for which Citigroup is obligated to indemnify and hold harmless Primerica and its Subsidiaries and the officers, directors, employees and agents of Primerica and its Subsidiaries pursuant to clause (ii) of Section 6.1(a), (ii) any breach by Primerica of this Agreement or by Primerica or any of its Subsidiaries of any other agreement between Primerica or any of its Subsidiaries, on

the one hand, and any member of the Citigroup Affiliated Group, on the other hand, (iii) the ownership or the operation of the assets or properties, and the operation or conduct of the business of, including contracts entered into by, Primerica and its Subsidiaries, whether before, on or after the date hereof (all determinations hereunder to be made after giving effect to the Reorganization), (iv) any claim that the Primerica Marks licensed to and used by Citigroup and the Designated Citigroup Sublicensees within the scope of the Primerica License infringe upon a third party's intellectual property rights, (v) any Keepwell, (vi) any communication, whether oral or written, by Primerica to any employee of Primerica with respect to the subject matter set forth in Section 7.5 of this Agreement (other than any communication from, or made at the written request of, any member of the Citigroup Affiliated Group) or (vii) any claim by any employee or former employee of Primerica or any of its Subsidiaries or Independent Contractor Representative or former Independent Contractor Representative relating to the conversion of outstanding Citigroup equity compensation awards pursuant to Section 7.5(b) of this Agreement. Notwithstanding anything in this Agreement to the contrary, Primerica shall have no indemnification obligations to any member of the Citigroup Affiliated Group under this Section 6.1(b) in connection with any Action brought solely by any Investor Indemnitee (as defined in the Securities Purchase Agreement) against Citigroup or CIHC under the Securities Purchase Agreement.

(c) The indemnity agreement contained in Sections 6.1(a) and (b) shall be applicable whether or not any Action or the facts or transactions giving rise to such Action arose prior to, on or subsequent to the date hereof.

Section 6.2 Procedure. If any Action shall be brought against any Person entitled to indemnification pursuant to this Article VI (each such Person, an "Indemnitee") in respect of which indemnity may be sought against Citigroup or Primerica (in each case, an "Indemnifying Party"), such Indemnitee shall promptly notify the Indemnifying Party, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel and payment of all fees and expenses. Such Indemnitee shall have the right to employ separate counsel in any such action, suit or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Person unless (i) the Indemnifying Party has agreed in writing to pay such fees and expenses, (ii) the Indemnifying Party has failed to assume the defense and employ counsel, or (iii) the named parties to an Action (including any impleaded parties) include both the Indemnitee and the Indemnifying Party and such Indemnitee shall have been advised by its counsel that representation of such Indemnitee and the Indemnifying Party by the same counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same counsel has been proposed) due to actual or potential differing interests between them (in which case the Indemnifying Party shall not have the right to assume the defense of such Action on behalf of such Indemnitee). It is understood, however, that the Indemnifying Party shall, in connection with any one such Action or separate but substantially similar or related Actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys (in addition to any local counsel) at any time for all such indemnified persons not having actual or potential differing interests among themselves, and that all such fees and expenses shall be reimbursed as they are incurred. The Indemnifying Party shall not be liable for any settlement of any such Action effected without its prior written consent, but if settled with such prior written consent, or if there be a final judgment for the plaintiff in any such

Action, the Indemnifying Party agrees to indemnify and hold harmless each Indemnitee, to the extent provided in this Article VI, from and against any Losses by reason of such settlement or judgment. Notwithstanding anything to the contrary in this Section 6.2, but subject to the last sentence of this Section 6.2, within the 30-day period after which an Indemnitee shall have notified an Indemnifying Party of an Action for which it is entitled to indemnification from the Indemnifying Party, such Indemnitee shall have the right to take over the defense of such Action which such Indemnifying Party shall have undertaken to defend; provided that in the event that such Indemnitee exercises its right to take over the defense of such Action, then the Indemnitee irrevocably and unconditionally waives any right to indemnification by the Indemnifying Party with respect to such Action; provided, further that the Indemnitee unconditionally releases the Indemnifying Party from all liabilities that are the subject matter of such Action as part of any settlement of such Action. Notwithstanding anything to the contrary in this Section 6.2, no Indemnitee shall have any right to participate in or take over the defense of any Action subject to indemnification pursuant to Section 6.1(a)(iii) or Section 6.1(b)(iv) hereof.

Section 6.3 Other Matters.

(a) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened Action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such Action.

(b) Any Losses for which an indemnified party is entitled to indemnification or contribution under this Article VI shall be paid by the indemnifying party to the indemnified party as such Losses are incurred. The indemnity and contribution agreements contained in this Article VI shall remain operative and in full force and effect, regardless of any (i) investigation made by or on behalf of any Indemnitee, Primerica, its directors or officers, or any person controlling Primerica, and (ii) termination of this Agreement.

(c) Citigroup shall (and shall cause each other member of the Citigroup Affiliated Group to), on the one hand, and Primerica shall (and shall cause each of its Subsidiaries to), on the other hand, cooperate with each other in a reasonable manner with respect to access to unprivileged information and similar matters in connection with any Action. The provisions of this Article VI are for the benefit of, and are intended to create third party beneficiary rights in favor of, each of the indemnified parties referred to herein.

(d) Nothing in this Article VI shall alter or mitigate any of the rights of any of the directors or officers of Citigroup or Primerica or any other indemnified party to indemnification under the certificate of incorporation or bylaws of Primerica, Citigroup or any of their respective Affiliates, or under any agreement.

Section 6.4 Exclusivity of Tax Separation Agreement. Notwithstanding anything herein to the contrary, this Article VI shall not apply to Tax (as defined in the Tax Separation Agreement) matters, which shall be governed exclusively by the Tax Separation Agreement.

Section 6.5 Registration Statement Indemnification.

(a) Primerica agrees to indemnify and hold harmless each member of the Citigroup Affiliated Group and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "Registration Indemnitees") from and against any and all Losses based on, arising out of, resulting from or in connection with any Action based on, arising out of, pertaining to or in connection with any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or Prospectus, or based on, arising out of, pertaining to or in connection with any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such Losses are based on, arise out of, pertain to or are in connection with any untrue statement or omission or alleged untrue statement or omission which has been made therein or omitted therefrom in reliance upon and in conformity with (i) information relating to a Registration Indemnitee furnished in writing to Primerica by or on behalf of such Registration Indemnitee expressly for use in the Registration Statement or Prospectus (all of which information is set forth on Schedule I hereto), and (ii) information relating to any underwriter furnished in writing to Primerica or any of its Subsidiaries by or on behalf of such underwriter expressly for use in the Registration Statement or Prospectus. Notwithstanding anything in this Agreement to the contrary, Primerica shall have no indemnification or contribution obligations to any member of the Citigroup Affiliated Group under this Section 6.5 and Section 6.6 of this Agreement in connection with any Action brought solely by any Investor Indemnitee against Citigroup or CIHC under the Securities Purchase Agreement.

(b) Each Registration Indemnitee agrees, severally and not jointly, to indemnify and hold harmless Primerica and its Subsidiaries and any of their respective directors or officers who sign any Registration Statement, and any person who controls Primerica within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from Primerica to each Registration Indemnitee, but only with respect to information relating to such Registration Indemnitee furnished in writing to Primerica by or on behalf of such Registration Indemnitee expressly for use in the Registration Statement or Prospectus (all of which information is set forth on Schedule I hereto). For purposes of this Section 6.5(b), any information relating to any underwriter that is contained in a Registration Statement or Prospectus shall not be deemed to be information relating to a Registration Indemnitee. If any Action shall be brought against Primerica, any of its directors, any such officer, or any such controlling person based on any Registration Statement or Prospectus and in respect of which indemnity may be sought against a Registration Indemnitee pursuant to this Section 6.5(b), such Registration Indemnitee shall have the rights and duties given to Primerica by Section 6.2 hereof (except that if Primerica shall have assumed the defense thereof such Registration Indemnitee shall not be required to do so, but may employ separate counsel therefor and participate in the defense thereof, but the fees and expenses of such counsel shall be at such Registration Indemnitee's expense), and Primerica, its directors, any such officer and any such controlling person shall have the rights and duties given to such Registration Indemnitee by Section 6.2 hereof.

Section 6.6 Contribution.

(a) If the indemnification provided for in this Article VI is unavailable to an indemnified party under Section 6.5 hereof in respect of any Losses referred to therein, then an indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses (i) in such proportion as is appropriate to reflect the relative benefits received by Primerica, on the one hand, and the applicable Registration Indemnitee, on the other hand, from the offering of the securities covered by such Registration Statement and Prospectus, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of Primerica, on the one hand, and the applicable Registration Indemnitee, on the other hand, in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by Primerica, on the one hand, and a Registration Indemnitee, on the other hand, shall be deemed to be in the same proportion as the total net proceeds from the applicable securities offering (before deducting expenses) received by Primerica bear to the total net proceeds from such offering (before deducting expenses) received by such Registration Indemnitee. The relative fault of Primerica, on the one hand, and the applicable Registration Indemnitee, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by Primerica, on the one hand, or by such Registration Indemnitee, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(b) Primerica and each Registration Indemnitee agree that it would not be just and equitable if contribution pursuant to this Section 6.6 were determined by a pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 6.6 (a) above. The amount paid or payable by an indemnified party as a result of the Losses referred to in Section 6.6(a) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating any claim or defending any such Action. Notwithstanding the provisions of this Section 6.6, a Registration Indemnitee shall not be required to contribute any amount in excess of the amount by which the proceeds to such Registration Indemnitee exceeds the amount of any damages which such Registration Indemnitee has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

ARTICLE VII

OTHER PROVISIONS

Section 7.1 Keepwell Release and Payments.

(a) On or prior to the date hereof or as soon as practicable hereafter, except as contemplated by the Reinsurance Agreements, Primerica shall (with the reasonable cooperation of the applicable member of the Citigroup Affiliated Group) use its commercially reasonable efforts to have any member of the Citigroup Affiliated Group released as guarantor of, or obligor for, any Keepwell.

(b) To the extent required to obtain a release from a Keepwell of any member of the Citigroup Affiliated Group, Primerica shall execute a guaranty agreement in the form of the existing guaranty.

(c) Primerica shall indemnify and hold harmless the applicable member of the Citigroup Affiliated Group for any Loss arising from or relation to any Keepwell (in accordance with the provisions of Article VI) and Primerica, shall or shall cause one of its Subsidiaries, as agent or subcontractor for such member, to, pay, perform and discharge fully all the obligations or other liabilities of such member thereunder.

Section 7.2 Software.

(a) Grant of License from Citigroup to Primerica. Citigroup hereby grants, or Citigroup shall cause the applicable member of the Citigroup Affiliated Group to hereby grant, Primerica a non-exclusive, perpetual, irrevocable (subject to the termination rights specified below), sublicensable to any Subsidiary of Primerica, royalty-free, unlimited license to use for Primerica's own internal business purposes the Citigroup Proprietary Software. Citigroup and Primerica hereby acknowledge and agree that (i) Schedule 7.2(a) shall specify the process by which copies of the listed software will be copied, as well as the process for, and timing of, the transfer of such copy of the listed software from Citigroup and/or the applicable other members of the Citigroup Affiliated Group to Primerica or its applicable Subsidiaries, and (ii) the incremental costs associated with the creation or transfer of any such copies shall accrue to Primerica or its applicable Subsidiaries. The software licensed to Primerica pursuant to this Section 7.2(a) shall be kept confidential by Primerica and its Subsidiaries pursuant to Section 9.8. Citigroup and Primerica further acknowledge and agree that THE CITIGROUP PROPRIETARY SOFTWARE LICENSED PURSUANT TO THIS SECTION 7.2(A) IS BEING PROVIDED "AS IS." CITIGROUP SPECIFICALLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED (INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE), REGARDING THE CITIGROUP PROPRIETARY SOFTWARE. Except as expressly set forth in the Transition Services Agreement, neither Citigroup nor any member of the Citigroup Affiliated Group shall have any support or maintenance obligations with respect to the Citigroup Proprietary Software licensed pursuant to this Section 7.2(a). Notwithstanding anything herein to the contrary, the foregoing license shall automatically terminate (x) with respect to any Subsidiary of Primerica at such time as it ceases to be a Subsidiary of Primerica and (y) at such time as a majority of the Voting Stock of Primerica is owned by any Citigroup Competitor. The license granted under this Section 7.2(a) will include both the source code and object code of the licensed software.

(b) Domain Names, Hardware and Third Party Software. Citigroup shall, and shall cause any other applicable members of the Citigroup Affiliated Group to, assign to Primerica or its Subsidiaries (i) the third-party computer software licenses, the domain names and the hardware set forth on Schedule 7.2(b) and (ii) any other third party computer software

licenses, domain names and hardware, in each case, that is (x) owned by a member of the Citigroup Affiliated Group, (y) used or held for use exclusively in connection with the Primerica Business and (z) identified in writing to Citigroup by Primerica within six (6) months after the completion of the Initial Public Offering; provided, that (A) no member of the Citigroup Affiliated Group shall have any obligation to assign to Primerica or its Subsidiaries any domain name incorporating any trademark owned by any member of the Citigroup Affiliated Group (after giving effect to the Exchange Agreement), (B) all arrangements for the assignment of software licenses shall be subject to consent of the applicable licensor and the terms of the applicable license agreement, and (C) the foregoing shall not require Citigroup to assign any license agreements used by any member of the Citigroup Affiliated Group. All out-of-pocket third party costs associated with any assignments made pursuant to this Section 7.2(b) shall accrue to and be paid by Primerica. If Primerica or any of the Designated Primerica Sublicensees has, prior to the completion of the Initial Public Offering, registered, either directly or through the Citigroup Affiliated Group, any domain name incorporating a mark owned by any member of the Citigroup Affiliated Group (after giving effect to the Exchange Agreement), Primerica shall, and shall cause the Designated Primerica Sublicensees to assign such domain name to Citigroup or one of its Subsidiaries, as soon as it or a Designated Primerica Sublicensee becomes aware of such domain name. The Citigroup Affiliated Group shall maintain the registration of any domain names incorporating both a mark owned by any member of the Citigroup Affiliated Group (after giving effect to the Exchange Agreement) and a mark owned by Primerica or any of the Designated Primerica Sublicensees, with an industry-recognized registry operator for at least three (3) years following the completion of the Initial Public Offering. Primerica shall, and shall cause the Designated Primerica Sublicensees to, cooperate with Citigroup at Citigroup's request to effect all such assignments.

Section 7.3 Non-Competition.

(a) Except as otherwise contemplated by this Agreement, and subject to the following provisions of this Section 7.3, until the earlier of (x) the third anniversary of the date hereof and (y) the Second Trigger Date, Citigroup shall not, and shall cause the members of the Citigroup Affiliated Group not to, engage in the Distribution of term life insurance products (the "Products") through Independent Contractor Representatives in the Region (the "Restricted Business").

(b) Without in any way implying that such activities would otherwise have been restricted hereby, nothing in this Section 7.3 shall prevent or restrict Citigroup or any of its Affiliates from:

(i) Distributing Products other than through Independent Contractor Representatives in the Region;

(ii) underwriting, issuing, or administering any insurance, annuity, credit, financial or other products or funds;

(iii) conducting or engaging in any business activity of any kind that does not constitute part of the Restricted Business, including (A) lending, financing and other banking activities (including originating, purchasing, selling, brokering or

securitizing any loans (including mortgage loans and consumer loans) or debt securities), (B) proprietary and third-party portfolio investment, asset management, cash and liquidity management, treasury and trade services, merchant banking and fund and fund services activities, (C) issuing, offering, trading or underwriting all wholesale financial or structured products (including retail products distributed through intermediaries), including, by way of example, any derivatives, commodities or securities trading or underwriting, securities services and brokerage activities, (D) all wholesale businesses, including, by way of example, advisory, investment banking, corporate brokerage and commercial banking and venture capital activities, (E) all real estate activities, (F) entering into arrangements with a view to or otherwise providing any services and/or products (including white labeling, outsourcings and other technology based solutions) to or via or in cooperation with banks (including retail banks and postal or giro banks), other companies or state entities, (G) the provision of private banking and wealth management products and services, (H) issuing and servicing cards, card products and card payment products, including through cobranding operations with retail vendors, card portfolio acquisitions or direct mail, as well as providing card acquiring services to merchants and sponsorship into card associations and (I) custodial, trust, agent or fiduciary services (in the case of clauses (A) through (I), the foregoing activities or services shall include activities or services on behalf, in respect or for the account, of any Person conducting or engaging in the Restricted Business);

(iv) insuring (whether by self-insurance, reinsurance, captive arrangements or otherwise) the risks of, and issuing bonds related to, the business and operations of Citigroup or any of its Affiliates;

(v) owning, acquiring or acquiring control of, in any manner, any Person or assets (a "Target Business") that includes or include operations the conduct of which by any member of the Citigroup Affiliated Group would otherwise be deemed to be a Restricted Business (a "Competitive Business") so long as in the case of a Target Business which (A) has financial statements prepared in accordance with GAAP, the net revenues (i.e., revenues disregarding benefits and changes in reserves, interest credited to customers and extraordinary items) derived by the Target Business from the Competitive Business, excluding realized gains, based on an average of the most recently completed three (3) fiscal years preceding such acquisition, constituted less than twenty five percent (25%) of such net revenues of the Target Business, or (B) does not have financial statements prepared in accordance with GAAP, the net revenues (or the applicable equivalent thereof) (disregarding benefits and changes in reserves, interest credited to customers and extraordinary items) derived by the Target Business from the Competitive Business, excluding realized gains, based on an average of the most recently completed three (3) fiscal years preceding such acquisition, constituted less than twenty five percent (25%) of such net revenues of the Target Business; it being hereby understood that in the case of a permitted acquisition of a Competitive Business in accordance with the foregoing clauses (A) or (B), Citigroup can distribute the Target Business' products so acquired through any distribution channels;

(vi) owning, acquiring or holding at any time, directly or indirectly, less than ten percent (10%) of any class of stock or other equity securities of a Person engaged, directly or indirectly, in a Restricted Business;

(vii) conducting or engaging in any reinsurance business of any kind or nature, including the business contemplated by the Reinsurance Agreements;

(viii) engaging, or owning or controlling any Person that engages, in a Restricted Business after such time as Primerica or its Subsidiaries no longer are engaged in such Restricted Business to any significant extent;

(ix) Distributing insurance products to existing customers of members of the Citigroup Affiliated Group;

(x) continuing existing activities conducted by the members of the Citigroup Affiliated Group; or

(xi) engaging, or seeking to engage, in any commercial dealings with Primerica or any of its Affiliates on mutually agreeable terms.

(c) Nothing in this Section 7.3 shall apply to any Affiliate of Citigroup that is held as part of ordinary course merchant banking, acquisition or investment activities by an investment vehicle or fund in which any of Citigroup's Affiliates (including Citigroup Venture Capital International, Citigroup Private Equity or Citigroup Alternative Investments) is an investor, investment adviser or manager or for which any of Citigroup's Affiliates acts in any fiduciary capacity, or as part of ordinary course asset management activities of any pension or other benefit plan of Citigroup or any of its Affiliates.

(d) Each of the parties agrees that the covenants contained in this Section 7.3 are reasonable with respect to duration, geographical area and scope. If any provision of this Section 7.3 is found not to be enforceable in accordance with its terms because of the duration of such provision, the geographic area or the scope of activities covered thereby, the parties agree that the judge or other authority making such determination will have the power to reduce the duration, the geographic area or scope of such provision, and in its reduced form such provision shall be enforceable.

Section 7.4 Non-Solicitation; Non-Hire.

(a) For a period of two years following the completion of the Initial Public Offering, no member of the Citigroup Affiliated Group, on the one hand, or any of Primerica or any of its Subsidiaries, on the other hand, will, without the prior written consent of the other party, either directly or indirectly, on their own behalf or in the service or on behalf of others, solicit or hire, or attempt to solicit or hire, any person employed by the other party whose aggregate annualized cash compensation for the prior calendar year exceeds $200,000, (the "Restricted Employees"); provided, that the foregoing will not (i) prevent either party from soliciting or hiring any such person after the termination of such employee's employment by their respective employer unless specifically prohibited by such employee's agreement, if any, with a member of the Citigroup Affiliated Group or Primerica and its Subsidiaries or (ii)

prohibit either party from placing public advertisements or conducting any other form of general solicitation which is not specifically targeted towards the Restricted Employees, so long as such Restricted Employee is not hired by such party conducting the general solicitation for employees.

(b) For a period of two years following the completion of the Initial Public Offering, no member of the Citigroup Affiliated Group shall intentionally engage in any targeted solicitation of Primerica's Independent Contractor Representatives for any purpose.

(c) Following the completion of the Initial Public Offering, the parties hereby agree that in no event will any member of the Citigroup Affiliated Group intentionally use any Prime Re customer list or customer database existing as of the date hereof for purposes of marketing any products or services to such customers. With respect to Primerica customers of Citicorp Trust Bank, FSB ("CTB") referred to CTB by a Primerica representative, any restrictions on solicitation of such customers shall be governed by that certain Loan Brokerage Agreement entered into by and between CTB and Primerica Financial Services Home Mortgages, Inc. ("PFSHMI"), dated as of March 10, 2010. Subject to the requirements of this Section 7.4(c), following the completion of the Initial Public Offering, if Primerica reasonably believes that any Primerica customer list or customer database is being used by a member of the Citigroup Affiliated Group for marketing purposes, Primerica will promptly notify Citigroup, and the parties will use good faith efforts to conduct an investigation and take corrective action, if appropriate.

Section 7.5 Employee Benefits.

(a) Citigroup shall allow Continuing Employees to participate in employee benefit plans maintained by the Citigroup Affiliated Group to the extent set forth in the Transition Services Agreement and in accordance with the provisions thereof. In addition, Citigroup shall allow all current and former employees of Primerica located in the United States who are receiving long-term disability benefits under the plans and policies of the Citigroup Affiliated Group as of the end of the period contemplated by the Transition Services Agreement (the "TSA Period"), and all employees of Primerica in the United States who are receiving short-term disability benefits under the plans and policies of the Citigroup Affiliated Group as of the end of the TSA Period who are ultimately approved for long-term disability benefits (in each case, whether the disability was incurred prior to, on, or following the completion of the Initial Public Offering), to continue to receive long-term disability benefits following the TSA Period in accordance with the terms of the plans and policies of the Citigroup Affiliated Group, and Primerica shall not be liable for the premium for Citigroup's MetLife long-term disability plan or for the long-term disability benefit payments while employees are on an approved long-term disability other than as set forth in the Transition Services Agreement.

(b) The parties hereto agree that as of the date of the completion of the Initial Public Offering, (x) the outstanding Citigroup equity compensation awards as set forth on Schedule 7.5(b) shall be cancelled and (y) Primerica shall cause such awards to be replaced by awards under the Primerica, Inc. 2010 Omnibus Incentive Plan (the "Plan"), in each case, in accordance with the provisions set forth on Schedule 7.5(b).

(c) As soon as practicable following the completion of the Initial Public Offering, Primerica shall establish a qualified defined contribution savings plan (the "Primerica Savings Plan") and a related trust intended to qualify under Section 401(a) and Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), for the benefit of the Continuing Employees who participated in the Citigroup 401(k) Plan immediately prior to the completion of the Initial Public Offering (the "Primerica Savings Plan Participants"). All Primerica Savings Plan Participants shall be eligible to participate in the Primerica Savings Plan as of the date of its establishment. Notwithstanding the generality of the foregoing, Primerica shall cause the Primerica Savings Plan to (A) provide the optional forms of benefit required to be preserved by Section 411(d)(6) of the Code and (B) recognize the service of each Continuing Employee with Citigroup Affiliated Group prior to the completion of the Initial Public Offering.

(d) Nothing contained in this Section 7.5 shall be construed to limit the ability of any member of the Citigroup Affiliated Group to amend, modify or terminate any plan specified in Sections 7.5(a) or (b) hereof, consistent with the terms of such plan, as determined in such member's sole discretion.

(e) Nothing contained in this Section 7.5 or the Transition Services Agreement shall be construed to limit the ability of Primerica to amend, modify or terminate any employee benefit or compensation plan or program, consistent with the terms of such plan or program, as determined in Primerica's sole discretion.

(f) Nothing in this Section 7.5 or the Transition Services Agreement shall (i) be treated as an amendment to any employee benefit plan maintained by any member of the Citigroup Affiliated Group or Primerica or any of its Subsidiaries, (ii) obligate the members of the Citigroup Affiliated Group or Primerica or its Subsidiaries to (A) maintain any particular benefit plan or arrangement or (B) retain the employment of any particular employee or (iii) provide to any Primerica Employees or any other individual associated therewith (including Primerica's Independent Contractor Representatives) with any rights as third party beneficiaries of this Agreement.

(g) Primerica and Citigroup shall provide each other with such records and information, and shall cooperate, as may be necessary or appropriate to carry out their obligations under this Section 7.5 and Section 2.1 of the Transition Services Agreement. Schedule 7.5(g) shall set forth a list of Primerica employees as of the date hereof and Primerica shall update Schedule 7.5(g) hereto periodically as reasonably required by Citigroup to carry out its obligations under this Section 7.5 and under the Transition Services Agreement and provide such updated Schedule 7.5(g) to Citigroup.

Section 7.6 Form S-8. To the extent necessary to enable the unrestricted transfer of the applicable shares of Common Stock, as soon as practicable following the completion of the Initial Public Offering, Primerica shall file, and cause to remain effective, a registration statement on Form S-8 (or such other applicable form) with the SEC to register the shares of Common Stock that may be acquired by employees of Primerica pursuant to Primerica's employee stock or option plans.

Section 7.7 Right of First Offer. For a period of two years following the completion of the Initial Public Offering, Citigroup shall have a right of first offer to provide Primerica or its Subsidiaries with any financial or advisory services, including investment banking and underwriting services, that it does not currently provide to Primerica and its Subsidiaries, upon such terms and conditions and at such rates as prevailing in the market at the time such services are provided. During the period set forth in the preceding sentence, not less than five Business Days prior to entering into an agreement or arrangement with a party other than Citigroup for the provision of financial or advisory services, Primerica shall, or shall cause its Subsidiaries to, present Citigroup, in writing, with the opportunity to provide such financial or advisory services. From the date of receipt of such notice, Citigroup shall have five Business Days to deliver an offer capable of being accepted for the provision of such financial or advisory services. If an offer is delivered by Citigroup within such five Business Day period, Primerica may either accept or reject the offer; provided, however, that if Primerica rejects the offer it may not enter an agreement with another party (other than Citigroup) to provide such services on substantially the same terms and conditions and at substantially the same rates (or on less favorable terms or at more expensive rates) as reflected in the offer for the remaining term of this Section 7.7, unless a subsequent offer has been delivered to Citigroup in accordance with this Section 7.7. If no such offer is delivered by Citigroup within such five Business Day period, Primerica shall be free to enter into an agreement with another entity for the provision of such financial or advisory services and Citigroup shall have no further rights pursuant to this Section 7.7 with respect to such financial or advisory services. Notwithstanding anything to the contrary in this Agreement, (a) Citigroup shall not have a right to offer to provide financial services or advisory services if Citigroup does not, at the time that Primerica seeks a service, provide such service to third parties who are not Affiliates of Citigroup in the ordinary course of Citigroup's business, or otherwise with such frequency as is customary in the market for such financial or advisory service, or if Primerica makes a good-faith determination that Citigroup is unable to provide any applicable service with an equal or greater level of quality as a third party could provide; and (b) any engagement between Citigroup and Primerica and its Subsidiaries shall not be exclusive, and Primerica and its Subsidiaries shall at all times have the right to hire and employ other service providers, banks, agents and any other person to provide a service in the same capacity as Citigroup, with respect to such service.

Section 7.8 Compliance with Provisions. Primerica covenants to cause each of its present and future direct and indirect Subsidiaries to take any and all actions necessary to ensure continued compliance by Primerica and its Subsidiaries with the provisions of the Primerica Charter and this Agreement. Primerica shall notify Citigroup in writing as soon as possible after becoming aware of any act or activity taken or proposed to be taken by Primerica or any of its Subsidiaries which resulted or would result in non-compliance with any provision of the Primerica Charter or this Agreement and shall take or refrain from taking all such actions as Citigroup shall in its sole discretion determine necessary or desirable to prevent or remedy any such non-compliance.

Section 7.9 Access to Shared Historical Records; Information Arising from Affiliate Relationship. For a period of one year following the First Trigger Date, Citigroup and Primerica will retain the right to access any records, information or documents which exist resulting from Citigroup's and Primerica's relationship as Affiliates, or any other shared or commingled historical records. Upon reasonable notice and at each party's own expense, Citigroup (and its

authorized representatives) and Primerica (and its authorized representatives) will be afforded access to such records at reasonable times and during normal business hours and each party (and its authorized representatives) will be permitted, at its own expense, to make abstracts from, or copies of, any such records; provided, access to such records may be denied if (i) Citigroup or Primerica, as the case may be, cannot demonstrate a legitimate business need for such access to the records, (ii) the information contained in the records is subject to any applicable confidentiality commitment to a third party, (iii) a bona fide competitive reason exists to deny such access, (iv) the records are to be used for the initiation of, or as part of, a suit or claim against the other party, (v) such access would serve as a waiver of any Privilege afforded to such record, and (vi) such access will unreasonably disrupt the normal operations of Citigroup or Primerica, as the case may be. Notwithstanding anything in this Agreement to the contrary, the retention of and access to records, information or documents related to the tax matters of Primerica and Citigroup will be governed exclusively by the Tax Separation Agreement.

Section 7.10 Promotional Agreements. All mutual promotional arrangements existing on the date hereof shall remain in full force and effect until the First Trigger Date. Following the First Trigger Date, additional, mutual promotional arrangements shall be entered into only upon the mutual agreement of the parties hereto.

Section 7.11 Joint Internet Marketing. Until the First Trigger Date, Citigroup and Primerica agree to review and discuss the applicability of any arrangements in existence as of the date hereof whereby Citigroup and Primerica jointly market their products and services on the Internet; provided, that such review and discussion shall at all times take into consideration commercially reasonable standards relating to such businesses. Following the First Trigger Date, such joint Internet marketing arrangements shall be entered into only upon the mutual agreement of the parties.

Section 7.12 Litigation and Settlement Cooperation. Prior to the Second Trigger Date, each of Citigroup and Primerica will keep each other informed of any threatened or filed third-party action, claim or dispute (except for any third-party action, claim or dispute alleging infringement or other violation of or by any trademarks owned by any member of the Citigroup Affiliate Group or by Primerica or one of its Subsidiaries) ("Third-Party Action") against a member of the Citigroup Affiliated Group, or Primerica (the "Primary Litigant") or one of its Subsidiaries in which the other party (the "Secondary Litigant") is named by the third party. If the Secondary Litigant wishes to participate in the settlement of the Third-Party Action, the Secondary Litigant will be responsible for a portion of any such settlement obligation and any incremental cost (as mutually agreed by the Primary Litigant and the Secondary Litigant). If it is determined by the Primary Litigant and the Secondary Litigant that the Secondary Litigant is only named in the Third-Party Action because of its relationship with the Primary Litigant (as current or former Affiliate), then the Primary Litigant will bear all costs and settlement obligations. The parties agree to cooperate in the defense and settlement of any Third-Party Action which primarily relates to matters, actions, events or occurrences taking place prior to the Second Trigger Date. Prior to the Second Trigger Date, both Primerica and Citigroup will use their reasonable best efforts to (i) make the necessary filings to permit each party to defend its own interests in any Third-Party Action and (ii) cooperate with one another to ensure that information that has been generated in the course of the defense of the Third-Party Actions is transferred to the party requiring such information as soon as practicable.

Section 7.13 Compliance. Primerica hereby covenants that so long as Citigroup is deemed to control Primerica for bank regulatory purposes, without the prior written consent of Citigroup, Primerica shall not take any action or fail to take any action that, to the Knowledge of Primerica, would result in Citigroup being in non-compliance with the BHC Act or any other bank regulatory law, rule, regulation, guidance, order or directive, and Primerica hereby agrees to correct such action taken or inaction whether taken (or not taken) knowingly or unknowingly.

Section 7.14 Policies and Procedures.

(a) Prior to the First Trigger Date, Primerica hereby covenants, and to cause each of its Subsidiaries, to follow all policies and procedures applicable to any other member of the Citigroup Affiliated Group.

(b) Primerica and Citigroup hereby agree that upon and following the First Trigger Date, Primerica shall be permitted to develop its own internal policies and procedures, including compliance-related policies and procedures, so long as such policies and procedures or compliance therewith would not cause Citigroup to be in non-compliance with the BHC Act or any other applicable law, rule, regulation, guidance, order or directive; provided, however, that prior to the Second Trigger Date, Primerica shall deliver any proposed internal compliance policies or procedures (which shall be deemed to include all policies which could materially impact Citigroup's compliance with the BHC Act or any other applicable law, rule, regulation, guidance, order or directive), or any material amendment, modification or supplement to its existing internal compliance policies or procedures, to Citigroup, and shall give Citigroup a reasonable opportunity to review and comment on such proposed internal compliance policies or procedures, or any material amendment, modification or supplement thereto, prior to its adoption or implementation.

(c) Any proposed internal policies, procedures or other communications provided for in this Section 7.14 shall be delivered (i) if to Citigroup: James R. Garner, General Counsel, Consumer Banking North America and (ii) if to Primerica: Peter W. Schneider, General Counsel.

Section 7.15 Intercompany Accounts. All intercompany receivables, payables and loans (other than receivables, payables and loans otherwise specifically provided for under this Agreement or the Continuing Agreements, including payables created or required hereby) between any member of the Citigroup Affiliated Group, on the one hand, and Primerica or any of its Subsidiaries, on the other hand, which exist and are reflected in the accounting records of the relevant parties as of the completion of the Initial Public Offering shall, on or prior to the completion of the Initial Public Offering, be settled, by means of cash payments, a dividend, capital contribution, a combination of the foregoing or otherwise, as determined by Citigroup. Primerica shall be permitted, in its discretion (subject to the reasonable consent of Citigroup), to settle prior to the completion of the Initial Public Offering, by means of cash payments, dividends, capital contributions, a combination of the foregoing or otherwise, all or any portion of the intercompany receivables, payables and loans among Primerica and its Subsidiaries, which exist and are reflected in the accounting records of the relevant parties.

Section 7.16 Termination of Intercompany Agreements.

(a) Neither Primerica nor any of it Subsidiaries, on the one hand, and the members of the Citigroup Affiliated Group, on the other hand, shall be liable to the other based upon, arising out of or resulting from any contract, arrangement, course of dealing or understanding existing on or prior to the date hereof (other than this Agreement or the Continuing Agreements), and each party hereby terminates any and all contracts, arrangements, course of dealings or understandings between or among any member of the Citigroup Affiliated Group, on the one hand, and Primerica or any of its Subsidiaries, on the other hand, effective as of the date hereof (other than this Agreement or the Continuing Agreements), and any liability, whether or not in writing, which is not reflected in this Agreement or the Continuing Agreements, is hereby irrevocably cancelled, released, discharged and waived. No such terminated contract, arrangement, course of dealing or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the date hereof.

(b) The provisions of Section 7.16(a) shall not apply to any agreements, arrangements, commitments or understandings to which any Person other than the parties and their respective Affiliates is a party.

Section 7.17 Citigroup Control Rights.

(a) Until the First Trigger Date, Primerica shall not, without the prior written consent of Citigroup, permit any of the following to occur:

(i) any change in any of the co-Chief Executive Officers, the Chief Financial Officer, the Chief Operating Officer, the General Counsel or the President of Primerica, or other then Named Executive Officers (as defined under Item 402(a) of Regulation S-K) of Primerica, except in the case of death, disability, resignation, retirement, disqualification or removal for cause (as defined in the Plan) or for breach of an employment agreement; provided, however, that Citigroup shall maintain its right to consent to any replacement thereof; or

(ii) the nomination or removal of the members of the Board of Directors of Primerica or any committee of the Board of Directors of Primerica, the establishment of any committee of the Board of Directors of Primerica, and the filling of newly created membership and vacancies on the Board of Directors of Primerica or any committees of the Board of Directors of Primerica.

(b) Until the Second Trigger Date, Primerica shall not, without the prior written consent of Citigroup, permit any of the following to occur:

(i) any consolidation or merger of Primerica or any Subsidiary of Primerica with or into any Person or of any Person with or into Primerica or any Subsidiary of Primerica (other than a merger or consolidation with or into a Subsidiary of Primerica), other than to acquire one hundred percent (100%) of the equity ownership of another entity or to dispose of one hundred percent (100%) of the equity ownership of one of the Subsidiaries of Primerica, in each case, involving consideration (as determined in good faith by a majority of the Board of Directors of Primerica) not exceeding $50 million;

(ii) entry into or consummation of any sale, lease, exchange or other disposition or any acquisition (by way of merger or consolidation, acquisition of stock, other securities or assets, or otherwise) or investment, in each case, by Primerica or any Subsidiary of Primerica, directly or indirectly, in a single transaction, or a series of related transactions valued in the aggregate, involving consideration (as determined in good faith by a majority of the Board of Directors of Primerica) in excess of $50 million, other than transactions between Primerica and its Subsidiaries;

(iii) any increase or decrease in the authorized capital stock of Primerica or the creation of any class or series of capital stock of Primerica;

(iv) any issuance or sale by Primerica or any Subsidiary of Primerica of any shares of its respective capital stock or any options, warrants or rights to acquire such capital stock or securities convertible into or exchangeable for capital stock or the adoption by Primerica or any Subsidiary of Primerica of any equity incentive plan (other than any equity incentive plan adopted in the ordinary course of business), except (a) the issuance of shares of capital stock by a Subsidiary of Primerica to Primerica or another of its Subsidiaries of Primerica, (b) in connection with the Initial Public Offering and the related transactions, including any issuance of securities upon the conversion or exercise of the Warrant, or in exchange for any of such securities, or the exercise of any right of the Investor (as defined in the Securities Purchase Agreement) set forth in the Securities Purchase Agreement or the Warrant, (c) pursuant to director, employee and sales representative stock incentive awards granted in the ordinary course of business, (d) in connection with consolidations, mergers, acquisitions, investments or dispositions for which Citigroup's consent is not required as contemplated by Sections 7.17(b)(i) and 7.17(b)(ii) hereof; or (e) if the Board of Directors of Primerica determines in its good faith judgment that Primerica needs to raise common equity capital either to (x) replace the Citi Note, (y) deleverage Primerica to address potential financial covenant defaults under any material debt agreement or (z) make a capital contribution to one of Primerica's principal insurance company Subsidiaries as requested by the principal regulator for such insurance company Subsidiary of Primerica or to maintain the financial strength rating of such insurance company Subsidiary of Primerica, so long as, in each case, the members of the Citigroup Affiliated Group have the right to participate in the equity sale;

(v) any dissolution, liquidation or winding up of Primerica;

(vi) the amendment by Primerica of Article Fourteenth or Article Fifteenth of the Primerica Charter or Article VIII and Article IX of Primerica's Amended and Restated By-Laws, effective March 31, 2010;

(vii) the declaration or payment of dividends on any class or series of the capital stock of Primerica, except for pro rata dividends on shares of Common Stock or the payment of mandatory dividends on shares of preferred stock so long as such shares of preferred stock are issued in accordance with Section 7.17(b)(iv);

(viii) any change in the number of directors on the Board of Directors of Primerica; or

(ix) the entry into or consummation by Primerica or any Subsidiary of Primerica of any transaction, or a series of related transactions valued in the aggregate, involving consideration (as determined in good faith by a majority of the Board of Directors of Primerica) in excess of $5 million with any Affiliate of Primerica (other than members of the Citigroup Affiliated Group), other than (a) the Initial Public Offering and related transactions, (b) transactions which are on terms substantially the same as or more favorable to Primerica than those that would be available from an unaffiliated third party and (c) transactions between or among any of Primerica and its Subsidiaries.

Section 7.18 Information Required for Regulatory Purposes. In addition to, and not in limitation of, Sections 5.1 through and including Section 5.4 hereof and other provisions of this Agreement relating thereto, Primerica hereby covenants that for so long as Citigroup is deemed to control Primerica for bank regulatory purposes, Primerica shall, or shall cause its Subsidiaries to, provide Citigroup or any of its Affiliates (and their respective authorized representatives) access to any Primerica personnel and records and such other information or documents as Citigroup or such Affiliate may deem necessary or advisable to monitor and ensure compliance with the Bank Holding Company Act of 1956, as may be amended from time to time or any successor law (the "BHC Act"), or any other applicable bank regulatory law, rule, regulation, guidance, order or directive (which shall include information and access relating to Primerica's compliance with policies and procedures in accordance with Section 7.14 hereof). Upon reasonable notice, and at Citigroup's own expense, Citigroup or any of its applicable Affiliates (and its authorized representatives) will be afforded access to such personnel and records and such other information or documents at reasonable times and during normal business hours and Citigroup or its applicable Affiliate (and its authorized representatives) will be permitted, at its own expense, to make abstracts from, or copies of, any such records, information or documents.

ARTICLE VIII

DISPUTE RESOLUTION

Section 8.1 Negotiation. (a) In the event of any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof (a "Dispute"), upon the written notice ("Notice") of either party hereto, the parties shall attempt to negotiate a resolution of the Dispute; provided, however, that this Article VIII shall not apply to any dispute, controversy or claim arising exclusively out of Article III of this Agreement, for which each party hereby submits to the exclusive jurisdiction of the Federal or State Courts in New York, New York (the "New York Courts"). Each party unconditionally and irrevocably waives any objections which it may have now or in the future to the jurisdiction of the New York Courts over such Article III disputes including objections by reason of lack of personal jurisdiction, improper venue or inconvenient forum.

(b) If the parties are unable for any reason to resolve a Dispute within 30 days after the receipt of the Notice, then either party may submit the Dispute to arbitration in accordance with Section 8.2 hereof as the exclusive means to resolve such Dispute.

Section 8.2 Arbitration.

(a) Any Dispute not resolved pursuant to Section 8.1 hereof shall, at the request of either party, be finally settled by arbitration administered by the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules then in effect (the "Rules") except as modified herein. The arbitration shall be held in New York, New York.

(b) There shall be three arbitrators of whom each party shall select one within 15 days of respondent's receipt of claimant's demand for arbitration. The two party-appointed arbitrators shall select a third arbitrator to serve as Chair of the tribunal within 15 days of the selection of the second arbitrator. If any arbitrator has not been appointed within the time limits specified herein, such appointment shall be made by the AAA in accordance with the Rules upon the written request of either party within 15 days of such request. The hearing shall be held no later than 120 days following the appointment of the third arbitrater.

(c) The arbitral tribunal shall permit prehearing discovery that is relevant to the subject matter of the Dispute taking into account the parties' desire that the arbitration be conducted expeditiously and cost effectively. All discovery shall be completed within 60 days of the appointment of the third arbitrator.

(d) By agreeing to arbitration, the parties do not intend to deprive a court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies, to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect. For the purpose of any provisional relief contemplated hereunder, the parties hereby submit to the exclusive jurisdiction of the New York Courts. Each party unconditionally and irrevocably waives any objections which they may have now or in the future to the jurisdiction of the New York Courts including objections by reason of lack of personal jurisdiction, improper venue, or inconvenient forum.

(e) The award shall be in writing, shall state the findings of fact and conclusions of law on which it is based, shall be final and binding and shall be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues, or accounting presented to the arbitral tribunal. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1 *et seq.*, and judgment upon any award may be entered in any court having jurisdiction.

(f) The parties will bear equally all fees, costs, disbursements and other expenses of the arbitration, and each party shall be solely responsible for all fees, costs, disbursements and other expenses incurred in the preparation and prosecution of their own case;

provided that in the event that a party fails to comply with the orders or decision of the arbitral tribunal, then such noncomplying party shall be liable for all costs and expenses (including attorneys fees) incurred by the other party in its effort to obtain either an order to compel, or an enforcement of an award, from a court of competent jurisdiction.

(g) The arbitral tribunal shall have the authority, for good cause shown, to extend any of the time periods in this arbitration provision either on its own authority or upon the request of any of the parties. The arbitral tribunal shall be authorized in its discretion to grant pre-award and post-award interest at commercial rates. The arbitral tribunal shall have no authority to award punitive, exemplary or multiple damages or any other damages not measured by the prevailing parties' actual damages. The arbitral tribunal shall have the authority to order specific performance or to issue any other type of temporary or permanent injunction.

(h) All notices by one party to the other in connection with the arbitration shall be in accordance with the provisions of Section 8.1 hereof, except that all notices for a demand for arbitration made pursuant to this Article VIII must be made by personal delivery or receipted overnight courier. This agreement to arbitrate shall be binding upon the successors and permitted assigns of each party. This Agreement and the rights and obligations of the parties shall remain in full force and effect pending the award in any arbitration proceeding hereunder.

Section 8.3 Confidentiality. Except to the extent necessary to compel arbitration or in connection with arbitration of any Dispute under this Agreement, or for enforcement of an arbitral award, information concerning (i) the existence of an arbitration pursuant to this Article VIII, (ii) any documentary or other evidence given by a party or a witness in the arbitration or (iii) the arbitration award may not be disclosed by the tribunal administrator, the arbitrators, any party or its counsel to any person or entity not connected with the proceeding unless required by law or by a court or competent regulatory body, and then only to the extent of disclosing what is legally required. A party filing any document arising out of or relating to any arbitration in court shall seek from the court confidential treatment for such document.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Notices. All notices and other communications provided for hereunder shall be dated and in writing and shall be deemed to have been given (a) when delivered, if delivered personally, sent by confirmed telecopy or sent by registered or certified mail, return receipt requested, postage prepaid, (b) on the next business day if sent by overnight courier, (c) when transmission is confirmed, if sent by facsimile or (d) when received if delivered otherwise. Such notices shall be delivered to the address set forth below, or to such other address or facsimile number as a party shall have furnished to the other party in accordance with this Section 9.1.

If to Citigroup or any other member of the Citigroup Affiliated Group, to:

Citigroup Inc.
399 Park Avenue
New York, New York 10022
Attention: Michael Zuckert, Deputy General Counsel and Managing Director
Fax: (212) 793-6300

and

Citigroup Inc.
399 Park Avenue
New York, New York 10022
Attention: Reza Shah, Head of Citi Reinsurance and Monitoring
Fax: (212) 793-6300

If to Primerica, to:

Primerica, Inc.
3120 Breckinridge Blvd.
Duluth, Georgia
Attention: Peter Schneider, General Counsel
Fax: (770) 564-6216

and

Primerica, Inc.
3120 Breckinridge Blvd.
Duluth, Georgia
Attention: Rick Williams, Co-Chief Executive Officer
Fax: (770) 564-5669

Section 9.2 Binding Nature of Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto or their successors in interest, except as expressly otherwise provided herein.

Section 9.3 Descriptive Headings. The descriptive headings of the several articles and sections of this Agreement are inserted for reference only and shall not limit or otherwise affect the meanings hereof.

Section 9.4 Specific Performance and Other Remedies.

(a) The parties hereby expressly recognize and acknowledge that immediate, extensive and irreparable damage would result, no adequate remedy at law would exist and damages would be difficult to determine in the event that any provision of this Agreement is not

performed in accordance with its specific terms or otherwise breached. Therefore, in addition to, and not in limitation of, any other remedy available to any party, except as otherwise expressly provided herein, an aggrieved party under this Agreement would be entitled to specific performance of the terms hereof and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy. Neither party shall be required to obtain or furnish any bond or similar instrument in connection with or as a condition to obtaining or seeking any such remedy. For the avoidance of doubt, nothing in this Agreement shall diminish the availability of specific performance of the obligations under this Agreement or any other injunctive relief.

(b) Such remedies, and any and all other remedies provided for in this Agreement, shall be cumulative in nature and not exclusive and shall be in addition to any other remedies whatsoever which any party may otherwise have. Each of the parties hereby acknowledges and agrees that it may be difficult to prove damages with reasonable certainty, that it may be difficult to procure suitable substitute performance, and that injunctive relief and/or specific performance will not cause an undue hardship to the parties. Each party hereby further agrees that in the event of any action by the other party for specific performance or injunctive relief, it will not assert that a remedy at law or other remedy would be adequate or that specific performance or injunctive relief in respect of such breach or violation should not be available on the grounds that money damages are adequate or any other grounds.

Section 9.5 Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights and duties of the parties shall be governed by, the laws of the State of New York, without regard to the principles of conflicts of law other than Section 5-1401 of the General Obligations Law of the State of New York.

Section 9.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

Section 9.7 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all of the rights and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law. To the extent that any such provision is so held to be invalid, illegal or unenforceable, Citigroup and Primerica shall in good faith use commercially reasonable efforts to find and effect an alternative means to achieve the same or substantially the same result as that contemplated by such provision.

Section 9.8 Confidential Information. All information provided by either party under this Agreement must be kept strictly confidential by the receiving party (the "Receiving Party"), and the Receiving Party will not use such information for any purpose (other than, in the case of Citigroup, to monitor its investment in Primerica) or disclose such information in any manner whatsoever, unless disclosure is required to comply with any law, order, judgment, decree, or any rule, regulation, request or inquiry of or by any government, court, administrative or regulatory agency or commission, other governmental or regulatory authority or any self-

regulatory body (including any securities or commodities exchange or the Financial Industry Regulatory Authority) (collectively, "Governmental Entities"). The foregoing will not apply to (i) information that otherwise becomes generally available to the public through no fault of the Receiving Party, (ii) information that is expressly intended for disclosure by the Receiving Party under the terms of this Agreement or (iii) information that the Receiving Party is required to disclose pursuant to law, rule or regulation. Citigroup will be permitted to disclose confidential information of Primerica in connection with any disposition or contemplated disposition of shares of Common Stock Beneficially Owned by Citigroup or other similar strategic transaction so long as the party to which the information is disclosed agrees to limit its use and disclosure of such information pursuant to a written non-disclosure agreement with Primerica, in a form reasonably acceptable to Primerica. The Receiving Party will disclose confidential information of the disclosing party to the Receiving Party's employees and agents solely on a need to know basis. The Receiving Party will be responsible for advising its employees and agents of the confidential nature of the information and for ensuring compliance by the Receiving Party's employees and agents with the provisions of this Section 9.8. If the Receiving Party receives a subpoena or other administrative or judicial process demanding confidential information of the other party, the Receiving Party will promptly notify the disclosing party and will, at the request of the disclosing party, cooperate with the disclosing party in attempting to minimize or avoid the disclosure (at the expense of the disclosing party); provided, however, that the foregoing will not apply to any request or demand for information from any Governmental Entity (other than any court).

Section 9.9 Amendment; Modification and Waiver. Subject to applicable law, this Agreement may be amended, modified or supplemented only by written agreement executed by the parties hereto. Any failure of a party to comply with any obligation, covenant or agreement contained in this Agreement may be waived by the party entitled to the benefits thereof only by a written instrument duly executed and delivered by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant or agreement shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure of compliance.

Section 9.10 Entire Agreement. This Agreement, including any schedules or exhibits hereto, embodies the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. In the event and to the extent that there shall be any conflict or inconsistency between the provisions of this Agreement and the provisions of any Related Agreement, such Related Agreement shall control, except as otherwise provided therein.

Section 9.11 No Assignment. Except as otherwise provided for in this Agreement, neither this Agreement nor any of the rights, interests or obligations of any party hereto may be assigned by such party without the prior written consent of the other parties; provided, however, that Citigroup may assign all or part of its rights or obligations hereunder to one or more other members of the Citigroup Affiliated Group without the prior written consent of Primerica.

Section 9.12 Recapitalization, Dilution Adjustments, etc. In the event that any capital stock or other securities are issued in respect of, in exchange for, or in substitution of, any shares of Common Stock by reason of any reorganization, recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, stock dividend, split-up, sale of assets, distribution to stockholders or combination of the shares of Common Stock then, in each such case, if necessary, appropriate adjustments shall be made so as to fairly and equitably preserve, as far as practicable, the original rights and obligations of the parties hereto under this Agreement.

Section 9.13 Other Intercompany Agreements. In connection with the execution and delivery of this Agreement, the Commercial Agreements listed on Schedule 9.13 hereto and the Related Agreements describe all of the agreements, identified as of the date hereof, between members of the Citigroup Affiliated Group, on the one hand, and Primerica or one of its Subsidiaries, on the other hand, in effect as of the date hereof. The parties agree to review the Commercial Agreements, review and identify any other additional intercompany agreements in effect as of the date hereof and to cooperate to take such further action as may be necessary for the termination, alteration or amendment of such agreements in order for such agreements to be consistent with, and to provide for, the implementation of the transactions contemplated hereby.

Section 9.14 Further Actions. Each party hereto shall, on notice of request from any other party hereto, take such further action not specifically required hereby at the expense of the requesting party, as the requesting party may reasonably request for the implementation of the transactions contemplated hereby.

Section 9.15 Further Assurances with Respect to Reorganization. At any time prior to the First Trigger Date, each of the parties to this Agreement shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further conveyances, bills of sale, deeds, endorsements, assignments, assumptions, releases and other instruments, and shall take such further actions, as may be otherwise reasonably required to (i) effectively convey and transfer to, and vest in, Primerica and put Primerica in possession of any assets and liabilities or contractual rights and obligations primarily related to the Primerica Business which were not transferred or conveyed pursuant to the Exchange Agreement and (ii) effectively convey and transfer to, and vest in, the Citigroup Affiliated Group and put the Citigroup Affiliated Group in possession of any assets and liabilities or contractual rights and obligations not primarily related to the Primerica Business which were not transferred or conveyed pursuant to the Applicable Restructuring Documents listed on Schedule I.1(a) hereto. The parties agree to execute any transaction contemplated by this Section 9.15 pursuant to a document reasonably satisfactory to both parties, including a schedule specifically identifying the contractual rights and obligations or assets and liabilities to be transferred.

Section 9.16 No Third Party Beneficiaries. Nothing in this Agreement shall convey any rights upon any person or entity which is not a party or a permitted assignee of a party to this Agreement; provided that the provisions of Article VI shall inure to the benefit of each of the indemnified parties referred to therein.

Section 9.17 Drafting of Language. Each of Citigroup and Primerica agrees that the drafting of the language contained in this Agreement was a cooperative effort, that each party

was equally responsible for such drafting and that it would be inequitable for either party to be deemed the "drafter" of any specific language contained herein pursuant to any judicial doctrine or presumption relating thereto.

Section 9.18 Interpretation. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." When a reference in this Agreement is made to a "party" or "parties," such reference shall be to a party or parties to this Agreement unless otherwise indicated. Unless the context requires otherwise, the terms "hereof," "herein," "hereby," "hereto" and derivative or similar words in this Agreement refer to this entire Agreement. Unless the context requires otherwise, words in this Agreement using the singular or plural number also include the plural or singular number, respectively, and the use of any gender herein shall be deemed to include the other genders. When a reference is made to an Article, Section, Schedule or Exhibit, such reference shall be to an Article, Section, Schedule or Exhibit of this Agreement, unless otherwise indicated. References to "dollars" or "$" are to U.S. dollars.

IN WITNESS HEREOF, the parties have caused this Agreement to be executed by a duly authorized officer and delivered as of the date first above written.

CITIGROUP INC.

/s/ Michael L. Corbat
Name: Michael L. Corbat
Title: Authorized Signatory

PRIMERICA, INC.

/s/ Peter W. Schneider
Name: Peter W. Schneider
Title: Executive VP and Secretary

ATTACHMENT 2

RESTATED
CERTIFICATE OF INCORPORATION
OF
PRIMERICA, INC.

Pursuant to Sections 242 and 245 of the
Delaware General Corporation Law

Primerica, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "GCL"), does hereby certify as follows:

1. The name of the Corporation is Primerica, Inc. The Corporation was originally incorporated under the name Puck Holding Company, Inc. pursuant to the original certificate of incorporation of the Corporation filed with the office of the Secretary of State of the State of Delaware on October 26, 2009. The original certificate of incorporation was amended by the Certificate of Amendment to the Certificate of Incorporation filed with the office of the Secretary of State of the State of Delaware on November 5, 2009.

2. This Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation (the "Board of Directors") and by the sole stockholder of the Corporation in accordance with Sections 228, 242 and 245 of the GCL.

3. This Restated Certificate of Incorporation restates and integrates and further amends the certificate of incorporation of the Corporation, as heretofore amended or supplemented.

4. The text of the Certificate of Incorporation is amended and restated in its entirety as follows:

FIRST: The name of the Corporation is Primerica, Inc.

SECOND: The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the GCL.

FOURTH:

A. Authorized Capital Stock. The total number of shares of stock which the Corporation shall have the authority to issue is 510,000,000 shares, consisting of (a) 500,000,000 shares of common stock with a par value of $0.01 per share (the "Common Stock"), which may be issued in two series: (i) voting common stock ("Voting Common Stock") and (ii) non-voting common stock ("Non-Voting Common Stock"); and (b) 10,000,000 shares of preferred stock with a par value of $0.01 per share (the "Preferred Stock"). The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding) by such affirmative vote of the votes entitled to be cast thereon as may be required at that time by the GCL.

B. Voting Common Stock and Non-Voting Common Stock.

(i) Ranking. The preferences, limitations and rights of the Voting Common Stock and Non-Voting Common Stock, and the qualifications and restriction thereof, shall be in all respects identical, except as otherwise required by law or expressly provided in this Certificate of Incorporation.

(ii) Voting. Except as otherwise required by law or in this Certificate of Incorporation (as it may be hereafter be amended, including by the filing of a certificate of designations with respect to any series of Preferred Stock), with respect to all matters upon

which stockholders are entitled to vote or to which stockholders are entitled to give consent, the holders of any outstanding shares of the Voting Common Stock shall vote together as a single class, and every holder of the Voting Common Stock shall be entitled to cast thereon one (1) vote in person or by proxy for each share of the Voting Common Stock standing in such holder's name. Except as otherwise required by law or in this Certificate of Incorporation (as it may be hereafter be amended), the holders of the outstanding shares of Non-Voting Common Stock shall not be entitled to vote on any matter.

(iii) Amendments Affecting Stock. So long as any shares of Non-Voting Common Stock are outstanding, the Corporation shall not, without such affirmative vote of the votes entitled to be cast on the amendment by the holders of outstanding shares of Non-Voting Common Stock voting as a single class as may be required at that time by the GCL, (i) amend, alter or repeal any provision of this Section B of this Article FOURTH so as to affect adversely the relative rights, preferences, qualifications, limitations or restrictions of the Non-Voting Common Stock as compared to those of the Voting Common Stock or (ii) take any other action upon which class voting of the Non-Voting Common Stock is required by law.

(iv) Dividends; Changes in Stock. No dividend or distribution may be declared or paid on any share of Voting Common Stock unless a dividend or distribution, payable in the same consideration and manner, is simultanenusly declared or paid, as tha case may be, on each share of Non-Voting Common Stock, nor shall any dividend or distribution be declared or paid on any share of Non-Voting Common Stock unless a dividend or distribution, payable in the same consideration and manner, is simultaneously declared or paid, as the case may be, on each share of Voting Common Stock, in each case without preference or priority of any kind; provided, however, that if dividends are declared that are payable in shares of Voting

Common Stock or in Non-Voting Common Stock or in rights, options, warrants or other securities convertible into or exchangeable for shares of Voting Common Stock or Non-Voting Common Stock, dividends shall be declared that are payable at the same rate on both series of Common Stock and dividends payable in shares of Voting Common Stock or in rights, options, warrants or other securities convertible into or exchangeable for shares of Voting Common Stock shall be payable to holders of Voting Common Stock and dividends payable in shares of Non-Voting Common Stock or in rights, options, warrants or other securities convertible into or exchangeable for shares of Non-Voting Common Stock shall be payable to holders of Non-Voting Common Stock. If the Corporation in any manner subdivides or combines the outstanding shares of Non-Voting Common Stock, the outstanding shares of Voting Common Stock shall be proportionately subdivided or combined, as the case may be. Similarly, if the Corporation in any manner subdivides or combines the outstanding shares of Voting Common Stock, the outstanding shares of Non-Voting Common Stock shall be proportionately subdivided or combined, as the case may be.

(v) Liquidation. Shares of Non-Voting Common Stock shall rank pari passu with shares of Voting Common Stock as to distribution of assets in the event of any liquidation, dissolution or winding up of the affairs of the Corporation.

(vi) Merger or Consolidation. In the event of a merger or consolidation of the Corporation with or into another entity (whether or not the Corporation is the surviving entity), the holders of each share of Voting Common Stock and Non-Voting Common Stock shall be entitled to receive the same per share consideration as the per share consideration, if any, received by the holders of each share of such other series of Common Stock.

(vii) Conversion of Non-Voting Common Stock.

Elective Conversion by Holder. Any share of Non-Voting Common Stock may be converted at the election of its holder into one share of Voting Common Stock at any time. To convert any share of Non-Voting Common Stock into a share of Voting Common Stock, the holder thereof shall surrender the certificate or certificates for such shares (if any) at the office of the transfer agent for the Non-Voting Common Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of Non-Voting Common Stock represented by such certificate or certificates. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for the shares of Voting Common Stock to be issued. If required by the Corporation, certificates (if any) surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. Such conversion shall be effective on the date (the "Surrender Date") of receipt of such certificates (if any) and notice by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent). The Corporation shall, as soon as practicable after the Surrender Date, issue and deliver at such office to such holder, or to his, her or its nominees, a certificate or certificates for the number of shares of Voting Common Stock to which such holder shall be entitled, or definitive evidence of issuance of such shares of Voting Common Stock in uncertificated form to such holder, together with cash in lieu of any fraction of a share.

Automatic Conversion upon Transfer. Upon a transfer of any shares of Non-Voting Common Stock to a non-affiliate of the holder, the shares of Non-Voting Common Stock so transferred shall automatically, without any action on part of the transferor, the transferee or

the Corporation, or any other person or entity, be converted into an equal number of shares of Voting Common Stock upon the consummation of such transfer. Upon surrender of the certificate or certificates (if any) representing the shares so transferred and converted, or other definitive evidence of such transfer, to the transfer agent, the Corporation shall issue and deliver in accordance with the surrendering holder's instructions the certificate or certificates or other definitive evidence representing the shares of Voting Common Stock into which such transferred shares have been converted.

Effect of Conversion. All shares of Non-Voting Common Stock that shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights of the converting holder to the shares of Non-Voting Common Stock so converted shall immediately cease and terminate on the Surrender Date, except only the right of such holder to receive the shares of Voting Common Stock into which the shares of Non-Voting Common Stock have been converted and the right to payment of any declared but unpaid dividends on such shares.

C. Preferred Stock. The Board of Directors is expressly authorized to provide for the issuance of all or any shares of the Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series as may be permitted by the GCL, including, without limitation, the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-

cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, of the Corporation at such price or prices or at such rates of exchange and with such adjustments; all as may be stated in such resolution or resolutions.

D. Power to Sell and Purchase Shares. Subject to the requirements of applicable law, the Corporation shall have the power to issue and sell all or any part of any shares of any class or series of stock herein or hereafter authorized to such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issue or sale of the same number of shares of another class or series, and as otherwise permitted by law. Subject to the requirements of applicable law, the Corporation shall have the power to purchase any shares of any class or series of stock herein or hereafter authorized from such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not less consideration could be paid upon the purchase of the same number of shares of another class or series, and as otherwise permitted by law.

FIFTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

A. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

B. The Board of Directors shall consist of not less than three or more than fifteen members, the exact number of which shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the entire Board of Directors which the Corporation would have if there were no vacancies at the time such resolution is adopted.

C. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The initial division of the Board of Directors into classes shall be made by the decision of the affirmative vote of a majority of the Board of Directors. The term of the initial Class I directors shall terminate on the date of the 2011 annual meeting of stockholders; the term of the initial Class II directors shall terminate on the date of the 2012 annual meeting of stockholders; and the term of the initial Class III directors shall terminate on the date of the 2013 annual meeting of stockholders. At each succeeding annual meeting of stockholders beginning in 2011, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned by the Board of Directors among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director.

D. A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

E. Subject to the provisions of Article TENTH of this Restated Certificate of Incorporation and the terms of any one or more classes or series of Preferred Stock, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled only by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled only by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director of any class elected to fill a vacancy resulting from an increase in the number of directors of such class shall hold office for a term that shall coincide with the remaining term of that class. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor. Subject to the provisions of Article TENTH of this Restated Certificate of Incorporation and the rights, if any, of the holders of shares of Preferred Stock then outstanding, any or all of the directors of the Corporation may be removed from office at any time, but only for cause at a duly called meeting of stockholders at which a quorum is present and only by the affirmative vote of at least sixty-six and two third percent (66 2/3%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Restated Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article FIFTH unless expressly provided by such terms.

F. In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the Board of Directors is hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Restated Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the Board of Directors which would have been valid if such By-Laws had not been adopted.

G. Notwithstanding any other provision of this Restated Certificate of Incorporation, after Citigroup Inc., a Delaware corporation ("Citi"), ceases to beneficially own (as such term is defined in Rule 16a-1(a)(2) promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) fifty percent (50%) or more of the shares of Common Stock entitled to be voted by the holders of the then outstanding Common Stock, the affirmative vote of at least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation shall be required to amend, alter, repeal or adopt any provision as part of this Restated Certificate of Incorporation inconsistent with the purpose and intent of this Article FIFTH. Neither the amendment, alteration, termination or repeal of this Article FIFTH nor the adoption of any provision inconsistent with this Article FIFTH shall eliminate or reduce the effect of this Article FIFTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article FIFTH, would accrue or arise, prior to such amendment, alteration, termination, repeal or adoption.

SIXTH: No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent

such exemption from liability or limitation thereof is not permitted under the GCL as the same exists or may hereafter be amended. If the GCL is amended hereafter to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent authorized by the GCL, as so amended. Any repeal or modification of this Article SIXTH shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

SEVENTH: In anticipation that the Corporation and Citi may engage in the same or similar business activities or lines of business and have an interest in the same areas of corporate opportunities, and in recognition of the benefits to be derived by the Corporation through its continued contractual, corporate and business relations with Citi (including service of officers and directors of Citi as directors of the Corporation), the provisions of this Article SEVENTH are set forth to regulate and define the conduct of certain affairs of the Corporation as they may involve Citi and its officers and directors, and the powers, rights, duties and liabilities of the Corporation and its officers, directors and stockholders in connection therewith.

A. Subject to any contractual provisions to the contrary, Citi shall have the right to, and shall have no duty to refrain from: (i) engaging in the same or similar business activities or lines of business as the Corporation; (ii) doing business with any client or customer of the Corporation; and (iii) employing or otherwise engaging any officer or employee of the Corporation, and neither Citi nor any officer or director thereof (except as provided in Section B of this Article SEVENTH) shall be liable to the Corporation or its stockholders for breach of any fiduciary duty by reason of any such activities of Citi or of such person's participation therein. In the event that Citi acquires knowledge of a potential transaction or matter which may be a

corporate opportunity for both Citi and the Corporation, Citi shall have no duty to communicate or present such corporate opportunity to the Corporation and shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder of the Corporation by reason of the fact that Citi pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person or entity or does not present such corporate opportunity to the Corporation.

B. If a director or officer of the Corporation who is also a director or officer of Citi acquires knowledge of a potential transaction or matter which may be a corporate opportunity for both the Corporation and Citi, such director or officer of the Corporation: (i) shall have fully satisfied and fulfilled such person's fiduciary duty to the Corporation and its stockholders with respect to such corporate opportunity; (ii) shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty by reason of the fact that Citi pursues or acquires such corporate opportunity for itself or directs such corporate opportunity to another person or does not present such corporate opportunity to the Corporation; (iii) shall be deemed to have acted in good faith and in a manner such person reasonably believes to be in and not opposed to the best interests of the Corporation for the purposes of this Restated Certificate of Incorporation; and (iv) shall be deemed not to have breached such person's duty of loyalty to the Corporation or its stockholders or to have derived an improper personal benefit therefrom for the purposes of this Restated Certificate of Incorporation, if such director or officer acts in good faith in a manner consistent with the following policy:

(i) a corporate opportunity offered to any person who is an officer of the Corporation and who is also a director but not an officer of Citi shall belong to the Corporation, unless such opportunity is expressly offered to such person

solely in his or her capacity as a director of Citi in which case such opportunity shall belong to Citi;

(ii) a corporate opportunity offered to any person who is a director but not an officer of the Corporation and who is also a director or officer of Citi shall belong to the Corporation only if such opportunity is expressly offered to such person solely in his or her capacity as a director of the Corporation and otherwise shall belong to Citi; and

(iii) a corporate opportunity offered to any person who is an officer of both the Corporation and Citi shall belong to Citi unless such opportunity is expressly offered to such person solely in his or her capacity as an officer of the Corporation, in which case such opportunity shall belong to the Corporation.

C. For the purposes of this Article SEVENTH, "corporate opportunities" shall include, but not be limited to, business opportunities that the Corporation is financially able to undertake, which are, from their nature, in the line of the Corporation's business, are of practical advantage to it and are ones in which the Corporation has an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of Citi or its officers or directors will be brought into conflict with that of the Corporation.

D. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article SEVENTH.

E. If any contract, agreement, arrangement or transaction between the Corporation and Citi involves a corporate opportunity and is approved in accordance with the procedures set forth in Article EIGHTH of this Restated Certificate of Incorporation, Citi and its

officers and directors shall also for the purposes of this Article SEVENTH and the other provisions of this Restated Certificate of Incorporation: (i) have fully satisfied and fulfilled their fiduciary duties to the Corporation and its stockholders; (ii) be deemed to have acted in good faith and in a manner such persons reasonably believe to be in and not opposed to the best interests of the Corporation; and (iii) be deemed not to have breached their duties of loyalty to the Corporation and its stockholders and not to have derived an improper personal benefit therefrom. Any such contract, agreement, arrangement or transaction involving a corporate opportunity not so approved shall not by reason thereof result in any such breach of any fiduciary duty or duty of loyalty or failure to act in good faith or in the best interests of the Corporation or derivation of any improper personal benefit, but shall be governed by the other provisions of this Article SEVENTH, this Restated Certificate of Incorporation, the By-Laws, the GCL and other applicable law.

F. Notwithstanding anything in this Restated Certificate of Incorporation to the contrary and in addition to any vote of the Board of Directors required by this Restated Certificate of Incorporation or the GCL, until the occurrence of the Operative Date (as defined below), the affirmative vote of at least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation shall be required to amend, alter or repeal, or adopt any provision inconsistent with, any provision of this Article SEVENTH. Neither the amendment, alteration, termination or repeal of this Article SEVENTH nor the adoption of any provision inconsistent with this Article SEVENTH shall eliminate or reduce the effect of this Article SEVENTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article SEVENTH, would accrue or arise, prior to such amendment, alteration, termination, repeal or adoption.

G. For purposes of this Article SEVENTH:

(i) "Citi" means Citigroup Inc., a Delaware corporation, all successors to Citigroup Inc. by way of merger, consolidation or sale of all or substantially all of its assets, and all corporations, partnerships, joint ventures, limited liability companies, associations and other entities (a) in which Citigroup Inc. owns, directly or indirectly, fifty percent (50%) or more of the outstanding voting stock, voting power, partnership interests or similar ownership interests, (b) of which Citigroup Inc. otherwise directly or indirectly controls or directs the policies or operations or (c) which would be considered subsidiaries of Citigroup Inc. within the meaning of Regulation S-K or Regulation S-X of the general rules and regulations under the Securities Act of 1933, as amended, now or hereafter existing, but shall not include the Corporation;

(ii) the "Corporation" means the Corporation and all corporations, partnerships, joint ventures, limited liability companies, trusts, associations and other entities in which the Corporation owns (directly or indirectly) fifty percent (50%) or more of the outstanding voting stock, voting power, partnership interests or similar ownership interests; and

(iii) "Operative Date" means the first date on which Citi ceases to beneficially own (as such term is defined in Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act), in the aggregate, shares entitled to twenty percent (20%) or more of the votes entitled to be cast by the holders of the then outstanding Common Stock.

H. Following the Operative Date, any contract, agreement, arrangement or transaction involving a corporate opportunity not approved or allocated as provided in this Article SEVENTH shall not by reason thereof result in any breach of any fiduciary duty or duty

of loyalty or failure to act in good faith or in the best interests of the Corporation or derivation of any improper personal benefit, but shall be governed by the other provisions of this Restated Certificate of Incorporation, the By-Laws, the GCL and other applicable law.

EIGHTH: In anticipation that the Corporation and Citi may enter into contracts or otherwise transact business with each other and that the Corporation may derive benefits therefrom, the provisions of this Article EIGHTH are set forth to regulate and define certain contractual relations and other business relations of the Corporation as they may involve Citi, and the powers, rights, duties and liabilities of the Corporation in connection therewith. The provisions of this Article EIGHTH are in addition to, and not in limitation of, the provisions of the GCL and the other provisions of this Restated Certificate of Incorporation. Any contract or business relation that does not comply with the procedures set forth in this Article EIGHTH shall not by reason thereof be deemed void or voidable or result in any breach of any fiduciary duty or duty of loyalty or failure to act in good faith or in the best interests of the Corporation or derivation of any improper personal benefit, but shall be governed by the provisions of this Restated Certificate of Incorporation, the By-Laws, the GCL and other applicable law.

A. No contract, agreement, arrangement or transaction between the Corporation and Citi shall be void or voidable solely for the reason that Citi is a party thereto, and Citi (i) shall have fully satisfied and fulfilled its fiduciary duties to the Corporation and its stockholders with respect thereto; (ii) shall not be liable to the Corporation or its stockholders for any breach of fiduciary duty by reason of the entering into, performance or consummation of any such contract, agreement, arrangement or transaction; (iii) shall be deemed to have acted in good faith and in a manner it reasonably believed to be in and not opposed to the best interests of the Corporation for purposes of this Restated Certificate of Incorporation; and (iv) shall be deemed

not to have breached its duties of loyalty to the Corporation and its stockholders and not to have derived an improper personal benefit therefrom for the purposes of this Restated Certificate of Incorporation, if:

(i) the material facts as to such contract, agreement, arrangement or transaction are disclosed to or are known by the Board of Directors or the committee thereof that authorizes such contract, agreement, arrangement or transaction, and the Board of Directors or such committee in good faith authorizes such contract, agreement, arrangement or transaction by the affirmative vote of a majority of the disinterested directors, even if the disinterested directors constitute less than a quorum;

(ii) the material facts as to such contract, agreement, arrangement or transaction are disclosed to or are known by the holders of shares of Common Stock entitled to vote thereon, and such contract, agreement, arrangement or transaction is specifically approved in good faith by the affirmative vote of a majority of the votes entitled to be cast thereon by the holders of the then outstanding Common Stock, except shares of Common Stock that are beneficially owned (as such term is defined in Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act) or the voting of which is controlled by Citi; or

(iii) such contract, agreement, arrangement or transaction, judged according to the circumstances at the time of the commitment, is fair to the Corporation.

B. Directors of the Corporation who are also directors or officers of Citi may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of

a committee that authorizes such contract, agreement, arrangement or transaction. Shares of Common Stock owned by Citi may be counted in determining the presence of a quorum at a meeting of stockholders called to authorize such contract, agreement, arrangement or transaction.

C. Any person or entity purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation will be deemed to have notice of and to have consented to the provisions of this Article EIGHTH.

D. For purposes of this Article EIGHTH, any contract, agreement, arrangement or transaction with any corporation, partnership, joint venture, limited liability company, trust, association or other entity in which the Corporation owns (directly or indirectly) fifty percent (50%) or more of the outstanding voting stock, voting power, partnership interests or similar ownership interests, or with any officer or director thereof, shall be deemed to be a contract, agreement, arrangement or transaction with the Corporation.

E. For the purpose of this Article EIGHTH, "Citi" and the "Operative Date" have the meanings set forth in Article SEVENTH of this Restated Certificate of Incorporation.

F. Notwithstanding anything in this Restated Certificate of Incorporation to the contrary and in addition to any vote of the Board of Directors required by this Restated Certificate of Incorporation or the GCL, until the occurrence of the Operative Date, the affirmative vote of at least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation shall be required to amend, alter or repeal, or adopt any provision inconsistent with, any provision of this Article EIGHTH. Neither the amendment, alteration or repeal of this Article EIGHTH nor the adoption of any provision inconsistent with this Article EIGHTH shall eliminate or reduce the effect of this Article EIGHTH in respect of any matter occurring, or any cause of action, suit or claim that, but

for this Article EIGHTH, would accrue or arise, prior to such amendment, alteration, repeal or adoption.

NINTH: A. In anticipation that Citi will remain a stockholder of the Corporation and may have continued contractual, corporate and business relations with the Corporation, the provisions of this Article NINTH are set forth to regulate and define the conduct of certain affairs of the Corporation as they may impact Citi and its legal and regulatory status.

B. The Corporation shall not, without the prior written consent of Citi (which shall not be unreasonably withheld, conditioned or delayed), engage, directly or indirectly, in any act or activity, which, to the knowledge of the Corporation, would: (i) require Citi to obtain any approval, consent or authorization of or otherwise become subject to any statute, rule, regulation, ordinance, order, decree or other legal restriction of any federal, state, local or foreign governmental, administrative or regulatory authority, agency or instrumentality (collectively, "Applicable Law"); or (ii) cause any director of the Corporation who is also a director or officer of Citi to be ineligible to serve, or prohibited from serving, as a director of the Corporation or, in the case where such person is a director or Citi, ineligible to serve as a director of Citi under or pursuant to any Applicable Law. Citi shall not be liable to the Corporation or its stockholders, in each case, for breach of any fiduciary duty by reason of the fact that Citi gives or withholds any consent for any reason in connection with this Article NINTH. No vote cast or other action taken by any person who is an officer, director or other representative of Citi which vote is cast or action is taken by such person in his or her capacity as a director of the Corporation shall constitute a consent of Citi for the purpose of this Article NINTH. For purposes of this Article NINTH, the Corporation shall be deemed to have knowledge of (x) all Applicable Laws in effect on the date hereof and of all Applicable Laws in effect immediately prior to taking any action or

engaging in any activity which would have any of the effects contemplated by clause (i) or (ii) above and (y) all of the businesses and activities in which Citi is engaged on the date hereof and of all businesses and activities in which Citi is engaged immediately prior to taking any action or engaging in any activity which would have any of the effects contemplated by clause (i) or (ii) above, in each case to the extent that such business or activity is disclosed in the public domain.

C. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article NINTH.

D. For purposes of this Article NINTH, the "Corporation" and the "Operative Date" have the meanings set forth in Article SEVENTH of this Restated Certificate of Incorporation, and, subject to Section (E) of this Article NINTH, "Citi" has the meaning set forth in Article SEVENTH of this Restated Certificate of Incorporation.

E. For purposes of Section B of this Article NINTH, "Citi" means Citigroup Inc. and its successors by way of merger, consolidation or sale of all or substantially all of its assets (and not any other corporation, partnership, joint venture, limited liability company, trust, association or other entity).

F. Notwithstanding anything in this Restated Certificate of Incorporation to the contrary and in addition to any vote of the Board of Directors required by this Restated Certificate of Incorporation or the GCL, until the occurrence of the Operative Date, the affirmative vote of at least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the corporation shall be required to amend, alter or repeal, or adopt any provision inconsistent with, any provision of this Article NINTH. Neither the amendment, alteration or repeal of this Article NINTH nor the adoption of any provision

inconsistent with this Article NINTH shall eliminate or reduce the effect of this Article NINTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article NINTH, would accrue or arise, prior to such amendment, alteration, repeal or adoption.

G. This Article NINTH shall become inoperative and of no effect following the Operative Date.

TENTH: A. Until the first date that Citi ceases to beneficially own (as such term is defined in Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act), in the aggregate, shares entitled to fifty percent (50%) or more of the votes entitled to be cast by the holders of the then outstanding Common Stock, any and all directors may be elected, or removed or replaced, at any time, either with or without cause, by the affirmative vote of a majority of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation.

B. For purposes of this Article TENTH, "Citi" shall have the meaning set forth in Article SEVENTH of this Restated Certificate of Incorporation.

C. Notwithstanding anything in this Restated Certificate of Incorporation to the contrary and in addition to any vote of the Board of Directors required by this Restated Certificate of Incorporation or the GCL, until the first date that Citi ceases to beneficially own (as such term is defined in Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act), in the aggregate, shares entitled to fifty percent (50%) or more of the votes entitled to be cast by the holders of the then outstanding Common Stock, the affirmative vote of at least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation shall be required to amend, alter or repeal, or adopt any provision inconsistent with, any provision of this Article TENTH. Neither the amendment, alteration or repeal of this

Article TENTH nor the adoption of any provision inconsistent with this Article TENTH shall eliminate or reduce the effect of this Article TENTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article TENTH, would accrue or arise, prior to such amendment, alteration, repeal or adoption. This Article TENTH shall become inoperative and of no effect following the date Citi ceases to beneficially own (as such term is defined in Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act), in the aggregate, shares entitled to fifty percent (50%) or more of the votes entitled to be cast by the holders of the then outstanding Common Stock.

ELEVENTH: A. Any action which, under the GCL, may be taken at a duly called meeting of stockholders may be taken without a meeting as follows: (i) by one or more consents in writing, setting forth the action so taken or to be taken, bearing the date of signature and signed by all of the persons who would be entitled to vote upon such action at a meeting, or by their duly authorized attorneys; or (ii) as long as Citi continues to own shares of capital stock entitled to vote a majority of the votes entitled to be voted thereon by the holders of the then outstanding capital stock, by one or more consents in writing, bearing the date of signature and setting forth the action to be taken, signed by persons holding shares of capital stock entitled to vote a majority of the votes entitled to be voted thereon by the holders of the then outstanding capital stock or to take such action, or their duly authorized attorneys. The Secretary of the Corporation shall file such consent or consents, or certify the tabulation of such consents and file such certificate, with the minutes of the meetings of the stockholders.

B. Notwithstanding any other provision of this Restated Certificate of Incorporation or the GCL, until the occurrence of the Operative Date, the affirmative vote of least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then

outstanding capital stock of the Corporation shall be required to amend, alter or repeal, or to adopt any provision as part of this Restated Certificate of Incorporation inconsistent with the purpose and intent of, this Article ELEVENTH. Neither the amendment, alteration, termination or repeal of this Article ELEVENTH nor the adoption of any provision inconsistent with this Article ELEVENTH shall eliminate or reduce the effect of this Article ELEVENTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article ELEVENTH, would accrue or arise, prior to such amendment, alteration, termination, repeal or adoption.

TWELFTH: A. The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article TWELFTH shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article TWELFTH to directors and officers of the Corporation.

B. The rights to indemnification and to the advance of expenses conferred in this Article TWELFTH shall not be exclusive of any other right which any person may have or hereafter acquire under this Restated Certificate of Incorporation, the By-Laws, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

C. Any repeal or modification of this Article TWELFTH shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

THIRTEENTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws.

FOURTEENTH: Unless the Corporation (through approval of the Board of Directors) consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any actual or purported derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the GCL, or (iv) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and to consented to the provisions of this Article FOURTEENTH.

FIFTEENTH: In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to amend, alter or repeal the By-Laws, or adopt new By-Laws. The affirmative vote of at least sixty-six and two third percent (66 2/3%) of the entire Board of Directors shall be required to amend, alter, repeal or adopt the By-Laws. The By-Laws also may be amended, altered, repealed or adopted by the affirmative vote of at least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation.

SIXTEENTH: The Corporation reserves the right to amend, alter or repeal any provision contained in this Restated Certificate of Incorporation in the manner now or hereafter prescribed in this Restated Certificate of Incorporation, the By-Laws or the GCL, and all rights herein conferred upon stockholders are granted subject to such reservation; provided, however, that, notwithstanding any other provision of this Restated Certificate of Incorporation (and in addition to any other vote that may be required by law), the affirmative vote of at least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation shall be required to amend, alter, repeal or adopt any provision as part of this Restated Certificate of Incorporation inconsistent with the purpose and intent of Article FIFTEENTH and Article SIXTEENTH of this Restated Certificate of Incorporation.

IN WITNESS WHEREOF, the Corporation has caused this Restated Certificate of Incorporation to be executed on its behalf this 31st day of March, 2010.

PRIMERICA, INC.

By: /s/ Peter W. Schneider
Name: Peter W. Schneider
Title: Executive Vice President and General Counsel

ATTACHMENT 3

AMENDED AND RESTATED
BY-LAWS

OF

PRIMERICA, INC.

A Delaware Corporation

Effective March 31, 2010

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OF

PRIMERICA, INC.

(formerly named PUCK HOLDING COMPANY, INC.)

(hereinafter called the "Corporation")

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that a meeting of the stockholders shall not be held at any place, but may instead be held solely by means of remote communication in the manner authorized by the General Corporation Law of the State of Delaware (the "GCL").

Section 2. Annual Meetings. The annual meeting of stockholders (each, an "Annual Meeting") for the election of directors shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. Any other proper business may be transacted at the Annual Meeting.

Section 3. Special Meetings. Except as otherwise required by law or by the certificate of incorporation of the Corporation, as amended and restated from time to time (the "Certificate of Incorporation"), special meetings of stockholders (each, a "Special Meeting") may be called by any of (i) the Chairman of the Board of Directors, (ii) either of the co-Chief Executive Officers, (iii) any officer of the Corporation at the request in writing of (a) the Board of Directors or (b) a committee of the Board of Directors that has been duly designated by the

Board of Directors and whose powers and authority include the power to call such meetings or (iv) as long as Citigroup Inc. continues to beneficially own (as such term is defined in Rule 16a-1(a)(2) promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) at least a majority of the shares of common stock of the Corporation, par value $0.01 per share (the "Common Stock"), entitled to be voted by the holders of the then outstanding Common Stock, the holders of a majority of the then outstanding shares of Common Stock. Except as otherwise provided in this Section 3 of this Article II, the ability of the stockholders to call a Special Meeting is hereby specifically denied. A request to call a Special Meeting shall state the purpose or purposes of the proposed meeting. At a Special Meeting, only such business shall be conducted as shall be specified in the notice of meeting (or any supplement thereto).

Section 4. Notice. A written notice of any meeting of stockholders shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and, in the case of a Special Meeting, the purpose or purposes for which the meeting is called. Unless otherwise required by law, written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to notice of and to vote at such meeting.

Section 5. Nature of Business at Meetings of Stockholders. Only such business (other than nominations for election to the Board of Directors, which must comply with Section 6 of this Article II) may be transacted at an Annual Meeting or Special Meeting as is (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the Annual Meeting or Special Meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the Annual Meeting or Special Meeting by any stockholder of the Corporation (i) who was a stockholder of record on the date of the giving of the notice provided for in this Section 5 of this Article II and on the date of such Annual Meeting or Special Meeting, (ii) is entitled to vote at such Annual Meeting or Special Meeting and (iii) who complies with the notice procedures set forth in this Section 5 of this Article II.

Notwithstanding the foregoing, at a Special Meeting, only such business shall be conducted as shall be specified in the notice of meeting (or any supplement thereto).

In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting or Special Meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation.

To be timely, a stockholder's notice of business (other than nominations of persons for election to the Board of Directors, which must be made in compliance with and is governed by section 6 of this Article II) to the Corporate Secretary must be delivered to or mailed and received by the Corporate Secretary at the principal executive offices of the

Corporation in the case of (a) an Annual Meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding Annual Meeting; provided, however, that in the event that the Annual Meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure of the date of the Annual Meeting was made, whichever first occurs; and (b) a Special Meeting, not less than ninety (90) days prior to the date on which the Special Meeting is proposed to be held. In no event shall the adjournment or postponement of an Annual Meeting or Special Meeting, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

To be in proper written form, a stockholder's notice to the Corporate Secretary must set forth the following information: (a) as to each matter such stockholder proposes to bring before the Annual Meeting or Special Meeting, a brief description of the business desired to be brought before the Annual Meeting or Special Meeting (including the specific text of any resolutions or actions proposed for consideration and if such business includes a proposal to amend the Certificate of Incorporation or these By-Laws, the specific language of the proposed amendment) and the reasons for conducting such business at the Annual Meeting or Special Meeting, and (b) as to the stockholder giving notice and the beneficial owner, if any, on whose behalf the proposal is being made, (i) the name and address of such person, as they appear on the Corporation's books (and, if different from the Corporation's books, the name and residence address of such person), (ii) (A) the class or series and number of all shares of stock of the Corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (B) the name and address of each nominee holder of shares of all stock of the Corporation owned beneficially, but not of record, by such person or any affiliates or associates of such person, and the number of such shares of stock of the Corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the Corporation and (D) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the Corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the Corporation; (iii) a description of all agreements, arrangements or understandings (whether written or oral and including financial transactions and direct or indirect compensation) between or among such person, or any affiliates or associates of such person, and any other person or persons (including their names) in connection with the proposal of such business and any material interest of such person or any affiliates or associates of such person, in such business, including any anticipated benefit therefrom to such person, or any affiliates or associates of such person, (iv) a representation that the stockholder giving notice intends to appear in person or by proxy at the Annual Meeting or Special Meeting to bring such business

before the meeting; and (v) any other information relating to such person or any affiliates or associates of such person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies or consents (even if a solicitation is not involved) by such person with respect to the proposed business to be brought by such person before the Annual Meeting pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder.

A stockholder providing notice of business proposed to be brought before an Annual Meeting or Special Meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 5 of this Article II shall be true and correct as of the record date for determining the stockholders entitled to receive notice of the Annual Meeting or Special Meeting and such update and supplement shall be delivered to or be mailed and received by the Corporate Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for determining the stockholders entitled to receive notice of the Annual Meeting or Special Meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date for the Annual Meeting or Special Meeting or any adjournment or postponement thereof.

No business shall be conducted at the Annual Meeting or Special Meeting, except business brought before the Annual Meeting or Special Meeting in accordance with the procedures set forth in this Section 5 of this Article II; provided, however, that, once business has been properly brought before the Annual Meeting or Special Meeting in accordance with such procedures, nothing in this Section 5 of this Article II shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of an Annual Meeting or Special Meeting determines that business was not properly brought before the meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Nothing contained in this Section 5 of this Article II shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act (or any successor provision of law). In addition to any requirements set forth herein, stockholders must comply with the requirements of the Exchange Act and the rules and regulations promulgated thereunder.

Section 6. Nomination of Directors. Except as provided in the Certificate of Incorporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any Annual Meeting, or at any Special Meeting called for the purpose of electing directors, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of the Corporation (i) who was a stockholder of record on the date of the giving of the notice provided for in this Section 6 of this Article II and on the date of such Annual Meeting or Special Meeting, (ii) is entitled to vote at

such Annual Meeting or Special Meeting and (iii) who complies with the notice procedures set forth in this Section 6 of this Article II.

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation.

To be timely, a stockholder's notice to the Corporate Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation in the case of (a) an Annual Meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding Annual Meeting; provided, however, that in the event that the Annual Meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10^{th}) day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure of the date of the Annual Meeting was made, whichever first occurs; and (b) a Special Meeting called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the Special Meeting was mailed or public disclosure of the date of the Special Meeting and of the nominees proposed by the Board of Directors to be elected at such Special Meeting was made, whichever first occurs. In no event shall the adjournment or postponement of an Annual Meeting or a Special Meeting called for the purpose of electing directors, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

To be in proper written form, a stockholder's notice to the Corporate Secretary must set forth the following information: (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) (A) the class or series and number of all shares of stock of the Corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (B) the name of each nominee holder of shares of all stock of the Corporation owned beneficially, but not of record, by such person or any affiliates or associates of such person, and the number of such shares of stock of the Corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the Corporation and (D) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the Corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the Corporation; and (iv) any other information relating to such person

that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies or consents for a contested election of directors (even if an election contest or proxy solicitation is not involved) pursuant to Section 14 of the Exchange Act (or any successor provision of law), and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice, and the beneficial owner, if any, on whose behalf the nomination is being made, (i) the name and record address of such person, as they appear on the Corporation's books (and, if different from the Corporation's books, the name and residence address of such person); (ii) (A) the class or series and number of all shares of stock of the Corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (B) the name and address of each nominee holder of shares of the Corporation owned beneficially but not of record by such person or any affiliates or associates of such person, and the number of shares of stock of the Corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the Corporation and (D) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the Corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the Corporation; (iii) a description of all agreements, arrangements or understandings (whether written or oral and including financial transactions and direct or indirect compensation) between such person, or any affiliates or associates of such person, and any proposed nominee or any other person or persons (including their names) pursuant to which the nomination(s) are being made by such person, and any material interest of such person, or any affiliates or associates of such person, in such nomination, including any anticipated benefit therefrom to such person, or any affiliates or associates of such person; (iv) a representation that the stockholder giving notice intends to appear in person or by proxy at the Annual Meeting or Special Meeting to nominate the persons named in its notice; and (v) any other information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies for a contested election of directors (even if an election contest or proxy contest is not involved) pursuant to Section 14 of the Exchange Act (or any successor provision of law), and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

A stockholder providing notice of any nomination proposed to be made at an Annual Meeting or Special Meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 6 of this Article II shall be true and correct as of the record date for determining the stockholders entitled to receive notice of the Annual Meeting or Special Meeting, and such update and supplement shall be delivered to or be mailed and received by the Corporate Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for determining the stockholders entitled to receive notice of such

Annual Meeting or Special Meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date of such Annual Meeting or Special Meeting, or any adjournment or postponement thereof.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 6 of this Article II. If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Notwithstanding any provision of this Section 6 of this Article II to the contrary, if the number of directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least 100 days prior to the anniversary date of the immediately preceding Annual Meeting, a stockholder's notice to the Corporate Secretary required by this Section 6 of this Article II shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the tenth (10^{th}) day following the day on which such public announcement is first made by the Corporation.

Notwithstanding any provision of this Section 6 of this Article II to the contrary, a nomination of persons for election to the Board of Directors may be submitted for inclusion in the Corporation's proxy materials pursuant to the final rules adopted by the SEC providing for such nominations and inclusion ("final proxy access rules"), and, if such nomination is submitted under the final proxy access rules, such submission (a) in order to be timely, must be delivered to, or be mailed and received by, the Corporate Secretary at the principal executive offices of the Corporation no later than one hundred and twenty (120) calendar days before the date that the Corporation mailed (or otherwise disseminated) its proxy materials for the prior year's Annual Meeting (or such other date as may be set forth in the final proxy access rules for companies without advance notice bylaws); (b) in all other respects, must be made pursuant to, and in accordance with, the terms of the final proxy access rules, as in effect at the time of the nomination, or any successor rules or regulations of the SEC then in effect; and (c) must provide the Corporation with any other information required by this Section 6 of this Article II for nominations not made under the final proxy access rules, except to the extent that requiring such information to be furnished is prohibited by the final proxy access rules. The provisions of this paragraph of this Section 6 of this Article II do not provide stockholders of the Corporation with any rights, nor impose upon the Corporation any obligations, other than the rights and obligations set forth in the final proxy access rules.

Section 7. Adjournments. Any meeting of the stockholders may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present

in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting in accordance with the requirements of Section 4 of this Article II shall be given to each stockholder of record entitled to notice of and to vote at the meeting.

Section 8. Quorum. Unless otherwise required by law, the Certificate of Incorporation, these By-Laws or any rule of any stock exchange on which the Corporation's shares are listed and traded, the holders of a majority of the Corporation's capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the chairman of such meeting shall have power to adjourn the meeting from time to time, in the manner provided in Section 7 of this Article II, until a quorum shall be present or represented.

Section 9. Voting. Unless otherwise required by law, the Certificate of Incorporation, these By-Laws, or any rules of any stock exchange on which the Corporation's shares are listed and traded, any question brought before any meeting of the stockholders, other than the election of directors, shall be decided by the affirmative vote of the holders of a majority of the total number of shares of the Corporation's capital stock represented at the meeting and entitled to vote on such question, voting as a single class. Unless otherwise provided in the Certificate of Incorporation and subject to Section 13(a) of this Article II, each stockholder represented at a meeting of the stockholders shall be entitled to cast one (1) vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy as provided in Section 10 of this Article II. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of the stockholders, in such officer's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 10. Proxies. Each stockholder entitled to vote at a meeting of the stockholders or, as provided herein, to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder as proxy, but no such proxy shall be voted upon after three years from its date, unless such proxy provides for a longer period. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, the following shall constitute a valid means by which a stockholder may grant such authority:

(i) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

(ii) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of a telegram, cablegram or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder. If it is determined that such telegrams, cablegrams or other electronic transmissions are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information on which they relied.

Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided, however, that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

Section 11. Consent of Stockholders in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual Meeting or Special Meeting of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of the stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered in the manner required by this Section 11 of this Article II to the Corporation, written consents signed by a sufficient number of holders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of the stockholders are recorded. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this Section 11 of this Article II, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the Corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or

proxyholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of the stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided above in this Section 11 of this Article II.

Section 12. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 13. Record Date.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon

which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of the stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of the stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 13 of this Article II at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of the stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 14. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 12 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of the stockholders.

Section 15. Conduct of Meetings. The Board of Directors of the Corporation may adopt by resolution such rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) the

determination of when the polls shall open and close for any given matter to be voted on at the meeting; (iii) rules and procedures for maintaining order at the meeting and the safety of those present; (iv) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (vi) limitations on the time allotted to questions or comments by participants.

Section 16. Inspectors of Election. In advance of any meeting of the stockholders, the Board of Directors, by resolution, the Chairman of the Board of Directors, either of the co-Chief Executive Officers or the President shall appoint one or more inspectors to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of the stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by applicable law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath to faithfully execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by applicable law.

ARTICLE III

DIRECTORS

Section 1. Election of Directors. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the Board of Directors. The initial division of the Board of Directors into classes shall be made by the decision of the affirmative vote of a majority of the entire Board of Directors. The term of the initial Class I directors shall terminate on the date of the 2011 Annual Meeting; the term of the initial Class II directors shall terminate on the date of the 2012 Annual Meeting; and the term of the initial Class III directors shall terminate on the date of the 2013 Annual Meeting or, in each case, upon such director's earlier death, resignation or removal. At each succeeding Annual Meeting beginning in 2011, successors to the class of directors whose term expires at that Annual Meeting shall be elected for a three-year term and until their successors are duly elected and qualified. If the number of directors is changed, any increase or decrease shall be apportioned by the Board of Directors among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class or from the removal from office, death, disability, resignation or disqualification of a director or other cause shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors have the effect of removing or shortening the term of any incumbent director. Except as provided in the Certificate of Incorporation and in Section 2 of this Article III, directors shall be elected by a plurality of the votes cast at each Annual Meeting at which a quorum is present.

Section 2. Vacancies. Subject to the provisions of the Certificate of Incorporation and subject to the rights, if any, of the holders of shares of preferred stock then outstanding, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director of any class elected to fill a vacancy resulting from an increase in the number of directors of such class shall hold office for a term that shall coincide with the remaining term of that class. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor.

Section 3. Duties and Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

Section 4. Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board of Directors shall be one of the co-Chief Executive Officers of the Corporation. Except where by law the signature of the President is required, the Chairman of the Board of Directors shall possess the same power as the President to sign all contracts, certificates and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the President, the Chairman of the Board of Directors shall exercise all the powers and discharge all the duties of the President. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as may from time to time be assigned by these By-Laws or by the Board of Directors.

Section 5. Lead Independent Director. The Lead Independent Director shall consult with the Chairman of the Board of Directors regarding the agenda for meetings of the Board of Directors, schedule and prepare agendas for meetings of independent directors, preside over meetings of independent directors and executive sessions of meetings of the Board of Directors in which management directors are excluded. The Lead Independent Director shall act as principal liaison between independent directors and the Chairman of the Board of Directors on sensitive issues and raise issues with management on behalf of the independent directors when appropriate. The Lead Independent Director shall also perform such other duties and may exercise such other powers as may from time to time be assigned by these By-Laws or by the Board of Directors.

Section 6. Meetings. The Board of Directors and any committee thereof may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors or any committee thereof may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors or such committee, respectively. Special meetings of the Board of Directors may be called by the Chairman, if there be one, either of the co-Chief Executive Officers, or by a majority of the directors then serving on the Board of Directors. Special meetings of any committee of the

Board of Directors may be called by the chairman of such committee, if there be one, either of the co-Chief Executive Officers, or any director serving on such committee. Notice thereof stating the place, date and time of the meeting shall be given to each director (or, in the case of a committee, to each member of such committee) by whom it is not waived either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone, telegram or electronic means on twenty-four (24) hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

Section 7. Organization. At each meeting of the Board of Directors or any committee thereof, the Chairman of the Board of Directors or the chairman of such committee, as the case may be, or, in his or her absence or if there be none, a director chosen by a majority of the directors present, shall act as chairman. Except as provided below, the Corporate Secretary of the Corporation shall act as secretary at each meeting of the Board of Directors and of each committee thereof. In case the Corporate Secretary shall be absent from any meeting of the Board of Directors or of any committee thereof, an Assistant Corporate Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Corporate Secretary and all the Assistant Corporate Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting. Notwithstanding the foregoing, the members of each committee of the Board of Directors may appoint any person to act as secretary of any meeting of such committee and the Corporate Secretary or any Assistant Corporate Secretary of the Corporation may, but need not if such committee so elects, serve in such capacity.

Section 8. Resignations and Removals of Directors. Any director of the Corporation may resign from the Board of Directors or any committee thereof at any time, by giving notice in writing or by electronic transmission to the Chairman of the Board of Directors, if there be one, either of the co-Chief Executive Officers, the President or the Corporate Secretary of the Corporation and, in the case of a committee, to the chairman of such committee, if there be one. Such resignation shall take effect at the time therein specified or, if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Except as provided in the Certificate of Incorporation and as otherwise required by applicable law and subject to the rights, if any, of the holders of shares of preferred stock then outstanding, any director or the entire Board of Directors may be removed from office at any time, but only for cause at a duly called meeting of stockholders at which a quorum is present and only by the affirmative vote of at least two-thirds of the votes entitled to be cast thereon by holders of the then outstanding capital stock of the Corporation. Any director serving on a committee of the Board of Directors may be removed from such committee at any time by the Board of Directors.

Section 9. Quorum. Except as otherwise required by law, or the Certificate of Incorporation or the rules and regulations of any securities exchange or quotation system on which the Corporation's securities are listed or quoted for trading, at all meetings of the Board of Directors or any committee thereof, a majority of the entire Board of Directors or a majority of the directors constituting such committee, as the case may be, shall constitute a quorum for the transaction of business and the act of a majority of the directors or committee members present at any meeting at which there is a quorum shall be the act of the Board of Directors or such committee, as applicable. If a quorum shall not be present at any meeting of the Board of

Directors or any committee thereof, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present.

Section 10. Actions of the Board by Written Consent. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 11. Meetings by Means of Conference Telephone. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, members of the Board of Directors of the Corporation, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 9 of this Article III shall constitute presence in person at such meeting.

Section 12. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each member of a committee must meet the requirements for membership, if any, imposed by applicable law and the rules and regulations of any securities exchange or quotation system on which the securities of the Corporation are listed or quoted for trading. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. Subject to the rules and regulations of any securities exchange or quotation system on which the securities of the Corporation are listed or quoted for trading, in the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another qualified member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent permitted by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each committee shall keep regular minutes and report to the Board of Directors when required. Notwithstanding anything to the contrary contained in this Article III, the resolution of the Board of Directors establishing any committee of the Board of Directors and/or the charter of any such committee may establish requirements or procedures relating to the governance and/or operation of such committee that are different from, or in addition to, those set forth in these By-Laws and, to the extent that there is any inconsistency between these By-Laws and any such resolution or charter, the terms of such resolution or charter shall be controlling.

Section 13. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary for service as director, payable in cash or securities. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for service as committee members.

ARTICLE IV

OFFICERS

Section 1. General. Subject to the provisions of the Certificate of Incorporation, the officers of the Corporation shall be chosen by the Board of Directors and shall be the co-Chief Executive Officers, the President, a Corporate Secretary and a Treasurer. The Board of Directors shall designate one independent director to serve as lead independent director (the "Lead Independent Director"). The Board of Directors, in its discretion, also may choose a Chairman of the Board of Directors (who must be a director), and, subject to the provisions of the Certificate of Incorporation, one or more Vice Presidents, Assistant Corporate Secretaries, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation.

Section 2. Election. The Board of Directors, at its first meeting held after each Annual Meeting (or action by written consent of stockholders in lieu of the Annual Meeting if permitted by the Certificate of Incorporation), shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and each officer of the Corporation shall hold office until such officer's successor is elected and qualified, or until such officer's earlier death, resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

Section 3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by either of the co-Chief Executive Officers, the President or any Vice President or any other officer authorized to do so by the Board of Directors and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. Co-Chief Executive Officers. The co-Chief Executive Officers shall, subject to the control of the Board of Directors and the Chairman of the Board of Directors, if there be one, have general supervision of the business and affairs of the Corporation and of its several officers and shall see that all orders and resolutions of the Board of Directors are carried into effect. The co-Chief Executive Officers shall have the power to execute, by and on behalf of the Corporation, all deeds, bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or either of the co-Chief Executive Officers. In the absence or disability of the Chairman of the Board of Directors, or if there be none, either of the co-Chief Executive Officers shall preside at all meetings of the stockholders and, provided that the presiding co-Chief Executive Officer is also a director, at all meetings of the Board of Directors. The co-Chief Executive Officers shall also perform such other duties and may exercise such other powers as may from time to time be assigned to such officer by these By-Laws or by the Board of Directors.

Section 5. President. The President shall, subject to the control of the Board of Directors, the Chairman of the Board of Directors, if there be one, and the co-Chief Executive Officers, have general supervision of the business and affairs of the Corporation. The President shall have the power to execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or either of the co-Chief Executive Officers. In general, the President shall perform all duties incident to the office of President and such other duties as may from time to time be assigned to the President by these By-Laws and the Board of Directors, the Chairman of the Board of Directors, if there be one, or either of the co-Chief Executive Officers. In the absence or disability of the Chairman of the Board of Directors and the co-Chief Executive Officers, the President shall preside at all meetings of the stockholders and, provided the President is also a director, at all meetings of the Board of Directors. In the event of the inability or refusal of the co-Chief Executive Officers to act, the Board of Directors may designate the President to perform the duties of the co-Chief Executive Officers, and, when so acting, the President shall have all the powers of and be subject to all the restrictions upon the co-Chief Executive Officers.

Section 6. Vice Presidents. At the request of either of the co-Chief Executive Officers or the President or in the President's absence or in the event of the President's inability or refusal to act (and if there be no Chairman of the Board of Directors), the Vice President, or the Vice Presidents if there are more than one (in the order designated by the Board of Directors), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President shall perform such other duties and have such other powers as the Board of Directors, either of the co-Chief Executive Officers or the President from time to time may prescribe. If there be no Chairman of the Board of Directors, no co-Chief Executive Officers and no Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 7. Corporate Secretary. The Corporate Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Corporate Secretary shall also perform like duties for committees of the Board of Directors when required. The Corporate Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chairman of the Board of Directors, either of the co-Chief Executive Officers or the President, under whose supervision the Corporate Secretary shall be. If the Corporate Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Corporate Secretary, then either the Board of Directors, either of the co-Chief Executive Officers or the President may choose another officer to cause such notice to be given. The Corporate Secretary shall have custody of the seal of the Corporation and the Corporate Secretary or any Assistant Corporate Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Corporate Secretary or by the signature of any such Assistant Corporate Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest to the affixing by such officer's signature. The Corporate Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 8. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the co-Chief Executive Officers, the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of the Treasurer and for the restoration to the Corporation, in case of the Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

Section 9. Assistant Corporate Secretaries. Assistant Corporate Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, either of the co-Chief Executive Officers, the President, any Vice President, if there be one, or the Corporate Secretary, and in the absence of the Corporate Secretary or in the event of the Corporate Secretary's inability or refusal to act, shall perform the duties of the Corporate Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Corporate Secretary.

Section 10. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, either of the co-Chief Executive Officers, the President, any Vice President,

if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of Assistant Treasurer and for the restoration to the Corporation, in case of the Assistant Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Assistant Treasurer's possession or under the Assistant Treasurer's control belonging to the Corporation.

Section 11. Other Officers. Subject to the provisions of the Certificate of Incorporation, such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

Section 12. Duties of Officers. In addition to the duties specifically enumerated in these By-Laws, all officers and assistant officers of the Corporation shall perform such other duties as may be assigned to them from time to time by the Board of Directors or by their superior officers. The Board of Directors may change the powers or duties of any officer or assistant officer or delegate the same to any other officer, assistant officer or person.

ARTICLE V

STOCK

Section 1. Shares of Stock. The shares of capital stock of the Corporation shall be represented by certificates, unless and until the Board of Directors adopts a resolution permitting shares to be uncertificated. Notwithstanding the adoption of any such resolution providing for uncertificated shares, every holder of capital stock of the Corporation theretofore represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate for shares of capital stock of the Corporation signed by, or in the name of the Corporation by, (a) the Chairman of the Board of Directors, the President or any Vice President, and (b) the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Corporate Secretary, certifying the number of shares owned by such stockholder in the Corporation.

Section 2. Lost Certificates. The Board of Directors may direct a new certificate or uncertificated shares be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or such owner's legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a

bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate or the issuance of such new certificate or uncertificated shares.

Section 3. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by applicable law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation, and in the case of certificated shares of stock, only by the person named in the certificate or by such person's attorney lawfully constituted in writing and upon the surrender of the certificate therefor, properly endorsed for transfer and payment of all necessary transfer taxes; or, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney lawfully constituted in writing, and upon payment of all necessary transfer taxes and compliance with appropriate procedures for transferring shares in uncertificated form; provided, however, that such surrender and endorsement, compliance or payment of taxes shall not be required in any case in which the officers of the Corporation shall determine to waive such requirement. With respect to certificated shares of stock, every certificate exchanged, returned or surrendered to the Corporation shall be marked "Cancelled," with the date of cancellation, by the Corporate Secretary or Assistant Corporate Secretary of the Corporation or the transfer agent thereof. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

Section 4. Signatures. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Section 5. Dividend Record Date. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 6. Record Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 7. Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

ARTICLE VI

NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at such person's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under applicable law, the Certificate of Incorporation or these By-Laws shall be effective if given by a form of electronic transmission if consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed to be revoked if (i) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices by the Corporation in accordance with such consent and (ii) such inability becomes known to the Corporate Secretary or Assistant Corporate Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, that the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given by electronic transmission, as described above, shall be deemed given: (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by a posting on an electronic network, together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder. Notice to directors or committee members may be given personally or by telegram, telex, cable or by means of electronic transmission.

Section 2. Waivers of Notice. Whenever any notice is required by applicable law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to notice, or a waiver by electronic transmission by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting, present in person or represented by proxy, shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any Annual Meeting or Special Meeting or any regular or special meeting of the directors or members of a committee of directors need be specified in any written waiver of notice unless so required by law, the Certificate of Incorporation or these By-Laws.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends. Subject to the requirements of the GCL and the provisions of the Certificate of Incorporation, dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting of the Board of Directors (or any action by written consent in lieu thereof in accordance with Section 8 of Article III hereof), and may be paid in cash, in property, or in shares of the Corporation's capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for purchasing any of the shares of capital stock, warrants, rights, options, bonds, debentures, notes, scrip or other securities or evidences of indebtedness of the Corporation, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 5. Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these By-Laws, facsimile signatures of any office or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

ARTICLE VIII

INDEMNIFICATION

Section 1. Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation. Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in

settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The provisions of this Section 4 of this Article VIII shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any director or officer may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 1 or Section 2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article VIII nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 of this Article VIII shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. Expenses Payable in Advance. Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VIII. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, these By-Laws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity

while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Section 1 and Section 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 or Section 2 of this Article VIII but whom the Corporation has the power or obligation to indemnify under the provisions of the GCL, or otherwise.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VIII.

Section 9. Certain Definitions. For purposes of this Article VIII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. The term "another enterprise" as used in this Article VIII shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. For purposes of this Article VIII, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

Section 10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. Limitation on Indemnification. Notwithstanding anything contained in this Article VIII to the contrary, except for proceedings to enforce rights to

indemnification (which shall be governed by Section 5 of this Article VIII), the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 12. Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors and subject to the Certificate of Incorporation and any agreement between the Corporation and any officer or director of the Corporation, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to directors and officers of the Corporation.

ARTICLE IX

AMENDMENTS

Section 1. Amendments. These By-Laws may be amended, altered or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors; provided, however, that notice of such amendment, alteration or repeal, or adoption of new By-Laws, be contained in the notice of such meeting of the stockholders or Board of Directors, as the case may be. Any such amendment, alteration, repeal or adoption must be approved by sixty-six and two third percent (66 2/3%) of the entire Board of Directors then in office or the affirmative vote of at least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation.

Section 2. Entire Board of Directors. As used in this Article IX and in these By-Laws generally, the term "entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

* * *

Adopted as of: March 31, 2010
Last Amended as of:

ATTACHMENT 4

PRIMERICA, INC.
CORPORATE GOVERNANCE GUIDELINES
Effective April 1, 2010; as revised November 10, 2010

Corporate Governance Mission

The Board of Directors (the "Board") of Primerica, Inc. (the "Company") is committed to maximizing long-term stockholder value and supporting management in the business and operations of the Company while aspiring to the highest standards of corporate governance and ethical conduct: doing what we say; reporting results with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern the Company's businesses.

Role of Board

The Board's primary responsibility is to provide effective governance over the Company's affairs for the benefit of its stockholders, and to consider the interests of its customers, employees, sales representatives and local communities. In all actions taken by the Board, the Directors are expected to exercise their business judgment in what they reasonably believe to be the best interests of the Company. In discharging that obligation, Directors may rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors.

Size of Board

The Board has the authority under the by-laws to set the number of Directors. The Board's size is evaluated at least annually by the Nominating and Corporate Governance Committee and changes are recommended to the Board when appropriate. If any nominee is unable to serve as a Director, the Board may reduce the number of Directors or choose a substitute.

Selection of Board Members

Candidates for the Board are recommended to the Board of Directors by the Nominating and Corporate Governance Committee in accordance with the qualifications approved by the Board and set forth below, taking into consideration the overall composition and diversity of the Board and areas of expertise that new Board members might be able to offer. The Directors are divided into three classes, designated Class I, Class II and Class III. Each class shall consist of, as nearly as may be possible, of one-third of the total number of Directors. At each Annual Meeting, one class of Directors are elected by the stockholders by plurality vote to serve for a three-year term and until their successors are duly elected and qualified. Between Annual Meetings, the Board may elect additional Directors to serve until the next Annual Meeting. The Chairman of the Board shall be one of the co-CEOs of the Company.

Director Independence

In accordance with the transition rules established by the New York Stock Exchange (the "NYSE"), at least a majority of the members of the Board will be independent prior to the one year anniversary of the Company's initial public offering. No Director will qualify as an independent Director of Primerica unless the Board has affirmatively determined that the Director meets the standards for being an independent director established from time to time by the NYSE, the U.S. Securities and Exchange Commission and any other applicable governmental and regulatory bodies. To be considered independent under the rules of the NYSE, the Board must affirmatively determine that a Director has no material relationship with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). To assist it in determining each Director's independence in accordance with the NYSE's rules, the Board has established guidelines, which provide that a Director will be deemed independent unless:

(i) (A) the Director is an employee, or an immediate family member of the Director is an executive officer (as used herein, such term shall have the same meaning as the term "officer" in Rule 16a-1(f) under the Securities Exchange Act of 1934), of the Company or any of its affiliates (as used herein, such term shall have the meaning set forth in Rule 144(a)(i) promulgated under the Securities Act of 1933), or (B) the Director was an employee, or the Director's immediate family member was an executive officer, of the Company or any of its affiliates during the immediately preceding three years;

(ii) (A) the Director presently receives during any consecutive twelve-month period more than $120,000 in direct compensation from the Company or any of its affiliates, or an immediate family member of the Director presently receives during any consecutive twelve month period more than $120,000 in direct compensation for services as an executive officer of the Company or any of its affiliates, excluding director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), or (B) the Director or the Director's immediate family member had received such compensation during any consecutive 12-month period within the immediately preceding three years;

(iii) (A) the Director is a current partner or employee of a firm that is the Company's internal or independent auditor; (B) an immediate family member of the Director is a current partner of such a firm; (C) an immediate family member of the Director is a current employee of such a firm and personally works on the Company's audit; or (D) the Director or an immediate family member of the Director was, within the last three years, a partner or employee of such a firm and personally worked on the Company's audit within that time;

(iv) (A) an executive officer of the Company serves on the board of directors of a company that, at the same time, employs the Director, or an immediate family member of the Director, as an executive officer, or (B) the Company and the company of which the Director or his or her

immediate family member is an executive officer had such relationship within the immediately preceding three years;

(v) (A) the Director is a current executive officer or employee, or an immediate family member of the Director is a current executive officer, of another company that makes payments to or receives payments from the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of $1 million, or two percent (2%) of such other company's consolidated gross revenues, or (B) the Company and the company of which the Director is an executive officer or employee or his or her immediate family member is an executive officer had such relationship within the immediately preceding three years;

(vi) the Director serves as an executive officer, director or trustee, or his or her immediate family member who shares the Director's household serves as an executive officer, director or trustee, of a charitable organization, and within the last three years, discretionary charitable contributions by the Company to such organization, in the aggregate in any one year, exceed the greater of $1 million, or two percent (2%) of that organization's total annual charitable receipts;

(vii) the Director has any interest in an investment that the Director jointly acquired in conjunction with the Company;

(viii) the Director has, or his or her immediate family member has, a personal services contract with the Company; or

(ix) the Director is affiliated with, or his or her immediate family member is affiliated with, a paid advisor or consultant to the Company.

The Board annually will review all commercial and charitable relationships between its Directors and the Company to determine whether the Directors meet these categorical independence tests. If a Director has a relationship with the Company that is not covered by these independence guidelines, those Directors who satisfy such guidelines will consider the relevant circumstances and make an affirmative determination regarding whether such relationship is material or immaterial, and whether the Director would therefore be considered independent under the NYSE's rules.

The Company will disclose in its proxy statement (a) the basis for any Board determination that a relationship was immaterial despite the fact that it did not meet the categorical independence tests of immateriality set forth above, and (b) any charitable contributions made by the Company to any charitable organization in which a Director serves as an executive officer if, within the immediately preceding three years, contributions to such charitable organization in any single fiscal year exceeded the greater of $1 million, or two percent (2%) of such charitable organization's consolidated gross revenues.

In addition to being independent as determined by the Board in accordance with the factors set forth above, members of the Audit Committee (i) may not receive, directly or indirectly, any compensation from the Company other than Director's fees or (ii) be an

"affiliated person" (as such term is defined under Rule 10A-3 under the Securities Exchange Act of 1934) of the Company or any of its subsidiaries.

Qualifications for Director Candidates

One of the of the Board's most important responsibilities is identifying, evaluating and selecting candidates for the Board. The Nominating and Corporate Governance Committee reviews the qualifications of potential director candidates and makes recommendations to the whole Board. The factors considered by the Committee and the Board in its review of potential candidates include:

- Whether the candidate has exhibited behavior that indicates he or she is committed to the highest ethical standards.

- Whether the candidate has had business, governmental, non-profit or professional experience at the Chairman, Chief Executive Officer, Chief Operating Officer or equivalent policy-making and operational level of a large organization that indicates that the candidate will be able to make a meaningful and immediate contribution to the Board.

- Whether the candidate has special skills, expertise and background that would complement the attributes of the existing Directors, taking into consideration the diverse communities and geographies in which the Company operates.

- Whether the candidate has financial expertise.

- Whether the candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of all of the Company's stockholders and our other stakeholders in reaching decisions, rather than advancing the interests of a particular constituency.

- Whether the candidate possesses a willingness to challenge management while working constructively as part of a team in an environment of collegiality and trust.

- Whether the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a Director.

Application of these factors involves the exercise of judgment by the Board.

Additional Board Service

Directors shall limit their other board memberships to a number which permits them, given their individual circumstances, to responsibly perform all of their Director duties, with no Director serving on more than five publicly traded companies (inclusive of the Company's Board).

Members of the Audit Committee may not serve on more than three public company audit committees, including the Audit Committee of the Company.

Retirement from the Board/Term Limits

Directors may serve on the Board until the Annual Meeting of the Company next following their 72nd birthday, and may not be reelected after reaching age 72, unless this requirement has been waived by the Board. Any Director who will be over age 72 at the time of the Company's Annual Meeting of Stockholders shall, at least six months prior to the date of such meeting, offer to the Chairman of the Nominating and Corporate Governance Committee his or her resignation from the Board effective as of the date of the Annual Meeting of Stockholders. The Nominating and Corporate Governance Committee will evaluate the facts and circumstances and make a recommendation to the Board whether to accept the resignation and nominate another individual to be elected to fill such vacancy at the meeting or request that the Director continue to serve on the Board. The Company has not adopted term limits for Directors.

Change in Status or Responsibilities

If a Director has a substantial change in professional responsibilities, occupation or business association, or has determined that his or her independence may be compromised, he or she shall notify the Nominating and Corporate Governance Committee and offer, in writing, his or her resignation from the Board. The Nominating and Corporate Governance Committee will evaluate the facts and circumstances and make a recommendation to the Board whether to accept the resignation or request that the Director continue to serve on the Board.

If a Director assumes a significant role in a not-for-profit entity, he or she should notify the Corporate Governance Committee.

Board Committees

The standing committees of the Board are the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. All members of these committees shall meet the independence criteria, as determined by the Board, set forth in the NYSE corporate governance rules, and all other applicable laws, rules or regulations regarding director independence. Committee members shall be appointed by the Board upon recommendation of the Nominating and Corporate Governance Committee, after consultation with the individual Directors. Committee chairs and members shall be rotated at the recommendation of the Nominating and Corporate Governance Committee.

The Chair of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chair of each committee, in consultation with the appropriate members of the committee and senior management, shall develop the committee's agenda. At the beginning of the year, each committee shall establish a schedule of major topics to be discussed during the

year (to the degree these can be foreseen). The agenda for each committee meeting shall be furnished to all Directors in advance of the meeting, and each independent Director may attend any meeting of any committee, whether or not he or she is a member of that committee.

The Nominating and Corporate Governance Committee has the authority of an executive committee of the Board of Directors under Delaware law. The Board and each committee shall have the power to hire and fire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of senior management of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

Evaluation of Board Performance

The Nominating and Corporate Governance Committee shall conduct an annual review of Board performance, in accordance with guidelines recommended by the Committee and approved by the Board. This review shall include an overview of the talent base of the Board as a whole as well as an individual assessment of each outside Director's qualification as independent under the NYSE corporate governance rules and all other applicable laws, rules and regulations regarding director independence; consideration of any changes in a Director's responsibilities that may have occurred since the Director was first elected to the Board; and such other factors as may be determined by the Committee to be appropriate for review. Each of the standing committees shall conduct an annual evaluation of its own performance as provided in its charter. The results of the Board and committee evaluations shall be summarized and presented to the Board.

Attendance at Meetings

Directors are expected to attend the Company's Annual Meeting of Stockholders, Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and materials that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should be distributed to the Directors prior to the meeting, in order to provide time for review. The Chairman should establish a calendar of standard agenda items to be discussed at each meeting scheduled to be held over the course of the ensuing year, and shall establish the agenda for each Board meeting. Any Board member may suggest items for inclusion on the agenda or may raise subjects that are not on the agenda for that meeting.

Executive Sessions

The non-management Directors shall meet in executive session at least quarterly, and the independent Directors shall meet in executive session at least once during each calendar year. The Chair of the Nominating and Corporate Governance Committee shall preside at executive sessions of the Board or, in his or her absence,

the non-management Directors shall select another non-management Director to preside.

Annual Strategic Review

The Board shall review the Company's long-term strategic plans and the principal issues that it expects the Company may face in the future during at least one Board meeting each year.

Communications

The Board believes that senior management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, at the request of the Board or senior management. Stockholders or other interested parties who wish to communicate with a member or members of the Board, including the Chairman or the non-management directors as a group, may do so by addressing their correspondence to the Board member or members, c/o the Corporate Secretary, Primerica, Inc., 3120 Breckinridge Boulevard, Duluth, GA 30099. The Board has approved a process pursuant to which the office of the Corporate Secretary will review and forward correspondence to the appropriate person or persons for response.

Director Access to Senior Management and Independent Advisors

The non-management Directors shall have full and free access to senior management and, as necessary and appropriate, independent advisors. Directors are requested to arrange such meetings through the Corporate Secretary.

Director Compensation

The form and amount of director compensation is determined by the Board based upon the recommendation of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall conduct an annual review of director compensation. Directors who are employees of the Company shall not receive any compensation for their services as Directors. Directors who are not employees of the Company may not enter into any consulting arrangements with the Company without the prior approval of the Nominating and Corporate Governance Committee. Directors who serve on the Audit Committee shall not directly or indirectly provide or receive compensation for providing accounting, consulting, legal, investment banking or financial advisory services to the Company.

Charitable Contributions

If a Director, or an immediate family member of a Director (defined below) who shares the Director's household, serves as a director, trustee or executive officer of a foundation, university or other non-profit organization ("Charitable Organization") and such Charitable Organization receives contributions from the Company, such

contributions will be reported to the Nominating and Corporate Governance Committee at least annually.

Director Orientation and Continuing Education

The Company shall provide an orientation program for new Directors, which shall include presentations by senior management on the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct, its management structure and executive officers and its internal and independent auditors. All Directors are invited to participate in the orientation program. The Company will also support continuing education for all members of the Board and reimburse Directors for reasonable expenses relating to thereto.

Management Succession

The Nominating and Corporate Governance Committee shall make an annual report to the Board on succession planning. The entire Board shall work with the Nominating and Corporate Governance Committee to evaluate potential successors to the co-CEOs. The co-CEOs shall meet periodically with the Nominating and Corporate Governance Committee in order to make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

Code of Conduct and Code of Ethics for Financial Professionals

The Company has adopted a Code of Conduct and other internal policies and guidelines designed to support the mission statement set forth above and to comply with the laws, rules and regulations that govern the Company's business operations. The Code of Conduct applies to all employees of the Company and its subsidiaries, as well as to Directors, temporary workers and other independent contractors and consultants when engaged by or otherwise representing the Company and its interests. In addition, the Company has adopted a Code of Ethics for Financial Professionals, which applies to the principal executive officers of the Company and its reporting subsidiaries and all professionals serving in a finance, accounting, treasury, tax or investor relations role. The Nominating and Corporate Governance Committee shall receive reports at least annually regarding compliance with the Code of Conduct, the Code of Ethics for Financial Professionals and other internal policies and guidelines.

Confidential Voting Policy

It is the Company's policy that every stockholder shall have the right to require the Company to keep his or her vote confidential, whether submitted by proxy, ballot, internet voting, telephone voting or otherwise. If a stockholder elects, in connection with any decision to be voted on by stockholders at any Annual or Special Meeting, to keep his or her vote confidential, such vote shall be kept permanently confidential and shall not be disclosed to the Company, to its affiliates, Directors, officers and employees or to any third parties except: (a) as necessary to meet applicable legal

requirements and to assert or defend claims for or against the Company, (b) in case of a contested proxy solicitation, (c) if a stockholder makes a written comment on the proxy card or otherwise communicates his or her vote to management, or (d) to allow the independent inspectors of election to certify the results of the vote.

Periodic Review of Corporate Governance Guidelines

The Nominating and Corporate Governance Committee and the Board shall review these Corporate Governance Guidelines at least annually and revise them as appropriate.

Definition of Immediate Family Member

For purposes of these Corporate Governance Guidelines, the term "immediate family member" means a Director's or executive officer's (designated as such pursuant to Section 16 of the Securities Exchange Act of 1934) spouse, parents, step-parents, children, step-children, siblings, mother- and father-in law, sons- and daughters-in-law, and brothers and sisters-in-law and any person (other than a tenant or domestic employee) who shares the Director's household.

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Most independent ads for 2012 election are from groups that don't disclose donors

By Dan Eggen, Published: April 24 | Updated: Sunday, April 25, 9:28 AM

Nearly all of the independent advertising aired for the 2012 general-election campaign has come from interest groups that do not disclose their donors, suggesting that much of the political spending over the next six months will come from sources invisible to the public.

Politically active nonprofits that do not reveal their funding have spent $28.5 million on advertising related to the November presidential matchup, or about 90 percent of the total through Sunday, a Washington Post analysis shows.

Most of the ad spending has come from conservative groups criticizing the policies of President Obama in key swing states, the data show. Tens of millions more have been spent by secretive groups targeting congressional races, again primarily in support of Republicans.

The numbers signal a shift away from super PACs, which are required to disclose their donors to the Federal Election Commission and which have dominated political spending in the Republican presidential primary contest. Instead, the battle between Obama and presumptive GOP nominee Mitt Romney appears likely to be dominated by a shadow campaign run by big-spending nonprofits that do not have to identify their financial backers.

The pattern underscores the growing influence of corporations and wealthy individuals in the wake of a Supreme Court decision that made it easier to spend unlimited money on elections. The numbers also suggest that many wealthy donors are increasingly opting for the confidentiality of nonprofits rather than allowing the public scrutiny that comes from giving to super PACs or candidates.

"I think there is a potential to see a tremendous amount of money flowing through these nonprofit groups," said Bill Allison, editorial director at the Sunlight Foundation, which advocates greater disclosure for political organizations and candidates. "For an awful lot of donors, it's a very attractive way to give without leaving any kind of footprint."

Crossroads GPS, the largest of the independent pro-Republican groups, said it raised nearly $40 million from unidentified donors in the first three months of this year, compared with less than $10 million by its affiliated super PAC, American Crossroads, which discloses contributions, according to documents and officials.

The Crossroads groups have run nearly $12 million in anti-Obama ads this cycle, nearly all of them paid

for by the secretive nonprofit arm, according to data from Kantar Media/Campaign Media Analysis Group, which tracks ad spending. Recent tax records showed that 90 percent of the $76 million raised by the nonprofit arm through 2011 came from unidentified donors who gave $1 million or more, including two who gave $10 million each.

Many of the spots aired by groups such as Crossroads GPS are considered "issue ads" because they do not specifically urge viewors to vote for a particular candidate. The strategy allows them to conform to Internal Revenue Service rules for "social welfare" groups, which do not have to disclose their donors as long as their "primary purpose" is not politics.

One Crossroads GPS spot currently running in Virginia, for example, castigates the president for high energy costs. "No matter how Obama spins it, gas costs too much," the female narrator says. "Tell Obama: Stop blaming others and work to pass better energy policies."

Despite its anti-Obama message, the ad is not considered an election-related message under FEC and IRS guidelines. That means the money spent to air the spot — about $204,000 in the Richmond, Charlottesville and Washington markets — will not count as part of the group's political budget, experts say.

"We are still very early in the cycle, with virtually all of last year and the first quarter dedicated to framing legislative and regulatory issues with conservative messaging," said Jonathan Collegio, a spokesman for the Crossroads groups. "As we approach the elections, more of our expenditures will be political and election focused."

In addition to Crossroads, top expenditures on anti-Obama issue ads include $7 million from Americans for Prosperity, a conservative group with ties to oil billionaires Charles and David Koch; $3 million from the American Future Fund, a nonprofit conservative group based in Iowa; and at least $3.3 million from the American Energy Alliance, a group supported in part by the energy industry.

Liberal groups have spent little in comparison. The Environmental Defense Fund and the American Federation of State, County and Municipal Employees have each spent about $1.1 million on ads related to the general presidential election, the data show. Most of the money on the left, particularly from labor unions, is expected to be spent on grass-roots organizing rather than advertising.

Benjamin Cole, communications director for American Energy Alliance, said the estimated $4 million the group has spent on television, radio and Internet ads "is just a fraction of what we're expecting to spend" by November. He said the group is proud that it "fired the jump ball for the general election" with an ad running in 10 swing states that criticizes Obama's energy policies and warns of $9-a-gallon gasoline.

"Almost overnight it became Barack Obama and Mitt Romney on energy," Cole said. "There's no problem with that. We want the conversation about energy and we're happy to keep that conversation going."

Nonetheless, Cole said, the group's aims are primarily educational and nonpartisan. He noted that the group has criticized Romney, giving him its "Dim Bulb Award" last week for saying in 2003 that coal energy "kills people."

Watchdog groups have long complained about a lack of disclosure by tax-exempt advocacy organizations, and Democrats have pushed for stronger requirements. Last month, a federal judge in

Washington ordered the FEC to require tougher disclosure rules for nonprofits that run ads within 60 days of an election, but it's unclear whether the agency will act on the matter before November.

Much of the advocacy spending related to the presidential election will go undocumented until 2013, when interest groups file their annual reports with the IRS.

Super PACs also have come under fire for transparency because many donations to the groups are from entities that are hard to trace. Restore Our Future, a pro-Romney super PAC that has raised $52 million, said it would revise its FEC disclosures this week after news organizations raised questions about a $400,000 donation linked to a defunct company address.

Spokeswoman Brittany Gross said the listing was the result of a "clerical error." She said the filing will be updated to show a pair of $200,000 contributions from Gerald and Darlene Jordan, who hosted a recent fundraiser for Romney at their home in Palm Beach, Fla.

Staff writer T.W. Farnam contributed to this report.

ATTACHMENT 5

PRIMERICA, INC.
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER
Adopted on March 31, 2010 and May 17, 2011

Mission

The Nominating and Corporate Governance Committee (the "Committee") of Primerica, Inc. (the "Company") takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board of Directors the Corporate Governance Guidelines applicable to the Company (the "Guidelines") and monitoring the Company's compliance with said policies and Guidelines.

The Committee is responsible for identifying individuals qualified to become Board members, recommending to the Board the director nominees to be considered for election at the next annual meeting of stockholders, and leading the Board in its annual review of the Board's performance.

Membership

The members of the Committee shall meet the independence requirements of the New York Stock Exchange corporate governance rules and all other applicable laws, rules and regulations governing director independence, as determined by the Board. The members of the Committee and the Committee Chair shall be appointed, and may be removed, by the Board. If no Committee Chair is appointed by the Board, the Committee members may designate a Committee Chair by majority vote.

Meetings and Operations

The Committee shall meet as often as it deems necessary to perform its duties and discharge its responsibilities, but not less frequently than four times per year. Meetings of the Committee may be held in person or by telephone. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee but may not vote. The Committee may request that any directors, officers, other employees, or other persons whose advice and counsel is sought by the Committee attend any meeting of the Committee. The Committee shall regularly meet in executive session without any members of executive management present.

The Committee Secretary shall prepare minutes for each Committee meeting. A draft of the minutes from each meeting will be circulated to the Committee members and approved by the Committee members at a subsequent Committee meeting.

Duties and Responsibilities

The Committee shall have the following duties and responsibilities:

- Review and assess the adequacy of the Company's policies and practices on corporate governance, including the Guidelines, and recommend any proposed changes to the Board for approval.

- Review and assess the adequacy of the Company's Code of Conduct, the Code of Ethics for Financial Professionals and other internal policies and guidelines.

- Review requests for any waiver of the Company's Code of Conduct and recommend to the Board whether a particular waiver should be granted.

- Review the appropriateness of the size of the Board relative to its various responsibilities. Review the overall composition of the Board, taking into consideration such factors as business experience and specific areas of expertise of each Board member, and make recommendations to the Board as necessary.

- In consultation with the Board and the Company's Co-Chief Executive Officers ("CEOs"), either the Committee as a whole or a subcommittee thereof shall, as part of its executive succession planning process, evaluate and nominate potential successors to each of the CEOs. The Committee will also periodically report to the Board on CEO succession.

- In consultation with the CEOs, review the talent development process within the Company to ensure it is effectively managed. Senior Management will provide a report to the Committee regarding its talent and performance review process for key executive management members and other high potential individuals. The purpose of the performance and talent review is to ensure that there is a sufficient pool of qualified internal candidates to fill senior and leadership positions and to identify opportunities, performance gaps and next steps as part of the Company's executive succession planning and development process, all of which shall be reviewed with the Committee.

- Develop appropriate criteria and make recommendations to the Board regarding the independence of directors and director-nominees.

- Recommend to the Board the number, identity and responsibility of Board committees, and recommend to the Board individual directors for appointment to such committees.

- Review the adequacy of the charters adopted by each committee of the Board, and adopt changes as deemed necessary by the Committee.

- Assist the Board in developing criteria for identifying and selecting qualified individuals who may be nominated for election to the Board, which shall reflect at a minimum all applicable laws, rules, regulations and listing standards.

- Consider nominations for Board membership recommended by security holders.

- Assist the Board in developing processes and procedures for evaluating Board member nominees recommended by security holders.

- Recommend to the Board the slate of nominees for election to the Board at the Company's annual meeting of stockholders.

- As the need arises to fill vacancies, actively seek individuals qualified to become Board members and recommend individuals to the Board as nominees to fill vacancies on the Board.

- Periodically assess the effectiveness of the Board in meeting its responsibilities and representing the long-term interests of stockholders.
- Report annually to the Board with an assessment of the Board's performance.
- Monitor the orientation program for new directors and support participation by directors in continuing education programs.
- Conduct an annual review of the Committee's performance and report the results to the Board. Periodically assess the adequacy of this charter and approve changes as needed.
- Regularly report to the Board on the Committee's activities.
- Obtain advice and assistance, as needed, from internal or external legal counsel, accounting firms, search firms or other advisors, with the sole authority to retain, terminate and negotiate the terms and conditions of the assignment.
- Delegate responsibility to subcommittees of the Committee as necessary or appropriate.
- Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

Funding and Resources

Company personnel will be available to the Committee to provide pertinent data and information requested by the Committee. Furthermore, the Company shall provide adequate funding, as determined by the Committee, for payment of compensation to any outside advisors retained by the Committee.

ATTACHMENT 6

Code of Conduct

Revised March 17, 2011

April 2010

Dear Primerica Colleagues:

Primerica's long-term success is based on our integrity. Every day, our many stakeholders – clients, investors, regulators, employees and representatives – count on our commitment to the highest standards of business ethics and compliance.

The Primerica Code of Conduct is an expression of our values. Whatever your role at Primerica, the judgments you make reflect on our reputation and we are all responsible for abiding by the standards of behavior described in the Code. We are counting on you to drive a culture in which we aggressively grow our business consistent with our values and legal and ethical requirements in all the markets that we serve.

We should all recognize that the financial services industry is heavily regulated and that in many cases the rules are complex and strictly enforced. For these reasons, we expect every employee to ask questions and raise concerns as they arise to ensure that we are always comfortable with our conduct. Every manager is also responsible to create an environment where such questions and concerns are welcome.

Please take the time to read this Code and make sure you understand it. In addition to setting out the core principles that govern all Primerica employees, it also identifies the many resources available to help you understand how these principles relate to your job.

Integrity must always be the foundation of our business operations and the starting point of all our decisions and actions. For our clients, our stockholders and our colleagues, the name Primerica must inspire the kind of trust and confidence that says — wherever we operate and whatever the situation — we will do the right thing. Each of us has an obligation to honor and uphold the Primerica legacy that has been entrusted to us. We know we can count on you to do your part.

Rick Williams
Chairman of the Board and Co-Chief Executive Officer

John Addison
Chairman of Primerica Distribution and Co-Chief Executive Officer

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About the Primerica Code of Conduct

The Code of Conduct is designed as a guide to assist us in choosing the proper course of action, individually and as a company, in every aspect of our work lives. It is designed to promote honest and ethical behavior and to help us avoid situations that would give even the appearance of impropriety. This Code applies to every officer and employee and member of the Board of Directors of Primerica, Inc. and each of its subsidiaries ("Primerica" or the "Company"). All such individuals are required to review and comply with this Code. In addition, other persons performing services for the Company may be subject to this Code by contract or other agreement.

Primerica expects all its employees and other representatives to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, including ethical handling of actual or apparent conflicts of interest between professional and personal relationships, and to comply with all applicable laws, rules, regulations and Primerica policies. We must never compromise that integrity, either for personal benefit or for Primerica's purported benefit.

This Code provides an overview of Primerica's key policies. Your particular business unit may also have its own policies which you must follow. If you have any questions or concerns about this Code of Conduct or any Primerica policies and how they apply to you, you should discuss them with your supervisor, your business unit's internal legal counsel, your human resources representative or with the Chief Compliance and Ethics Officer. If there appears to be a conflict between this Code and local laws, or if you have questions regarding the interpretation of applicable laws, you should contact your business unit's internal legal counsel. As a general matter, when there is a difference between Primerica policies that apply to you or between jurisdictions in which you conduct business, the more restrictive policy will apply. Waivers from the code may be granted only by the General Counsel or the Chief Compliance and Ethics Officer. Any waiver of this Code for executive officers or directors may be made only by a documented decision of the Board of Directors or a Board committee, and must be disclosed promptly to the public if required by law or the listing standards of the New York Stock Exchange.

Failure to observe the policies set forth in this Code, Primerica's policies, or the policies and procedures applicable to your business unit may result in disciplinary action, up to and including immediate termination of employment or other relationship with Primerica at the discretion of management and/or the Board of Directors. Furthermore, violations of this Code may also be violations of the law and may result in civil or criminal penalties for you, your supervisors and Primerica.

This Code of Conduct neither constitutes nor should be construed to constitute a contract of employment for a definite term or a guarantee of continued employment.

Raising Ethical Issues and Reporting Suspected Violations

Compliance with the highest ethical standards is a critical element of your responsibilities. Primerica strongly encourages you to raise concerns or questions regarding ethics, discrimination or harassment matters, suspected or attempted fraud and suspected criminal activity and to report promptly suspected violations of these and other applicable laws, regulations and policies. Early identification and resolution of these issues is critical to maintaining Primerica's commitments to its clients, employees and stockholders.

The Code of Conduct provides an overview of the key policies of which you need to be aware. In addition, you must also be aware of the detailed policies, procedures and regulations specific to your business unit. However, Primerica cannot anticipate every issue you may encounter. Situations in the workplace may arise where the proper course of action may not be clear, and it is helpful to consider some questions before you act. When faced with this type of dilemma, first ask yourself:

- Does something feel wrong about this situation?
- Would my action be consistent with the Code, applicable policies and laws?
- How might my decision impact others?
- Would my action or failure to act result in even the appearance of impropriety?

- What might be the consequences of my action or inaction?

You should use your judgment and common sense; if something seems unethical or improper to you, it may very well be. If you have any questions regarding the best course of action in a particular situation, or if you reasonably suspect or become aware of a possible violation of a law, regulation, Primerica policy or ethical standard, you should promptly contact any of the following:

- Your supervisor or another member of your management chain
- Your human resources representative
- Your business unit's internal legal counsel
- Your Compliance Officer
- The Primerica Compliance and Ethics Officer
- Employees, call the Employee Ethics Hotline, a toll-free number at: (888) 742-5500
- Non-employees, call the General Ethics Hotline, a toll-free number at: (888) 554-2374
- E-mail to ethics@primerica.com

Employees can mail complaints to:

Harris Rothenberg International
99 Wall Street, 8th Floor
New York, New York 10005

Non-employees can mail complaints to:

Primerica Ethics Office
3120 Breckinridge Boulevard
Duluth, Georgia 30099

Further contact information is provided at the end of this Code. If you raise an ethical issue and you do not believe the issue has been addressed, you should raise it with another of the contacts listed.

Primerica encourages you to communicate your concerns openly. All contacts and investigations are treated as confidentially as possible, consistent with the need to investigate and address the matter, subject to applicable laws and regulations.

Complaints may be made anonymously to the extent permitted by applicable laws and regulations. However, please be advised that if you do choose to remain anonymous, we may be unable to obtain the additional information needed to investigate or address your concern. As part of any investigation, we respect the rights that are afforded under applicable laws and regulations to all parties related to the matter. Primerica prohibits retaliatory actions against anyone who, in good faith, raises concerns or questions regarding ethics, discrimination or harassment matters, or reports suspected violations of other applicable laws, regulations or policies.

Commitment to Our Clients

Privacy of Client Information

Primerica is committed to protecting personal and confidential information about our clients and using it appropriately. Each of us is responsible for safeguarding all personal and confidential information about our clients in a manner that also allows us to provide our clients with choices and options for products and services to better meet their financial needs and objectives. When we use other companies to provide services for us, we require them to protect the personal and confidential information they receive.

Primerica follows the many laws and regulations directed toward privacy and information security. We also adhere to Primerica's own high standards, including but not limited to the Primerica Information Technology Management Policy and Standards and the Primerica Information Security Standards.

We may disclose personal and confidential information only if disclosure is authorized by Primerica or required or permitted by law. Your obligation to protect confidential information continues even after you leave Primerica. Any unauthorized disclosure of Primerica's confidential information, whether inadvertent or not must be reported to the business unit's BISO.

Data protection and privacy laws change rapidly, and you should consult your business unit's internal legal counsel with any questions regarding appropriate handling of client information.

See also the section below entitled "Commitment to Our Franchise - Safeguarding Personal, Proprietary and Confidential Information."

Fair Treatment

Primerica is committed to dealing fairly with its clients, employees, representatives, suppliers and competitors. No person may take unfair advantage of anyone through manipulation, concealment, abuse of confidential information,

misrepresentation of material facts or other unfair dealings or practices. Primerica is also committed to providing fair access to credit and to making credit decisions based on objective criteria. In addition, the U.S. has "fair lending" or "fair access" laws that specifically prohibit discrimination against prospective or actual clients on the basis of race, sex, religion or other factors and Canadian law also provides similar protection against discrimination. We live within the letter of these laws and regulations, and also embrace their spirit and intent.

For more information, see Primerica's U.S. Fair Lending Policy.

Tied Business Dealings

"Tying" arrangements, where clients are required to purchase or provide one product or service as a condition for another being made available, are unlawful in certain instances. You should consult your business unit's internal legal counsel for advice on tying restrictions.

Antitrust Compliance

Primerica is subject to complex laws designed to preserve competition among enterprises and to protect consumers from unfair business arrangements and practices. You are expected to be aware of and comply with these laws at all times.

Many situations create the potential for unlawful anti-competitive conduct and should be avoided.

These include:

- Proposals from competitors to share price or other competitive marketing information or to allocate markets or clients;
- Attempts by clients or potential clients to preclude Primerica from doing business with, or contracting with, another client;
- Discussions at industry trade association meetings on competitively sensitive topics, such as prices, pricing policies, costs and marketing strategies.

If a competitor or a client tries to discuss subjects with you that raise concerns about anti-competitive conduct, you should refuse to do so and ask the person to stop immediately. If necessary, you should leave or otherwise terminate the conversation and promptly report the matter to your business unit's internal legal counsel.

Commitment to Each Other

Privacy for Primerica's Workforce

Primerica recognizes and seeks to protect the personal and confidential information about its employees, including medical information. Such information must not be shared or discussed outside Primerica, except where permitted or required by applicable law, rule or regulation, or pursuant to a subpoena or order issued by a court of competent jurisdiction or requested by a judicial, administrative or legislative body. You must comply with all Primerica policies and guidelines relating to security and privacy of personal and confidential information, and ensure that such information is only shared with authorized individuals. Responses to requests for such information from anyone outside Primerica under any circumstances may be provided only pursuant to applicable Primerica policy.

Workforce guidelines for privacy and security cover Primerica employees as well as other individuals whose information is provided to Primerica within the context of the working relationship.

When we use other companies to provide services for us, we require them to protect the personal and confidential information they receive about our workforce.

Fair Employment Practices and Diversity

Primerica believes that diversity in our staff is critical to our success, and we seek to recruit, develop and retain the most talented people from a diverse candidate pool. Advancement at Primerica is based on merit. We are fully committed to equal employment opportunity and compliance with the letter and spirit of the full range of laws regarding fair employment practices and nondiscrimination.

Discrimination and Harassment

Primerica promotes a work environment where diversity is embraced, and where our differences are valued and respected. We prohibit

discrimination, harassment or intimidation that is unlawful or otherwise violates our policies, whether committed by or against a supervisor, co-worker, client, supplier or visitor.

Sexual harassment can include unwelcome sexual advances, requests for sexual favors, unsolicited physical contact, propositions, unwelcome flirtations, or offensive verbal, visual or physical conduct of a sexual nature. Examples may include suggestive or lewd remarks, unwanted touches, and offensive jokes or visuals.

We should all be aware of – and sensitive to – the fact that what one person may consider to be a joke or an inoffensive comment may be extremely offensive to someone else. For this reason, we must avoid any conduct that might reasonably be interpreted as offensive, suggestive, or hostile.

Discrimination and harassment, whether based on a person's race, gender, gender identity or expression, color, creed, religion, national origin, nationality, citizenship, age, disability, genetic information, marital status (including domestic partnerships and civil unions as defined and recognized by applicable law), sexual orientation, culture, ancestry, veteran's status, socioeconomic status or other legally protected personal characteristic, are repugnant and completely inconsistent with our tradition of providing a respectful, professional and dignified workplace. Retaliation against individuals for raising in good faith claims of discrimination or harassment is also prohibited.

If you believe that you are being subjected to discrimination or harassment, or if you observe or receive a complaint regarding such behavior, you should report it to your supervisor or senior business manager, to your human resources representative or to the Ethics Hotline (see contact information at the end of the Code of Conduct).

Primerica will promptly investigate all allegations of harassment or discrimination and will take appropriate corrective action to the fullest extent permitted by law.

Primerica will not tolerate the use of its systems, including e-mail services and Intranet/Internet services, in a manner that could be embarrassing or detrimental to the reputation or interest of Primerica; or to create a discriminatory, hostile or offensive work environment. This includes transmitting or exchanging, "jokes," pictures, videos or other communications and stories that are harassing, demeaning or offensive to any individual or group. If you receive an inappropriate e-mail from another employee, you should report it immediately, just as you would any other violation of policy that you observe. If you receive an inappropriate e-mail from an external source, you should delete it immediately and advise the sender to not forward you similar e-mails in the future. Do not forward any inappropriate e-mail to any employee, other than your human resources officer or Business Information Security Officer ("BISO") for purposes of reporting. In addition, do not forward any inappropriate e-mail to any external address, even if it is only to your home computer.

You must never use Primerica systems to initiate, download, transmit or exchange electronic images or text of a sexual nature or containing ethnic slurs, racial epithets or any other material of a harassing, offensive or lewd nature.

Drug-Free Workplace

Primerica must maintain a healthy and productive work environment. Misusing controlled substances or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs in the workplace or while performing work-related duties is prohibited.

Commitment to Our Franchise

Escalation of Business Concerns

It is critical to our franchise and to Primerica's reputation that we exercise appropriate judgment and common sense in every action we take, and that we consider all aspects of the potential impact of transactions in which we engage. It is your responsibility to escalate any concerns regarding potential franchise or reputation risks to the Company's General Counsel.

Investigations

You are required to cooperate fully with any appropriately authorized internal or external investigations, including but not limited to those involving ethical issues or complaints of discrimination or harassment. You should never withhold, tamper with or fail to communicate relevant information. Making false statements to or

otherwise misleading internal or external auditors, investigators, counsel, Primerica representatives or regulators may be grounds for immediate termination of employment or other relationship with Primerica and may also be a criminal act that can result in severe penalties.

Protecting Primerica Assets

You are responsible for safeguarding the tangible and intangible assets of Primerica and our clients, suppliers and distributors that are under your control. Primerica assets may be used only for appropriate business purposes. Assets include cash, securities, physical property and services, business plans, client and employee information, supplier information, distributor information, intellectual property (computer software, models, domain names and other items) and all other personal, proprietary and confidential information.

Before commencing employment with Primerica, you should disclose to your manager the existence of rights or interests you have in any invention or technology which may relate to your employment with Primerica and you may be asked to assign such rights to Primerica. Likewise, you are required to disclose and assign to Primerica all interests in any invention, creation, improvement, discovery, know-how, design, copyright work or work of authorship made or conceived by you or a group including you that arises out of or in connection or relationship with your employment or assignment with Primerica, and to assist Primerica with any effort to perfect such assignment or to secure appropriate intellectual property protection for any of the foregoing. If your relationship terminates for any reason, all rights to property and information generated or obtained as part of your relationship will remain the exclusive property of Primerica.

Misappropriation or unauthorized disclosure of Primerica assets is a breach of your duty to Primerica and may constitute an act of fraud against Primerica. Similarly, carelessness, waste or unauthorized use in regard to Primerica assets is also a breach of your duty to Primerica.

Electronic Communications

Primerica's equipment and services, including but not limited to computers, telephones, voicemail, PDAs, fax machines, video-conferencing equipment, scanners and other electronic communication devices, mail room service, Internet access, e-mail, SMS messages and instant messaging are provided for business purposes and to enable you to perform tasks related to your job. Accordingly, to the extent permitted by applicable laws and regulations, Primerica may monitor and record your use of its equipment and services at any time. Therefore, you should not have any expectation of personal privacy when you use Primerica equipment and services.

You may not use Primerica's equipment and services in a manner that could be harmful or embarrassing to Primerica or in violation of any Primerica policies or any laws. Personal use of Primerica's equipment and services must be kept to a minimum unless further restricted by applicable laws, regulations or your business' policies. Use of the intranet/internet must be in compliance with all applicable laws and the terms of use of Primerica sites and any third-party sites accessed. Primerica's intranet/Internet servers may not be used for the unauthorized downloading, or use, of any copyrighted or unlicensed material. This includes the downloading of music and the unauthorized downloading of unlicensed software, copyrighted images, video or printed material. The Internet may not be accessed from a Primerica server to view, download, store, transmit or post illegal, harassing, demeaning, offensive or inappropriate material.

Copying, selling, using or distributing information, software and other forms of intellectual property in violation of intellectual property laws, license agreements or Primerica policies is prohibited.

Safeguarding Personal, Proprietary and Confidential Information

While working for Primerica and after you cease your employment or association with Primerica, you have an obligation to safeguard and not disclose personal, proprietary and confidential information that you obtain or create in connection with your activities for Primerica, regardless of its form.

You may not bring to Primerica personal, proprietary or confidential information of any former employer, or use such information to aid the business of Primerica, without the prior consent of your former employer.

Your obligation to safeguard personal, proprietary or confidential information includes but is not limited to, protecting it from misuse, using it only for the performance of your assigned job duties and not using such information or permitting such information to be used for unauthorized purposes. You must not disclose personal, proprietary or confidential information about any client, supplier, distributor or Primerica's workforce or sales force to any unauthorized person (including other Primerica employees). Such information must not be shared or discussed outside Primerica, except where permitted or required by applicable law, rule or regulation, or pursuant to a subpoena or order issued by a court of competent jurisdiction or requested by a judicial, administrative or legislative body.

Examples of such information include:

- any system, information or process that gives Primerica an opportunity to obtain an advantage over our competitors;
- nonpublic information about Primerica's operations results, strategies and projections;
- nonpublic information about Primerica's business plans or business processes, as well as nonpublic information about Primerica's workforce or sales force, supplier, client and distributor relationships;
- personal and confidential information relating to individuals, including representatives and clients, Primerica's workforce and suppliers;
- nonpublic information about Primerica's technology, systems and proprietary products; and
- information subject to regulatory or contractual restrictions.

You must take precautionary measures to prevent unauthorized disclosure of personal, proprietary and confidential information. Accordingly, you should also take steps to ensure that business-related documents are produced, copied, faxed, transported, filed, stored and disposed of by means designed to prevent unauthorized access to such information. You should also ensure that access to work areas and computers is properly controlled in accordance with Primerica's Information Security Standards. You should not discuss sensitive matters or personal, proprietary or confidential information in public places such as elevators, hallways, restaurants, restrooms and public transportation, or on the Internet or any other electronic media (including blogs and social networking sites); and you should be cautious when using mobile phones or other communication devices or messaging services. Great care should be exercised when discussing such information in open workplace areas, such as cubicles or on speaker phones.

Your obligation to safeguard personal, proprietary and confidential information extends to all situations in which you may use such information, including when you are away from work or working remotely. In addition, once your employment or association with Primerica ends, you may not divulge or use Primerica's personal, proprietary and confidential information and must immediately return any copies of such information to Primerica.

You are also responsible for ensuring that you are in compliance with all Primerica policies and guidelines relating to the safeguarding of personal, proprietary and confidential information, including but not limited to, the Primerica Information Security Standards and the Primerica Records Management Policy.

Use of Primerica Name, Facilities or Relationships

You should not use Primerica's name, logo or trademarks (including on letterhead or personal websites), facilities or relationships for personal benefit or for outside work. Use of Primerica's name, facilities or relationships for charitable or pro bono purposes can be made only with prior approval from your senior business manager or the General Counsel, and only after any other notification and approvals are provided, if required by the policies of your business unit.

Continuity of Business

Primerica maintains continuity of business plans to minimize financial losses and respond to market and clients' needs when a blackout, fire or other man-made or natural disaster, crisis, disruption or emergency occurs. To be successful, Primerica must be prepared to respond to any event that may affect normal business operations. You should be familiar with the crisis management procedures for your business.

For more information, see the Primerica Continuity of Business Policy.

Anti-Money Laundering ("AML") Compliance

Money laundering is a global problem with potentially devastating consequences. Money laundering is defined as the process of converting illegal proceeds so that funds are made to appear legitimate and thereby enter the stream of commerce. It is not limited to cash transactions.

Primerica and its employees must act diligently to prevent our products and services from being used to further money laundering and to detect and report related concerns. Toward that end, we have established standards to protect Primerica from being used to launder the proceeds of illicit activity.

The Primerica AML Policy requires that Primerica businesses develop and implement effective AML programs to comply with applicable laws and to protect Primerica from being used for money laundering. You must follow the Primerica AML Policy and your business unit's specific AML program and procedures, including those requiring appropriate diligence for accepting client relationships and, where applicable, individual transactions. No client relationship is worth compromising our commitment to combating money laundering, terrorist financing or other crimes. Primerica is committed to cooperating with these efforts to the fullest extent permitted by law.

Questions regarding Primerica's AML and anti-terrorist financing efforts may be directed to AML Compliance or to the Chief Compliance Officer of your business unit. For more information, see the Primerica Anti-Money Laundering Policy.

Suspicious Activity Reporting

In the U.S. and many countries, financial institutions are required to identify and report to government authorities any suspicious accounts or transactions that may be related to possible violations of law, including money laundering, terrorist financing, insider trading and insider abuse, fraud and misappropriation of funds, among others. Primerica requires all its businesses to implement procedures to monitor for suspicious activity with regard to accounts and transactions so that, when required, the suspicious activity can be reported to the appropriate government authorities. You are responsible for understanding and following the AML and reporting procedures adopted in your business area. This is of particular importance if you deal with clients, transactions or financial records. If you are unclear as to your responsibilities, contact the AML Compliance Officer for your business unit.

Gifts and Entertainment

Accepting Gifts and Entertainment

In general, you may not accept gifts of anything of value (including entertainment) from current or prospective Primerica clients or suppliers. You may never accept a gift under circumstances in which it could even appear to others that your business judgment may be compromised. Similarly, you may not accept or allow a close family member to accept gifts, services, loans or preferential treatment from anyone—clients, suppliers or others—in exchange for a past, current or future business relationship with Primerica.

Cash gifts or their equivalent (e.g., gift cards or vouchers) may not be accepted under any circumstances. Noncash gifts may be accepted when permitted under applicable law only as follows, unless approved by the General Counsel: (1) they are nominal in value (i.e., less than or equal to US$100); (2) they are appropriate, customary and reasonable meals and entertainment at which the giver is present, such as an occasional business meal or sporting event; or (3) they are appropriate, customary and reasonable gifts based on family or personal relationships, and clearly not meant to influence Primerica business.

Suppliers or clients occasionally sponsor events where raffles or prizes are awarded to attendees. The criteria for selecting winners and the value of these prizes can vary greatly, and could raise the appearance of impropriety. If you have any questions about the appropriateness of accepting a gift, invitation, raffle or other prize, you should discuss the matter with your supervisor or your business unit's internal legal counsel.

In certain situations, it may be appropriate to accept a gift and place it on display at Primerica or donate the item to a charity in the name of Primerica, or make a donation to charity in an amount equal to the gift's "fair-market value." Consult your business unit's internal legal counsel for further guidance.

Giving Gifts and Providing Entertainment

In certain circumstances, the giving of gifts and entertainment may be seen to others as a conflict of interest or, in extreme cases, bribery. If giving any gift or entertainment could be seen as consideration for corporate or government business or for any governmental favor, you must not give the gift or provide the entertainment. Appropriate gifts and entertainment may be offered to clients, by persons authorized to do so, subject to the procedures applicable to your business unit.

The ability to provide gifts or entertainment to government officials is severely limited by both Primerica policies and by law. Many countries, states and local jurisdictions have laws restricting gifts and entertainment (e.g., meals, entertainment, transportation, lodging or other things of value) that may be provided to government officials. In addition, you may be required to report participation of government officials in Primerica events. It is your responsibility to become familiar with gift and entertainment restrictions applicable to you and to comply with all pre-approval and reporting requirements.

The U.S. Foreign Corrupt Practices Act and Anti-Bribery Laws

All Primerica businesses are subject to anti-bribery laws, including the U.S. Foreign Corrupt Practices Act of 1977 ("FCPA"). The FCPA prohibits bribery, which includes any improper payment, or promise of payment, or the provision of anything of value to foreign officials (including any person employed by or representing a foreign government, officials of a foreign political party, officials of public international organizations, candidates for foreign office and employees of state-owned enterprises). Under no circumstances may you offer anything of value to a government official (or to members of the official's family, or to a charitable organization suggested by the official) for the purpose of influencing the recipient to take or refrain from taking any official action, or to induce the recipient to conduct business with Primerica.

Improper payments for the benefit of a government official even if made indirectly through a consultant, contractor or other intermediary are prohibited. In addition to payments and gifts, offering employment opportunities to a government official or a family member of an official may also violate anti-bribery laws. "Facilitating payments" are small payments to low-level governmental officials to expedite or secure performance of a nondiscretionary, routine governmental action. Facilitating payments may not be made without specific prior approval of the business unit's internal legal counsel and then only when such payments do not violate local law and are properly reported.

To ensure compliance with both local laws and the FCPA, it is your responsibility to comply with all pre-approval and reporting requirements.

Information and Records Creation and Management

Information and records, as defined by Primerica's Records Management Policy, that are owned, collected, used and managed by Primerica must be accurate and complete. You are responsible for the integrity of the data and information, including reports and documents under your control. Records must be maintained in sufficient detail as to accurately reflect all Primerica transactions. This includes appropriate accounting and internal financial controls.

You must use common sense and observe professional standards regarding content and language when creating business records and other documents including e-mail, SMS messages and instant messaging that may be viewed, used or retained by Primerica or a third party. You should keep in mind that at a future date, Primerica or a third party may rely on or interpret the document solely as it appears, without the benefit of other recollections or context. You are prohibited from destroying or altering any records that are potentially relevant to a violation of law, legal claim or any litigation, or to any pending, threatened or foreseeable government investigation or proceeding.

Records must be identified, classified, retained and disposed of in accordance with Primerica's Records Management Policy.

Financial and Tax Reporting

Financial statements must always be prepared in accordance with applicable accounting principles and fairly present, in all material respects, Primerica's financial condition and results.

Primerica is also committed to accuracy in tax-related records, and to tax reporting in compliance with the overall intent and letter of applicable laws.

For more information, see Primerica's Code of Ethics for Financial Professionals.

Employees and executive officers of each company must ensure full, fair, accurate, timely and understandable disclosures are made in reports created for the Board or to be filed by Primerica with any regulatory or governmental entity.

Any employee or executive officer that submits required periodic reports for Primerica must make full, fair, accurate, timely and understandable disclosure in such reports.

Supplier Relationships

To make the best use of Primerica's assets and to leverage our buying power with the goal of delivering value to our clients and stockholders, Primerica purchases all goods and services on the basis of price, quality, availability, terms and service. When any Primerica company deals with another subsidiary or Primerica's clients, such transactions must be consistent with arm's-length market terms and applicable law.

Suppliers must be required to adhere to all applicable laws, this Code of Conduct and Primerica policies and agree to keep any relationship with Primerica confidential unless disclosure has been approved and authorized by Primerica. These relationships may be subject to other restrictions or disclosure obligations under securities or other laws.

If you are responsible for a client relationship, you must never lead a supplier or client to believe that they can inappropriately influence any procurement decisions at Primerica. In connection with offering or pitching business to a supplier or client, you may not offer any "quid pro quo" or suggest that any business or service may be withdrawn or awarded in return for business. Real or perceived conflicts of interest in the procurement process should be promptly disclosed to your compliance officer and avoided.

Information pertaining to Primerica's procurement of goods and services is subject to Company policies regarding proprietary and confidential information. It can be shared internally only with others who have been designated by authorized personnel. Such information should not be communicated outside Primerica except as expressly authorized. Any communication of information regarding suppliers must comply with governmental rules.

Political Activities and Contributions

As an individual citizen, you may have an interest in the governmental process or influencing or developing relationships with public officials. However, participating in such governmental processes may raise legal implications and liability for Primerica. Depending on the jurisdiction, this may be the case even if you are acting in a personal capacity and not as a representative of the Company.

There are a variety of laws that regulate political activities of Primerica. Any unauthorized political activity by you could result in a legal violation, civil or criminal penalty, a ban on doing business and reputational risk for Primerica.

For these purposes, political activity includes:

(1) Making corporate political contributions, or soliciting political contributions, or using Primerica funds or resources (such as facilities or personnel), or volunteering personal services during Company time on behalf of a candidate campaigning for public office, a political party committee or a political committee;

(2) Lobbying or engaging in any outreach to public officials, including attempts to influence legislation and, depending on the jurisdiction, may also include attempts to influence agency rulemaking or the awarding of government contracts; and,

(3) Seeking, accepting or holding any political office associated with the government, including any government board, commission or other similar organization.

To avoid any legal violation by Primerica and to ensure proper regulatory disclosures are filed for Primerica and its employees, the political activities described above require pre-approval by Primerica's Government Relations Department ("GR") unless you are otherwise subject to a more restrictive policy for your business unit. Since

making personal political contributions to candidates holding or running for a government office may also require pre-approval in certain jurisdictions, please consult your business unit's specific policy, GR or your business unit's internal legal counsel for further guidance.

GR represents all Primerica businesses when it comes to influencing legislation or rulemaking. Under no circumstance should a non-GR employee represent himself or herself as a government relations representative, or include a government relations title on his/her Primerica letterhead or business card.

Insider Trading

Primerica policy and the laws of the United States and Canada prohibit trading in the securities (including equity securities, convertible securities, options, bonds and any stock index containing the security) of any company while in possession of material, nonpublic information (also known as "inside information") regarding that company. This prohibition applies to Primerica securities as well as to the securities of other companies. It applies to transactions for any Primerica account, client account or personal account. A personal account is any account in which you have a financial or beneficial interest, or for which you have the power to affect or ability to influence trading or investment decisions, either directly or indirectly. Personal accounts typically include accounts of spouses, domestic partners, children and other members of your household, and accounts over which you have investment discretion.

If you believe you have come into possession of inside information, you may not execute any trade in the securities of the subject company without first consulting with the General Counsel, who will then determine whether such trade would violate Primerica policy or applicable laws. The definition of "material, nonpublic information" is broad. Information is "material" (and hence, potentially subject to the prohibition on insider trading) if there is a substantial likelihood that a reasonable investor would consider the information important in determining whether to trade in a security, or if the information, if made public, likely would affect the market price of a company's securities. Information may be material even if it relates to future, speculative or contingent events, and even if it is significant only when considered in combination with publicly available information. Information is considered to be "nonpublic" unless it has been publicly disclosed by the subject company and adequate time has passed for the securities markets to digest the information. Examples of adequate disclosure include public filings with securities regulatory authorities and the issuance of press releases, and may also include meetings with members of the press and public.

It is also illegal to "tip" or pass on inside information to any other person if you know or reasonably suspect that the person receiving such information from you will misuse such information by trading in securities or passing such information on further, even if you do not receive any monetary benefit from the tippee. Trading on or conveying material nonpublic information may also breach contractual obligations assumed by Primerica to or on behalf of clients. Consequences for insider trading violations can be severe, including termination of employment, civil and criminal penalties for you, the tippee(s) and Primerica, as well as irreparable damage to our reputation and public trust.

For more information, see the Primerica Insider Trading Policy.

Personal Investments in Primerica and Other Securities

Investments in Primerica securities for personal accounts should be made with a long-term orientation and as part of a broader investment strategy.

You are prohibited from trading in publicly traded securities (including Primerica securities) for your personal accounts if you possess material nonpublic information about the security or the issuer (including Primerica). See the section of this Code entitled "Commitment to Our Franchise - Insider Trading" for a definition of material, nonpublic information and a definition of personal accounts.

Employees, executive officers and other representatives of certain Primerica businesses may be subject to additional restrictions and policies regarding personal trading of securities (including Primerica securities). These may include preclearance, reporting requirements and blackout periods. In addition, Primerica directors and executive officers are subject to periodic reporting and other legal restrictions regarding

their personal trading of Primerica securities. You are responsible for knowing and abiding by any Company or business unit policies regarding securities that may be applicable to you.

You must not make any personal investment in an enterprise if the investment might affect or appear to affect your ability to make unbiased business decisions for Primerica. If you made such an investment before joining Primerica, or your position at Primerica changes in such a way as to create a conflict of interest or the appearance of such a conflict, you must promptly report the facts to your senior business manager or other person designated by your business unit. Investments subject to this provision include investments in a public or private company that is a supplier to or competitor of Primerica, or otherwise does business with or is doing a transaction with Primerica.

This provision will not apply to personal investments in enterprises having a business relationship with Primerica that is solely that of a client of Primerica products available to similarly situated clients on substantially the same basis, or to investments of under 1% of the outstanding equity securities of a public company. Investments in non-Primerica securities may, in some circumstances, raise concerns about conflicts of interest. See the section of this Code entitled "Commitment to Our Franchise - Employee Conflicts of Interest" for more information about conflicts of interest relating to personal investments.

Employee Conflicts of Interest

You must be sensitive to any activities, interests or relationships that might interfere with, or even appear to interfere with, your ability to act in the best interests of Primerica and our clients. The topics below are only some of the areas in which real or perceived conflicts of interest may arise. Because it is impossible to describe every potential conflict, Primerica necessarily relies on your commitment to exercise sound judgment, to seek advice when appropriate and to adhere to the highest ethical standards. Various business units have specific policies regarding potential conflicts of interest. You are responsible for knowing and complying with the relevant policies applicable to you.

Executive Officer Conflicts of Interest

Executive officers must promptly report to the General Counsel any material interest or affiliation that is in conflict with the official duties of such officer.

Outside Business Activities

When a Primerica employee serves as a director of an unaffiliated, publicly traded for-profit company (an "Outside Directorship"), there is a risk of liability for the individual as a director, as well as the risk that he or she will be required to spend large amounts of time attending to the affairs of the public company, thereby interfering with the employee's responsibilities at Primerica. For these and other reasons, Primerica prohibits its' employees from seeking or accepting outside directorships unless advance written approval is obtained from the General Counsel or, in the case of Planning Group Members, by the Board of Directors.

In addition to the policy on outside directorships, you may not engage in other outside business activities including not-for-profit activities if a real or perceived conflict of interest exists or could exist. You are also required to comply with any applicable laws, regulations and Primerica and business unit policies. You are responsible for identifying and raising any such activity or relationship that may pose an apparent or potential conflict of interest and to evaluate with your supervisor and your compliance officer the possible conflicts that could result.

Corporate Opportunities

You owe a duty to Primerica to advance its legitimate interests when the opportunity to do so arises. You may not take for yourself a potential corporate opportunity that is discovered in the course of your Primerica employment or representation or through the use of corporate property, information or position, nor may you compete against Primerica.

Related Party Business Dealings

You must notify your supervisor of any business relationship or proposed business transaction Primerica may have with any company in which you or a related party has a direct or indirect interest or from which you or a related party may derive a benefit, or where a related party member

is employed, if such a relationship or transaction might give rise to the appearance of a conflict of interest (for example, if you or a family member owns or controls property of significant value that Primerica is either purchasing or leasing).

This requirement generally does not apply if the interest exists solely as a result of your ownership of less than 1% of the outstanding publicly traded equity securities of such company. It also excludes a business relationship consisting solely of the provision of a Primerica service or product, such as a loan or life insurance policy that is typically offered to other parties on the same terms.

Personal Business Dealings

Primerica personnel and their families are encouraged to use Primerica for their personal financial services needs. Such services, however, are to be provided on the same terms that they are provided to all other similarly situated persons. Any nonstandard business arrangements between Primerica personnel and Primerica must be pre-approved by your senior business manager and your compliance officer. Similarly, you should not receive preferential treatment from suppliers or clients without pre-approval from your senior business manager and your compliance officer, unless such preferential treatment is available on the same terms to all similarly situated persons.

Fair and Free Markets

Primerica is committed to promoting free and competitive markets. Any attempt by a Primerica officer, director or employee to manipulate or tamper with the markets or the prices of securities, options, futures or other financial instruments will not be tolerated. Primerica's goal is to ensure candor and honesty in all its dealings, including those with any U.S. or non-U.S. federal, state or local governmental body, any self-regulatory organization of which Primerica or any of its affiliates is a member, and the public.

Required Employee Reporting

Unless prohibited by local law, you must notify the Chief Compliance and Ethics Officer and your human resources representative if you become or have ever been the subject of any arrest, summons, subpoena, arraignment, indictment or conviction for any criminal offense, including any participation in a pretrial diversion program or similar program. Employees holding a regulatory license are responsible for ensuring disclosures are promptly and accurately made.

Undertaking to Repay Legal Expenses

If you expect to pay legal expenses to defend yourself in a civil or criminal action, suit or proceeding arising from your service as an officer, employee or a director of any Primerica company, you may ask Primerica to provide counsel to represent you. If management determines, based on governing documents and applicable law, that you are entitled to representation, but for any reason a Primerica-designated attorney cannot represent you (for example, if there is a conflict of interest), Primerica may advance fees and expenses for outside counsel hired to represent you. By making the request, you agree that you will repay all these expenses to Primerica if it ultimately turns out that you are not entitled to indemnification. The determination of whether you were entitled to indemnification will be made by the Board of Directors.

Compensation Plans, Programs and Arrangements

At Primerica, all compensation plans, programs and arrangements and any compensation payable thereunder are subject to all applicable laws and regulations, as they may be amended from time to time. Accordingly, to the extent permitted by applicable laws and regulations, Primerica may make changes to your compensation plans, programs and arrangements as it deems necessary, in its sole discretion, to allow it to comply with or satisfy any legal, regulatory, or governmental requirements or directives or to qualify for any government loan, investment, subsidy or other program.

Media Interaction and Public Appearances

You must refer all inquiries from the media relating to Primerica to the Corporate Relations Office. Only individuals officially designated by Corporate Relations may provide comments to the media, either on or off the record, or materials for publication. This includes all interaction with the media, however formal or informal, and irrespective of the subject matter. If a member of

the media contacts you, you must refer them to Corporate Relations.

Corporate Relations is the sole entity authorized to issue press releases or public statements on behalf of Primerica. Employees may not consent to or engage in any public relations activity relating to Primerica with clients, suppliers, or others without prior approval from Corporate Relations.

Before publishing or posting any material in written or electronic format (including books, articles, podcasts, webcasts, blogs, website postings, photos, videos or other media), making speeches, giving interviews or making public appearances that mention Primerica, our operations, clients, employees, or services, you must get approval from your supervisor and Corporate Relations. Approval is required regardless of whether or not Primerica equipment is used.

Primerica has issued guidelines to ensure that employees do not violate public disclosure requirements when communicating with investors, analysts or the press. These guidelines are part of Primerica's commitment to full compliance with the Securities and Exchange Commission's Regulation FD (Fair Disclosure). To ensure compliance with these guidelines, you should consult with Investor Relations prior to arranging or participating in any investor or analyst meetings.

Anti-Boycott Laws

U.S. law prohibits U.S. persons from taking actions or entering into agreements that have the effect of furthering any unsanctioned boycott of a country that is friendly to the U.S.

This prohibition applies to persons located in the U.S. (including individuals and companies), U.S. citizens and permanent residents anywhere in the world, and many activities of U.S. subsidiaries abroad.

In general, these laws prohibit the following actions (and agreements to take such actions) that could further any boycott not approved by the U.S.: (1) refusing to do business with other persons or companies (because of their nationality, for example); (2) discriminating in employment practices; (3) furnishing information on the race, religion, gender or national origin of any U.S. person; (4) furnishing information about any person's affiliations or business relationships with a boycotted country or with any person believed to be blacklisted by a boycotting country; or (5) utilizing letters of credit that contain prohibited boycott provisions. Primerica is required to report any request to take action, or any attempt to reach agreement on such action, that would violate these prohibitions. You should also be alert to the fact that boycott-related requests can be subtle and indirect. Contact the Office of the General Counsel should any such issue arise.

Embargoes and Sanctions

Primerica complies fully with U.S. and Canadian economic sanctions and embargoes restricting U.S. and Canadian persons, corporations and, in some cases, foreign subsidiaries from doing business with certain countries, groups and individuals, including organizations associated with terrorist activity and narcotics trafficking. Unless expressly permitted by the U.S. Treasury Department's Office of Foreign Assets Control, and Canada's similar office, economic sanctions prohibit doing business of any kind with targeted governments and organizations, as well as individuals and entities that act on their behalf. Sanction prohibitions also may restrict investment in a targeted country, as well as trading in goods, technology and services (including financial services) with a targeted country. U.S. persons may not approve or facilitate transactions by a third party that the U.S. person could not do directly. Questions should be directed to the Office of the General Counsel.

Conclusion

We at Primerica aspire to the highest standards of ethical and professional conduct—working to earn and maintain our clients' trust, day in and day out. In the thousands of decisions we make and actions we take every day, we affirm our commitment to this Code of Conduct and to deliver value to our clients, our people, our stockholders and our communities. This Code summarizes key policies of which you need to be aware as a member of our Primerica family.

You are encouraged to seek additional guidance or help from your supervisor, human resources representative, internal legal counsel, compliance officer, the Primerica Ethics Office, or any of the resources listed below.

Useful Addresses and Telephone Numbers

U.S.A.
General Counsel
3120 Breckinridge Boulevard
Duluth, GA 30099
(770) 564-6250

Anti-Money Laundering
AML Compliance Office
3120 Breckinridge Boulevard
Duluth, GA 30099
(770) 564-7865

Compliance and Ethics Office
3120 Breckinridge Boulevard
Duluth, GA 30099
(770) 564-6192

Canada
General Counsel
P.O. Box 174
Streetsville, Ontario LM5 2B8
(905) 813-5370

Chief Compliance Officer
Regulatory and Anti-Money Laundering Compliance
P.O. Box 174
Streetsville, Ontario LM5 2B8
(905) 813-5341

Primerica Ethics Hotlines

E-mail: ethics@primerica.com

Employee Ethics Hotline: (888) 742-5500

Employee Mail:
Harris Rothenberg International
99 Wall Street, 8th Floor
New York, NY 10005

General Ethics Hotline: (888) 554-2374

Non-Employee Mail:
Mail: Primerica Ethics Office
3120 Breckinridge Boulevard
Duluth, GA 30099

Available 24 hours a day, seven days a week
ALL CONTACTS ARE CONFIDENTIAL

Acknowledgement

For New Hires Only:

I acknowledge that I have read the Primerica Code of Conduct and understand my obligations as an employee to comply with the principles, policies and laws outlined in the Code of Conduct, including any changes made from time to time by Primerica. I understand that a current copy of the Code of Conduct is posted on Primerica's Campus Home Page under the Human Resources tab on the PFSWEB at http://pfsweb.

I understand that my agreement to comply with the Code of Conduct neither constitutes nor should be construed to constitute either a contract of employment for a definite term or a guarantee of continued employment.

Please sign here: _____ Date: _____

Please print your name: _____ GEID: Number: _____

This signed and completed form must be returned to your human resources representative within 30 days of your receiving this booklet. Failure to do so will not affect the applicability of this Code of Conduct or any of its provisions to you.

ATTACHMENT 7

EX-10.2 9 dex102.htm TRANSITION SERVICES AGREEMENT, CITIGROUP AND PRIMERICA

Exhibit 10.2

EXECUTION COPY

TRANSITION SERVICES AGREEMENT

by and between

CITIGROUP INC.

and

PRIMERICA, INC.

Dated as of April 7, 2010

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ARTICLE XI MISCELLANEOUS

SCHEDULES

TRANSITION SERVICES AGREEMENT

This **TRANSITION SERVICES AGREEMENT** (this "Agreement"), dated as of April 7, 2010 (the "Effective Date"), by and between CITIGROUP INC., a Delaware corporation ("Citi"), and PRIMERICA, INC., a Delaware corporation ("Primerica," together with Citi, the "Parties," and each individually a "Party").

WHEREAS, Citi is the indirect owner of all of the issued and outstanding common stock of Primerica immediately prior to the date hereof; and

WHEREAS, In contemplation of Primerica ceasing to be so wholly owned by Citi, the Parties hereto have determined that it is necessary and desirable to set forth certain agreements that will govern certain matters between the Parties hereto following the completion of the initial public offering of the common stock of Primerica as of the Effective Date, and this Agreement is one such agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Unless the context clearly requires otherwise, the following terms shall have the following meanings:

"AAA" shall have the meaning set forth in Section 11.15.

"Additional Service" shall have the meaning set forth in Section 2.5(a).

"Affiliate" shall mean, with respect to a Party, any person or entity that, directly or indirectly, Controls, or is Controlled by, or is under common Control with, such Party. For the purposes of this Agreement, neither Party shall be deemed an Affiliate of the other.

"Auditors Attestation" shall have the meaning set forth in Section 5.7(b).

"Bank Holding Company Act" shall mean the Bank Holding Company Act of 1956, as amended, and the rules, regulations and interpretations of the Federal Reserve Board thereunder.

"Base Cost" shall have the meaning set forth in Section 4.1(a) & (b).

"Base Term" shall have the meaning set forth in Article X.

"Beneficially Own" and "Beneficially Owned" means "beneficial ownership" within the meaning of Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act.

"BHCA Side Letter" shall have the meaning set forth in Section 10.1(b).

"Business" shall mean the business of the subsidiaries of Primerica as the business was operated by them in the ordinary course prior to the Effective Date.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in The City of New York.

"Citi Benefits Services" shall have the meaning set forth in Section 2.1(b).

"Citi Fees" shall have the meaning set forth in Section 4.1(a).

"Citi Indemnified Parties" shall have the meaning set forth in Section 9.2.

"Citi Non-Benefits Services" shall have the meaning set forth in Section 2.1(a).

"Citi Parties" shall mean, as applicable, (a) Citi, its Affiliates and its or their third party service providers, when providing Services or (b) Citi and its Affiliates, when receiving Services.

"Citi Services" shall have the meaning set forth in Section 2.1(b).

"Citigroup Affiliated Group" means, collectively, Citigroup and all corporations, partnerships, joint ventures, limited liability companies, associations and other entities (a) in which Citigroup owns, directly or indirectly, fifty percent (50%) or more of the outstanding voting stock, voting power, partnership interests or similar ownership interests, (b) of which Citigroup otherwise directly or indirectly controls or directs the policies or operations or (c) which would be considered subsidiaries of Citigroup within the meaning of Regulation S-K or Regulation S-X, now or hereafter existing, other than Primerica and its Subsidiaries, now or hereafter existing (all determinations hereunder to be made after giving effect to the Reorganization (as defined in the Intercompany Agreement).

"Common Stock" means the common stock, par value $0.01 per share, of Primerica and any other class or series of common stock of Primerica hereafter created.

"Compliance Period" shall have the meaning set forth in Section 5.7.

"Confidential Material" shall have the meaning set forth in Section 6.1.

"Control" and its derivatives mean legal, beneficial or equitable ownership, directly or indirectly, of more than fifty percent (50%) of the outstanding voting capital stock (or other ownership interest, if not a corporation) of an entity, or actual managerial or operational control over such entity.

"Dispute" shall have the meaning set forth in Section 11.14.

"Enterprise License Agreement" shall mean each agreement that is set forth on Schedule 3.7, in each case as such agreement exists as of the Effective Date.

"Excluded Services" shall have the meaning set forth in Section 3.4.

"Executive Committee" shall have the meaning set forth in Section 11.14.

"Extension Term" shall have the meaning set forth in Section 10.1(a).

"Fees" shall mean the Primerica Fees and the Citi Fees.

"First Benefits Extension Term" shall have the meaning set forth in Section 10.1(a)(i).

"First Trigger Date" means the earlier of (i) the first date on which the members of the Citigroup Affiliated Group cease to Beneficially Own, in the aggregate, shares entitled to fifty percent (50%) or more of the votes entitled to be cast by the holders of then outstanding Common Stock and (ii) the first date on which Primerica and its Subsidiaries is or shall be deemed to have been, under GAAP, deconsolidated from Citigroup for purposes of Citigroup's consolidated financial statements.

"Force Majeure Event" shall have the meaning set forth in Section 3.5(a).

"Governmental Authority" means any federal, state, local or foreign government, any court, administrative, regulatory or other governmental agency, commission or authority or any organized securities exchange.

"Historical Methodology" means the process used prior to the Effective Date to determine the fees and costs charged to each Service recipient for the applicable Service.

"Indemnified Parties" shall mean the Citi Indemnified Parties and the Primerica Indemnified Parties.

"Indemnified Party Counsel" shall have the meaning set forth in Section 9.3(b)(iv).

"Indemnifying Party" shall mean (a) Citi, with respect to any claim for or right to indemnification pursuant to Article IX by a Primerica Indemnified Party, and (b) Primerica, with respect to any claim for or right to indemnification pursuant to Article IX by a Citi Indemnified Party.

"Indemnity Payments" shall have the meaning set forth in Section 9.6.

"Intellectual Property" shall mean all intellectual property, including all (i) inventions (whether patentable or unpatentable and whether or not reduced to practice), improvements thereto, and patents, patent applications, and patent disclosures, together with provisionals, reissuances, continuations, continuations-in-part divisions, revisions, extensions, and reexaminations thereof, (ii) Trademarks, (iii) copyrights and website content, and applications, registrations, and renewals in connection therewith, (iv) trade secrets, know-how and confidential business information and, (v) software (in any form), and electronic data, databases, and data collections.

"Intercompany Agreement" shall mean the Intercompany Agreement by and between Citi and Primerica, dated as of April 7, 2010.

"Law" shall mean any law, rule, regulation, ordinance, treaty, writ, judicial decision, judgment, injunction, decree, determination, award or other order of any Governmental Authority.

"Losses" shall mean all losses, liabilities, claims, damages, settlements, judgments, awards, actions, suits, fines, penalties, assessments, and all related costs and expenses (including taxes, reasonable attorneys' fees and disbursements, and costs of investigation, litigation and settlement).

"Network" shall mean a Party's and its Affiliates' information systems, including all data they contain and all computer software and hardware.

"Personnel" shall mean, with respect to any Party, the employees, officers, agents, independent contractors and consultants of (a) such Party, (b) the Affiliates of such Party and (c) any third parties engaged by such Party or its Affiliates to provide a Service.

"Primerica Fees" shall have the meaning set forth in Section 4.1(b).

"Primerica Indemnified Parties" shall have the meaning set forth in Section 9.1.

"Primerica Parties" shall mean, as applicable, (a) Primerica, its Affiliates and its or their third-party service providers, when providing Services or (b) Primerica and its Affiliates, when receiving Services.

"Primerica Services" shall have the meaning set forth in Section 2.2(a).

"Regulatory Bodies" shall have the meaning set forth in Section 5.5.

"Rules" shall have the meaning set forth in Section 11.15.

"Sales Taxes" shall have the meaning set forth in Section 4.4.

"Sarbanes Oxley Act" shall have the meaning set forth in Section 5.7.

"Second Benefits Extension Term" shall have the meaning set forth in Section 10.1(a)(ii).

"Service Coordinator" shall have the meaning set forth in Section 2.6.

"Service Data" shall have the meaning set forth in Section 7.1(c).

"Services" shall mean the Citi Services, Primerica Services, Omitted Services and Additional Services, including any and all systems, feeds, Networks and Intellectual Property to which a Party has access prior to the Effective Date and which are necessary to provide or receive such Services.

"Term" shall have the meaning set forth in Section 10.1.

"Third Party Claim" shall have the meaning set forth in Section 9.1.

"Trademarks" shall mean all registered and unregistered trademarks, service marks, Internet domain names and other similar designations of source or origin, together with the goodwill associated with any of the foregoing.

6.

ARTICLE II
SERVICES

Section 2.1 Services to be Provided to Primerica.

(a) Citi shall provide, or shall cause its Affiliates or third-party service providers to provide, to the Primerica Parties all services (other than the Citi Benefits Services) provided to the Business in the ordinary course prior to the Effective Date to the extent provided prior to the Effective Date, as the services are set forth on Schedule 2.1(a) (the "Citi Non-Benefits Services"). Solely for informational purposes, and without limiting Citi's rights pursuant to Section 10.2(b)(ii), Schedule 2.1 (a) indicates those Citi Non-Benefits Services that, as of the Effective Date, Citi believes based upon reasonable diligence that Primerica must continue to receive to ensure compliance by Citi or its Affiliates with the Bank Holding Company Act or any other bank regulatory law, rule, regulation, guidance, order or directive.

(b) Citi shall provide, or shall cause its Affiliates or third party service providers to provide, to the Primerica Parties the employee-benefit related services provided to the Business in the ordinary course prior to the Effective Date to the extent provided prior to the Effective Date, as the services are set forth on Schedule 2.1(b) (the "Citi Benefits Services" and, together with the Citi Non-Benefits Services, the "Citi Services"). Solely for informational purposes, and without limiting Citi's rights pursuant to Section 10.2(b)(ii), Schedule 2.1(b) indicates those Citi Benefits Services that, as of the Effective Date, Citi believes based upon reasonable diligence that Primerica must continue to receive to ensure compliance by Citi or its Affiliates with the Bank Holding Company Act or any other bank regulatory law, rule, regulation, guidance, order or directive.

(c) Citi may, in its sole discretion and without any written notice to Primerica, engage, or cause one of its Affiliates to engage, one or more persons (including third parties or Affiliates of Citi) to provide some or all of the Citi Services, except to the extent such engagement is prohibited by applicable Law; provided, that Citi shall be responsible for the performance or non-performance of any such persons, and shall remain responsible for the performance of the Citi Services in accordance with this Agreement.

(d) In the event that Primerica internally restructures, reorganizes or transfers all or any part of the Business to an Affiliate or a third party, Primerica may pass through the Citi Services to such Affiliate or third party; provided, that Primerica shall (i) remain responsible for the acts and omissions of such Affiliate or third party in connection with such Citi Services and (ii) be responsible for any incremental costs or other expenses incurred by Citi in connection with providing such Citi Services to such Affiliate or third party. Citi shall continue to provide the Citi Services to such Affiliate or third party to the extent provided prior to such restructuring, reorganization or transfer, but only insofar as such Affiliate or such third party continues to conduct the Business.

Section 2.2 Services to be Provided to Citi.

(a) Primerica shall provide, or shall cause its Affiliates or third-party service providers to provide, to the Citi Parties all services provided to the business of Citi and its Affiliates in the ordinary course prior to the Effective Date to the extent provided prior to the Effective Date, as the services are set forth on Schedule 2.2 (the "Primerica Services").

(b) Primerica may, in its sole discretion and without any written notice to Citi, engage, or cause one of its Affiliates to engage, one or more persons (including third parties or Affiliates of Primerica) to provide some or all of the Primerica Services, except to the extent such engagement is prohibited by applicable Law; provided, that Primerica shall be responsible for the performance or non-performance of any such persons, and shall remain responsible for the performance of the Primerica Services in accordance with this Agreement.

(c) In the event that Citi internally restructures, reorganizes or transfers all or any part of the business to which the Primerica Services relate to an Affiliate or a third party, Citi may pass through the Primerica Services to such Affiliate or third party; provided, that Citi shall (i) remain responsible for the acts and omissions of such Affiliate or third party in connection with such Primerica Services and (ii) be responsible for any incremental costs or other expenses incurred by Primerica in connection with providing such Primerica Services to such Affiliate or third party. Primerica shall be obligated to continue to provide the Primerica Services to such Affiliate or third party to the extent provided prior to such restructuring, reorganization or transfer, but only insofar as such Affiliate or such third party continues to conduct the business to which the Primerica Services relate.

Section 2.3 Management of Services by Provider. Except as may otherwise be expressly provided in this Agreement, the management of and control over the provision of the Services by a Party shall reside solely with the Party providing such Services, and notwithstanding anything to the contrary herein, such Party shall at any time be permitted to (a) choose the methodology, systems and applications it utilizes in the provision of such Services, including without limitation the location from which any Service is provided at any time and (b) subject to Section 7.14 of the Intercompany Agreement, change its policies or procedures or any Affiliates or third parties that provide any Services; provided that such Party provide reasonable advance written notice to the Party receiving the Services of any change in order for the Party receiving the Service to make, in an appropriate and economical manner, all necessary modifications required as a result of the changes. Notwithstanding any changes, the Party providing the Services shall remain responsible for the performance of the Services in accordance with this Agreement.

Section 2.4 Omitted Services. If, at any time within ninety (90) days following the Effective Date, either Party becomes aware of any service that had been provided prior to the Effective Date that is not included on Schedule 2.1(a), Schedule

2.1(b) or Schedule 2.2, as applicable, and which the Parties had not included as an Excluded Service on Schedule 3.4 (each such service, an "Omitted Service"), then upon notice to the other Party, such service will be added to the applicable schedule and become a Citi Service or Primerica Service, as applicable. The Party that must resume such Service shall resume provision of such Service as soon as reasonably practicable. The cost of any Omitted Service shall be determined in accordance with Section 4.1.

Section 2.5 Additional Services.

(a) If either Party desires to receive an additional service (or to expand the scope or lengthen the duration of any Service), the Service Coordinators shall meet (in person or by telephone) within ten (10) days of the other Party's receipt of a written notice by the Party desiring to add such additional service to discuss in good faith whether such other Party is willing to provide such additional service (or such expanded scope or lengthened duration of a Service) (each such service, to the extent provided, an "Additional Service").

(b) The Parties shall mutually agree on the scope, terms, Base Cost and duration of all Additional Services, all of which shall be set forth on Schedule 2.5.

Section 2.6 Service Coordinators. Citi and Primerica shall each nominate a representative to act as the primary contact person with respect to the performance of the Services (each, a "Service Coordinator"). Unless otherwise agreed upon by the Parties, all communications relating to this Agreement and to the Services provided hereunder shall be directed to the Service Coordinators. The initial Service Coordinators for Primerica and Citi, including relevant contact information, are set forth on Schedule 2.6. Either Party may replace its Service Coordinator at any time by providing notice in accordance with Section 11.3 of this Agreement.

Section 2.7 Standard of Performance. Each Party shall (and shall cause any party performing services on its behalf to) use commercially reasonable efforts, skill and judgment in providing the Services. Without limiting the foregoing, all Services shall be provided in a timely and professional workmanlike manner, consistent with applicable Law and with recent past practice prior to the Effective Date.

Section 2.8 Cooperation.

(a) Each Party shall use commercially reasonable efforts, and shall use commercially reasonable efforts to cause its respective Affiliates and third-party service providers, to cooperate reasonably with the other Party in all matters relating to the provision and receipt of the Services and to minimize the expense, distraction and disturbance to each Party, and shall perform all obligations hereunder in good faith and in accordance with principles of fair dealing. Such cooperation shall include (i) the execution and delivery of such further instruments or documents as may be reasonably requested by the other Party to enable the full performance of each Party's obligations hereunder and (ii) notifying the other Party in advance of any changes to a Party's operating environment or Personnel (especially changes with respect to employee status), and working with the other Party to minimize the effect of such changes.

(b) Each Party will use commercially reasonable efforts to provide information and documentation sufficient for the other Party to perform the Citi Services or the Primerica Services, as applicable, in the manner they were provided in the ordinary course prior to the Effective Date, and will use commercially reasonable efforts to make available, as reasonably requested by the other Party, sufficient resources and timely decisions, approvals and acceptances in order that the other Party may perform its obligations under the agreement in a timely and efficient manner.

(c) The Primerica Parties and the Citi Parties, in each case as Service recipient, shall follow, and shall cause their respective Affiliates and third-party service providers to follow, the policies, procedures and practices with respect to the Services followed by the Citi Parties or the Primerica Parties, in each case as Service providers, immediately prior to the Effective Date, except for any changes to such policies, procedures and practices required due to changes in applicable Law (or changes in the interpretation or enforcement of applicable Law) following the Effective Date of which the Party making such change has provided such advance notice as is reasonable under the circumstances. A failure of either Party to act in accordance with this Section 2.8 that prevents the other Party or its Affiliates or third parties from providing a Service hereunder shall relieve the Party providing the Service of its obligation to provide such Service until such time as the failure has been cured; provided, that the Party claiming the failure has previously notified the other Party in writing of such failure.

Section 2.9 Migration and Integration. Each Party shall bear its own costs incurred in migrating the Citi Services or the Primerica Services, as applicable, from the other Party's systems and technology and to integrate the Citi Services or the Primerica Services, as applicable, with such Party's own systems and technology; provided that the Parties shall use reasonable efforts, communication and cooperation to achieve the migration and transition of Citi Services and Primerica Services, as applicable, in a timely (with a recognition of Section 3.7 below) and cost-efficient manner for each of the Parties to the extent commercially reasonable.

Section 2.10 Conduct of Affiliates. To the extent that any Service is provided or received by an Affiliate of a Party, such Party shall cause such Affiliate to comply with the terms and conditions of this Agreement relating to the provision and receipt of the Services as if such Affiliate were a named Party under this Agreement.

ARTICLE III
LIMITATIONS

Section 3.1 General Limitations.

(a) Unless expressly provided otherwise herein (i) Citi Parties shall be required to provide the Citi Services hereunder only to the extent that such Citi Services were provided to the Business and (ii) the Citi Services shall be available only for the purposes of conducting the Business.

(b) Unless expressly provided otherwise herein (i) Primerica Parties shall be required to provide the Primerica Services hereunder only to the extent that such Primerica Services were provided to Citi or its Affiliates in the ordinary course prior to the Effective Date and (ii) the Primerica Services shall be available only for the purposes of conducting the business of Citi and its Affiliates.

(c) In no event shall either Party (or its Affiliates) be obligated to maintain the employment of any specific employee or, unless the other Party agrees to bear all associated costs, acquire any specific additional equipment or software; provided, that such Party shall remain responsible for the performance of the Citi Services or Primerica Services, as applicable, in accordance with this Agreement.

Section 3.2 Third Party Limitations. Each Party acknowledges and agrees that the Services provided by a Party through third parties or using third-party Intellectual Property are subject to the terms and conditions of any applicable agreements between the provider of such Service and such third parties. Each Party providing Services through third parties or using third-party Intellectual Property shall use commercially reasonable efforts to (a) obtain any necessary consent from such third parties in order to provide such Services or (b) if any such consent is not obtained, provide acceptable alternative arrangements to provide the relevant Services sufficient for the other Party's purposes. All costs associated with (a) and (b), above, shall be borne by the Party receiving the applicable Service; provided that the Party providing such Service shall not incur any such costs without the prior written consent of the Party receiving such Service. If any such acceptable alternative arrangement is not reasonably available or the Party receiving such Service does not consent to pay such additional costs, the Party scheduled to provide such Service shall not be required to provide such Service.

Section 3.3 Compliance with Laws. Neither Party shall provide, or cause to be provided, any Service to the extent that the provision of such Service would require such Party, any of its Affiliates or any of their respective Personnel to violate (a) any applicable Law or (b) any policies or procedures of such Party that were established in response to regulatory concerns. If at any time during the term of this Agreement, either Party becomes aware of any facts or circumstances which would cause the provision of any Service to result in any such violation, such Party, as applicable, shall promptly give notice thereof to the other Party; provided (a) the Parties make commercially reasonable efforts to provide acceptable alternative arrangements to provide the relevant Services sufficient for the other Party's purposes in a manner that complies with applicable Law and (b) all costs associated with the acceptable alternative arrangement shall be borne by the Party receiving the applicable Services.

Section 3.4 Excluded Services. Notwithstanding anything to the contrary set forth herein, in no event shall the Services include any of the services set forth on Schedule 3.4 (the "Excluded Services").

Section 3.5 Force Majeure.

(a) The Parties shall use commercially reasonable efforts to provide, or cause to be provided, the Services without interruption. If any Party providing, or causing to be provided, Services is wholly or partially prevented from, or delayed in, providing one or more Services, or one or more Services are interrupted or suspended, by reason of events beyond its reasonable control (including acts of God, fire, explosion, accident, floods, earthquakes, embargoes, epidemics, war, acts of terrorism, or nuclear disaster) (each, a "Force Majeure Event"), such Party shall not be obligated to deliver the affected Services during such period, and the Party that would have received such Services shall not be obligated to pay for any Services not delivered.

(b) Upon the occurrence of a Force Majeure Event, the affected Party shall promptly give written notice to the other Party of the Force Majeure Event upon which it intends to rely to excuse its performance, and of the expected duration of such Force Majeure Event. The duties and obligations of such Party hereunder shall be tolled for the duration of the Force Majeure Event, but only to the extent that the Force Majeure Event prevents such Party from performing its duties and obligations hereunder.

(c) During the duration of a Force Majeure Event, the affected Party shall use commercially reasonable efforts to avoid or remove such Force Majeure Event, and shall use commercially reasonable efforts to resume its performance under this Agreement with the least practicable delay. From and during the occurrence of a Force Majeure Event, the other Party may replace the affected Services by providing such Services for itself or engaging a third party to provide such Services.

(d) For the period beginning thirty (30) days after the occurrence of a Force Majeure Event and ending upon the termination of such Force Majeure Event, the affected Party shall pay or reimburse, as applicable, the difference, if any, between (i) all of the other Party's reasonable costs associated with any replacement Services and (ii) the amount the other Party would have paid to such Party under the terms of this Agreement for the provision of such Services had such Party continued to perform such Services.

Section 3.6 Disaster Recovery Services. No Party shall be required to provide disaster recovery Services to the extent that the Party that would receive such Services has materially altered the equipment, hardware or software to which such disaster recovery Services pertain.

Section 3.7 Interim Basis Only. Each Party acknowledges that the purpose of this Agreement is to provide Services to the other Party on an interim basis, until such Party can perform the Services for itself. Accordingly, at all times from and after the Effective Date, each Party receiving Services hereunder shall use commercially reasonable efforts to make or obtain any approvals, permits or licenses, implement any computer systems and take, or cause to be taken, any and all other actions necessary or advisable for it to provide such Services for itself as soon as commercially reasonably

practicable; provided that this Section 3.7 shall not apply to Primerica's continued receipt of the Citi Service that consists of the ability to receive products or services, as applicable, pursuant to the Enterprise License Agreements, which shall be governed by Section 10.1(c).

Section 3.8 No Adverse Effect. In providing the Services, no Party shall take any action that could reasonably be expected to have a material adverse effect on the assets or business of the other Party or any of its Affiliates, or on the ability of the other Party to comply with its obligations under this Agreement, without obtaining such other Party's prior written consent.

ARTICLE IV
PAYMENT

Section 4.1 Base Term Fees.

(a) In consideration for the Citi Services and subject to Section 10.1(b) and Section 10.2 (b)(ii), Primerica shall pay to Citi (i) fees and costs for each such Citi Service or Additional Service (x) as determined in a manner consistent with the Historical Methodology or (y) as otherwise expressly agreed by the Parties prior to the Effective Date, or in the case of an Additional Service, after the Effective Date (the "Base Cost") plus (ii) to the extent not covered by the Base Cost, any reasonable out-of-pocket expenses incurred by Citi in providing the Citi Services, in accordance with Citi's existing expense policies, which are incidental to providing the Citi Services or Additional Services and are not incorporated in the Historical Methodology (together with the Base Cost, the "Citi Fees"); provided that any out-of-pocket expenses shall be agreed upon in advance by the Parties unless such out-of-pocket expenses were passed through to Primerica or its subsidiaries in the ordinary course prior to the Effective Date. The current Base Cost (or the methodology for determining the Base Cost) of each Citi Service is set forth on Schedule 2.1(a) and Schedule 2.1(b).

(b) In consideration for the Primerica Services, Citi shall pay to Primerica (i) fees and costs for each such Primerica Service or Additional Service (x) as determined in a manner consistent with the Historical Methodology or (y) as otherwise expressly agreed by the Parties prior to the Effective Date, or in the case of an Additional Service, after the Effective Date (the "Base Cost") plus (ii) to the extent not covered by the Base Cost, any reasonable out-of-pocket expenses incurred by Primerica in providing the Primerica Services, in accordance with Primerica's existing expense policies, which are incidental to providing the Primerica Services or Additional Services and are not incorporated in the Historical Methodology (together with the Base Cost, the "Primerica Fees"); provided that any out-of-pocket expenses shall be agreed upon in advance by the Parties unless such out-of-pocket expenses were passed through to Citi or its subsidiaries in the ordinary course prior to the Effective Date. The current Base Cost (or the methodology for determining the Base Cost) of each Primerica Service is set forth on Schedule 2.2.

Section 4.2 Adjustments to Base Cost. Notwithstanding anything to the contrary set forth herein, but subject to the last sentence of this Section 4.2, each of Citi or Primerica, as service provider, may adjust the Base Cost of a Service provided by or on behalf of such Party once per calendar year, to the extent that such cost increase is generally applicable to all recipients of such Service from such Party, including similar services provided to such Party's Affiliates; provided that no such increase made by either Party shall be effective prior to January 1, 2011. Notwithstanding the foregoing, with respect to any Base Cost of a Citi Service designated with a TSA ID beginning with "FF" on Schedule 2.1(a), Citi may not adjust such Base Cost except as mutually agreed by the Parties.

Section 4.3 Billing and Payment Terms.

(a) For each country in which a Party provides Services to a recipient located in the same country: (i) such providing Party shall invoice the Party receiving such Services on a monthly basis (such invoice to set forth a description of the Services provided and reasonable documentation to support the charges thereon) for all Services that such providing Party delivered during the preceding month, denominated in the local currency of such country, (ii) each such invoice shall be payable within sixty (60) days after such receiving Party's receipt of the invoice and (iii) payment of such invoices shall be made by such receiving Party to such providing Party in the local currency of the applicable country. Any Service for which the foregoing process does not apply shall be invoiced by the Party providing such Service to the Party receiving such Service in accordance with the foregoing timetable and in U.S. Dollars, and shall be paid by the Party receiving such Services in accordance with the foregoing timetable and in U.S. Dollars; provided, that the Party providing such Service and the Party receiving such Service may mutually agree to provide invoices and make payments in a different currency.

(b) If any undisputed invoice or undisputed portion of an invoice is not paid in full within sixty (60) days after the date of the invoice, interest shall accrue on the unpaid amount at the annual rate equal to the "Prime Rate" as reported in The Wall Street Journal on the thirtieth (30th) day after the date of the invoice (or, if such day is not a Business Day, the first Business Day immediately after such day), calculated on the basis of a year of three hundred sixty (360) days and the actual number of days elapsed between the end of the sixty (60) day period and the actual payment date.

(c) A Party may dispute any or all charges within ninety (90) days after the receipt of the applicable invoice. If a Party disputes any charges, the Parties shall work together in good faith to resolve such dispute in accordance with Section 11.14. If the resolution of such a dispute is that a Party owes an amount of money to the other Party, the Party that owes money shall add a credit of such owed amount to the next invoice that such Party prepares as a Service provider, provided, that if no further such invoices are due, the Party owing such amount shall pay it to the other Party within sixty (60) days following resolution of the dispute. A failure by a Party to dispute a charge within ninety (90) days after receipt of invoice shall not waive such Party's audit and collection rights under Article V.

(d) The Parties acknowledge that there may be a lag in the submission of charges from third parties relating to the provision of Services, and that the Party providing Services through such third parties shall use commercially reasonable efforts to obtain such third-party invoices, and to provide same to the other Party, in a timely fashion.

(e) The existence of a dispute pursuant to Section 4.3(c) above shall not excuse either Party from any other obligation under this Agreement, including each Party's obligations to continue to provide Services hereunder.

Section 4.4 Sales Taxes. All consideration under this Agreement is exclusive of any sales, transfer, value-added, goods or services tax or similar gross receipts based tax (including any such taxes that are required to be withheld, but excluding all other taxes including taxes based upon or calculated by reference to income or capital) imposed against or on services provided ("Sales Taxes") by a Party providing Services hereunder and such Sales Taxes will be added to the consideration where applicable. Such Sales Taxes shall be separately stated on the relevant invoice to the Party receiving Services hereunder. All taxable goods and services for which a Party receiving Services hereunder is compensating, or reimbursing, a Party providing Services hereunder shall be set out separately from non-taxable goods and services, if practicable. The Party receiving Services hereunder shall be responsible for any such Sales Taxes and shall either (a) remit such Sales Taxes to the Party providing Services hereunder (and such providing Party shall remit the such amounts to the applicable taxing authority) or (b) provide such providing Party with a certificate or other acceptable proof evidencing an exemption from liability for such Sales Taxes. In the event the Party providing Services hereunder fails timely to invoice Sales Taxes on taxable goods or services covered by this Agreement, such providing Party shall notify the Party receiving Services hereunder and such receiving Party shall remit such Sales Taxes to such providing Party.

Section 4.5 No Offset. In no event shall a Party offset any amounts due hereunder for its receipt of Services by amounts owed to it hereunder for its provision of Services.

ARTICLE V
ACCESS AND SECURITY

Section 5.1 Access to Networks.

(a) Each Party may provide the other Party with access to such Party's Network via a secure, industry-standard method selected by such Party with reasonable input from such other Party, as necessary to provide or receive the Services, as applicable; provided, that the cost of providing access shall be charged in accordance with Section 4.1.

(b) Each Party shall only use (and will ensure that its Personnel only use) the other Party's Network for the purpose of providing or receiving, and only to the extent required to provide or receive, the Services.

(c) Neither Party shall allow nor permit its agents or subcontractors to use or have access to the other Party's Network except to the extent that such other Party gives its express prior written approval for such use or access by each relevant agent or subcontractor.

(d) Neither Party shall (and shall ensure that its Personnel shall not): (i) use the other Party's Network to develop software, process data or perform any work or services other than for the purpose of providing or receiving the Services, (ii) break, interrupt, circumvent, adversely affect or attempt to break, interrupt, circumvent or adversely affect any security system or measure of the other Party; (iii) obtain, or attempt to obtain, access to any hardware, program or data comprised in the other Party's Network except to the extent reasonably necessary to perform or receive the Services; or to which such other Party has given its prior written consent for such Party to obtain or attempt to obtain such access; or (iv) use, disclose or give access to any part of the other Party's Network to any third party, other than its agents and sub-contractors authorized by such other Party in accordance with this Section 5.1. All user identification numbers and passwords for a Party's Network disclosed to the other Party, and any information obtained from the use of such Party's Network, shall be deemed Confidential Material of such Party.

(e) If a Party or any of its Personnel breach any provision of this Article, such Party shall promptly notify the other Party of such breach and cooperate as requested by such other Party in any investigation of such breach.

(f) A material failure to comply with the provisions of this Section 5.1 shall constitute a material breach of this Agreement.

Section 5.2 Policies and Procedures.

(a) When receiving Services, each Party shall (and shall ensure that its Personnel) comply with all policies, procedures and regulations of the other Party relating to confidentiality, continuity of business and computer and network security measures, including data encryption policies and procedures established by such other Party, to the extent that such polices, procedures and regulations have been disclosed to such Party.

(b) Each Party shall ensure that when entering or within the other Party's premises, all such Party's Personnel must establish their identity to the satisfaction of security Personnel and comply with all directions given by them, including directions to display any identification cards provided by such other Party or to vacate the premises of such other Party.

Section 5.3 Record Retention. Each Party shall take reasonable steps to preserve and maintain all records relating to the Services provided hereunder, which records shall be retained by such Party or its Affiliates for the period of time specified in such Party's record retention policies and procedures.

Section 5.4 Audit.

(a) Each Party may from time to time review or audit any document, information or matter relating to the other Party's performance under this Agreement through its own staff or through contractors, agents, auditors or advisers and will ensure that such persons are bound by a confidentiality provision substantially similar to that contained in Article VI.

(b) Each Party, as service provider, will provide the other Party and its Personnel, auditors and advisers with such information, assistance and access to such Party's premises, employees and documentation as is reasonable in order that they may fully and promptly carry out each audit described in Section 5.4(a); provided, that: (i) such other Party will permit such Party the opportunity to deliver up any information required by such other Party prior to such other Party carrying out any audit hereunder which may render an audit visit unnecessary; (ii) such access shall not unreasonably interfere with the conduct of the business of the Party providing access; and (iii) in the event any Party reasonably determines that affording any such access to the other Party would be commercially detrimental in any material respect or violate any applicable Law or any agreement to which such Party is a party, or waive any attorney-client privilege applicable to such Party, the Parties shall use reasonable efforts to permit the compliance with such request in a manner that avoids such harm or consequence.

Section 5.5 Regulatory Audit. In addition to the rights set out above, each Party acknowledges and agrees that certain government departments and regulatory, statutory and other entities, committees and bodies which, whether under Law or codes of practice or otherwise, are entitled to regulate, investigate or influence any matters within this Agreement or any other affairs of the other Party (collectively, "Regulatory Bodies") from time to time require the right, whether by virtue of Law or code of practice or otherwise, to investigate the affairs of such Party; and, accordingly, such Party agrees to provide such access as is referred to in Section 5.4 and all such other access, information and assistance as such Regulatory Bodies properly require in order to fulfill such requirements. If the other Party considers that any requirement relates to information which is confidential to such other Party, such other Party will be entitled to disclose the information directly to the Regulatory Body without having to disclose it to such Party.

Section 5.6 Audit Results.

(a) Without prejudice to each Party's other rights under this Agreement, if a Party's exercise of its rights under this Article V results in audit findings that the other Party has failed to perform its material obligations under this Agreement, such Party will make the audit findings available to such other Party, and the Parties will use all reasonable efforts to agree to a remedial plan and a timetable for achievement of the planned actions or improvements. Following agreement of the timetable, such other Party will implement that plan in accordance with the agreed timetable and will confirm its completion by a notice in writing to such Party. If such other Party fails to agree or implement such plan, such Party will be entitled to terminate this Agreement or any part thereof pursuant to the provisions of Article X.

(b) If a Party's exercise of its rights under this Article V results in audit findings that any Fees have been overpaid by such Party, then upon receiving notice of such audit findings, the appropriate reduction will be made to the next applicable invoice(s). If such audit findings show that such Party overpaid by five percent (5%) or greater, the other Party shall bear any costs associated with such audit.

Section 5.7 Sarbanes Oxley. At all times during the Term and continuing thereafter until the later of the completion of the audit of the applicable Party's financial statements or the completion and filing of the applicable Party's annual report, in each case for the fiscal year during which this Agreement expires or terminates (the "Compliance Period"), the other Party shall, and shall cause its Affiliates or third party service providers providing Services hereunder to:

(a) maintain in effect all controls, operations and systems (consistent with past procedures immediately prior to the Effective Date) necessary and appropriate to enable such Party to comply with their obligations under the Sarbanes Oxley Act of 2002 (as amended), the rules and regulations promulgated thereunder and the SEC guidance issued with respect thereto, including Section 302 and Section 404 (the "Sarbanes Oxley Act"), the rules and regulations promulgated thereunder and the SEC guidance issued with respect thereto;

(b) provide to such Party or their auditors and counsel on a timely basis, all information, reports and other material which such Party or its auditors or counsel may reasonably request in order to (i) evaluate and confirm that such Party is in compliance with its obligations under the Sarbanes Oxley Act, and (ii) enable such Party's auditors to provide the auditors' attestation contemplated by Section 404 of the Sarbanes Oxley Act ("Auditors Attestation");

(c) provide to the applicable Party and its auditor or counsel access to such of the other Party's and its Affiliates' respective books and records and Personnel as the applicable Party may reasonably request to enable (i) the applicable Party or its auditors or counsel to evaluate whether the applicable Party complies with the

Sarbanes Oxley Act as it relates to the Services, and (ii) the applicable Party's auditors to provide the Auditors Attestation. The other Party will confirm the same information regarding any Services delegated to subcontractors and report to the applicable Party.

ARTICLE VI
CONFIDENTIALITY

Section 6.1 Confidential Materials. Each Party shall keep confidential and shall not, without the prior written consent of the other Party, make available or disclose to any person, or make or permit any use of Confidential Material by any person, any information or material of the other Party or its Affiliates that is or has been (a) disclosed by such other Party or its Affiliates under or in connection with this Agreement, whether orally, electronically, in writing or otherwise, including copies, or (b) learned, acquired, or generated by the other Party in connection with this Agreement, including the terms of this Agreement (collectively, "Confidential Material"). Notwithstanding the foregoing, Confidential Material may be disclosed on an as needed basis to Personnel of the receiving Party as required for the purpose of fulfilling the receiving Party's obligations under this Agreement. Each Party shall take all reasonable steps to require that any such Confidential Material disclosed to any such Personnel in accordance with this Section 6.1 is treated as confidential by such Personnel and shall require its subcontractors to enter into a confidentiality agreement which imposes confidentiality obligations no less protective of the Confidential Material than those imposed upon under this Agreement. The receiving Party will be liable to the disclosing Party for any non-compliance by its Personnel who are not employees or officers to the same extent it would be liable for non-compliance by its employees or officers.

Section 6.2 Permitted Disclosures. The provisions of this Article shall not apply to any Confidential Material which: (a) is or becomes commonly known within the public domain other than by breach of this Agreement or any other agreement that Citi or Primerica has with any third party; (b) is obtained from a third party who is lawfully authorized to disclose such information free from any obligation of confidentiality; or (c) is independently developed without reference to any Confidential Material.

Section 6.3 Disclosure in Compliance with Law. Nothing in this Article shall prevent either Party from disclosing Confidential Material where it is required to be disclosed by judicial, administrative, governmental or regulatory process in connection with any action, suit, proceeding or claim or otherwise by applicable Law; provided, however, that a Party that is so required to disclose Confidential Material shall, if legally permitted, give the other Party prior reasonable notice as soon as possible, of such required disclosure so as to enable such other Party to seek relief from such disclosure requirement or measures to protect the confidentiality of the disclosure.

Section 6.4 Unauthorized Disclosures. Each Party shall immediately inform the other Party in the event that it becomes aware of the possession, use or knowledge of any of such other Party's Confidential Material by any person not authorized to possess, use or have knowledge of the Confidential Material and shall at the request of such other Party provide such reasonable assistance as is required by such other Party to mitigate any damage caused thereby.

Section 6.5 Failure to Comply. Failure by a Party to comply with this Article VI shall constitute a material breach of this Agreement.

Section 6.6 Injunctive Relief. Without prejudice to any other rights or remedies that a Party may have, each Pady acknowledges that the other Party may not have an adeqaate remedy at law for any breach by such Party or its Personnel of the provisions of this Article VI, and, therefore, any such other Party shall be entitled to equitable relief including injunctive relief. Each Party agrees to provide reasonable assistance at its own expense or to join at the request of the other Party in any action against any of such Party's staff where such other Party is seeking equitable relief, including injunctive relief, for any such breach.

ARTICLE VII
INTELLECTUAL PROPERTY AND DATA

Section 7.1 Ownership of Data and Intellectual Property.

(a) Citi shall be the sole and exclusive owner of all Intellectual Property it creates hereunder. Citi hereby grants to Primerica Parties a non-exclusive, non-sublicensable, non-transferable, limited license to use such Intellectual Property during the Term, solely to the extent required to provide the Primerica Services or receive the Citi Services, as applicable.

(b) Primerica shall be the sole and exclusive owner of all Intellectual Property it creates hereunder. Primerica hereby grants to Citi Parties a non-exclusive, non-sublicensable, non-transferable, limited license to use such Intellectual Property during the Term, solely to the extent required to provide the Citi Services or receive the Primerica Services, as applicable.

(c) All data created, transmitted through or maintained pursuant to a Service and on behalf of the Party receiving such Service ("Service Data") shall be owned by such receiving Party and following termination of this Agreement, the Party providing such Service shall store such data on behalf of the Party receiving the Service for the period of time specified in such Party's record retention policies and procedures and shall, upon such Party's request, provide such Party with complete access to such data in a commercially reasonable manner.

(d) A Party receiving a Service may request that the Party providing a Service deliver (i) prior to the termination of a Service, an extract of data for such Service to be used by the Party receiving the Service to test the ability of its replacement systems to perform such Service and (ii) on or prior to the date that is thirty (30) days following the effective date of termination of a Service, a copy of all Service

Data for such Service. In each case, the Party providing the applicable Service shall (y) use commercially reasonable efforts to provide the requested data promptly following receipt of such request and (z) provide the requested data in its then-current format in accordance with Citi's Transportable Media Policy. The Party providing the applicable Service shall bear the costs of providing one (1) copy of data for testing purposes and one (1) final copy of Service Data with respect to each Service in accordance herewith, and the Party receiving a Service shall bear the costs of providing any other copies of data requested by such Party.

Section 7.2 Data Protection. To the extent reasonably required by a Party to comply with any applicable Law (including interpretations or enforcements of applicable Law) relating to data protection, the Parties shall execute a written agreement sufficient to comply.

ARTICLE VIII
DISCLAIMER OF WARRANTIES

Section 8.1 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES, AND EACH PARTY EXPRESSLY DISCLAIMS, ANY AND ALL REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT, INCLUDING WARRANTIES WITH RESPECT TO MERCHANTABILITY, OR SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT OF ANY SOFTWARE OR HARDWARE PROVIDED HEREUNDER, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR TRADE USAGE.

ARTICLE IX
INDEMNIFICATION

Section 9.1 Indemnification of Primerica. Subject to the terms of this Article IX, from and after the Effective Date, Citi shall indemnify, defend, save and hold harmless Primerica and its Affiliates and each of their respective Personnel and directors and each of their successors and assigns (collectively, the "Primerica Indemnified Parties"), from and against any and all Losses (including such reasonable fees and expenses related to the enforcement of this Agreement), to the extent resulting from or arising out of any action, suit, proceedings, claim, arbitration, investigation or litigation, whether civil or criminal, at law or in equity, made or brought by a third party that is not an Affiliate of the Indemnified Party (each, a "Third Party Claim") to the extent resulting from or arising out of (a) Citi Parties' material breach of this Agreement or (b) infringement or misappropriation by the Services and materials provided by a Citi Party under this Agreement of such third party's Intellectual Property.

Section 9.2 Indemnification of Citi. Subject to the terms of this Article IX, from and after the Effective Date, Primerica shall indemnify, defend, save and

hold harmless Citi and its Affiliates and each of their respective Personnel and directors and each of their successors and assigns (collectively, the "Citi Indemnified Parties" and, together with the Primerica Indemnified Parties, the "Indemnified Parties"), from and against any and all any and all Losses (including such reasonable fees and expenses related to the enforcement of this Agreement), to the extent resulting from or arising out of any Third Party Claim to the extent resulting from or arising out of (a) Primerica Parties material breach of this Agreement or (b) infringement or misappropriation by the Services and materials provided by a Primerica Party under this Agreement of such third party's Intellectual Property.

Section 9.3 Indemnification Procedures.

(a) Upon receipt by an Indemnified Party of notice of any Third Party Claim with respect to a matter for which such Indemnified Party is indemnified under this Article IX that has or is expected to give rise to a claim for Losses, the Indemnified Party shall promptly (but in any event within ten (10) days of receipt of such Third Party Claim) notify the Indemnifying Party in writing, indicating the nature of such Third Party Claim and the basis therefor; provided, however, that any delay or failure by the Indemnified Party to give notice to the Indemnifying Party shall relieve the Indemnifying Party of its obligations hereunder only to the extent, if at all, that it is prejudiced by reason of such delay or failure. Such written notice shall (i) describe such Third Party Claim in reasonable detail, including the facts underlying each particular claim and the specific sections of this Agreement pursuant to which indemnification is being sought for each such set of facts; (ii) attach copies of all material written evidence upon which such claim is based; and (iii) set forth the estimated amount of the Losses that have been or may be sustained by an Indemnified Party.

(b) The Indemnifying Party shall have sixty (60) days after receipt of a written notice that complies with the requirements of Section 9.3(a) to elect, at its option, to exercise its right to assume and control the defense of, at its own expense and by its own counsel, any such Third Party Claim and shall be entitled to assert any and all defenses available to the Indemnified Party to the fullest extent permitted by applicable Law; provided, however, that the applicable Party shall have sole control of the defense (including selecting counsel) of any Third Party Claim brought against such Party by (i) any customer of such Party or (ii) any Regulatory Body or other supervisory agency, notwithstanding the fact that such Party is indemnified by the Indemnifying Party for such Third Party Claim pursuant to Section 9.2; and provided, further, that, to the extent required to avoid any prejudice to the Indemnified Party's rights or remedies with respect to such Third Party Claim, the Indemnified Party may conduct the defense of such claim in any manner not otherwise inconsistent with this Agreement prior to the Indemnifying Party's exercise of such right. For any such Third Party Claims, such Party shall not settle, compromise or discharge, or admit any liability with respect to, such Third Party Claims without the prior written consent of the Indemnifying Party (which consent will not be unreasonably withheld, delayed or conditioned).

(i) If the Indemnifying Party shall undertake to compromise or defend any such Third Party Claim, it shall promptly notify the Indemnified Party of its intention to do so, and the Indemnified Party shall cooperate fully with the Indemnifying Party and its counsel in the compromise of, or defense against, any such Third Party Claim. Such cooperation shall include (A) furnishing and, upon request, using reasonable efforts to procure the attendance of potential witnesses for interview, preparation, submission of witness statements and the giving of evidence at any related hearing; (B) promptly furnishing documentary evidence to the extent available to it or its Affiliates; and (C) using reasonable efforts to provide access to any other relevant party, including any representatives of the Parties as reasonably needed; provided, however, that the Indemnifying Party shall not settle, compromise or discharge, or admit any liability with respect to, any such Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), unless the relief consists solely of money Losses to be paid by the Indemnifying Party and includes a provision whereby the plaintiff or claimant in the matter releases the Indemnified Party from all liability with respect thereto.

(ii) Notwithstanding an election by the Indemnifying Party to assume the defense of such Third Party Claim, the Indemnified Party shall have the right to employ separate counsel and to participate in the defense of the Third Party Claim, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if the (A) Indemnified Party shall have determined in good faith that an actual or potential conflict of interest makes representation by the same counsel or the counsel selected by the Indemnifying Party inappropriate or (B) Indemnifying Party shall have authorized the Indemnified Party to employ separate counsel at the Indemnifying Party's expense.

(iii) The Indemnified Party and Indemnifying Party and their counsel shall cooperate in the defense of any Third Party Claim subject to this Article IX and keep such persons informed of all developments relating to any such Third Party Claims, and provide copies of all relevant correspondence and documentation relating thereto. All costs and expenses incurred in connection with the Indemnified Party's cooperation shall be borne by the Indemnifying Party. In any event, the Indemnified Party shall have the right at its own expense to participate in the defense of such asserted liability.

(iv) If the Indemnifying Party, after receiving a written notice that complies with Section 9.3(a) of a Third Party Claim, does not elect to defend such Third Party Claim within sixty (60) days after receipt of such written notice, the Indemnified Party shall have the right, in addition to any other right or remedy it may have hereunder, at the Indemnifying Party's expense, to defend such Third Party Claim (upon providing further written notice to the Indemnifying Party), subject to the right of the Indemnifying Party to (A) assume

the defense of such Third Party Claim at any time prior to the settlement, compromise or final determination thereof and (B) approve the counsel selected by the Indemnified Party ("Indemnified Party Counsel"), which approval shall not be unreasonably withheld or delayed; provided, however, that the Indemnified Party shall not settle, compromise or discharge, or admit any liability with respect to any such Third Party Claim without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(v) Notwithstanding the foregoing, unless expressly agreed by the Indemnifying Party, the Indemnified Party Counsel (A) shall have no conflict of interest relative to the Indemnifying Party; (B) shall not previously have acted in any matter adverse to the Indemnifying Party with respect to any matters arising in connection with the transactions entered into between the Parties concurrently with this Agreement; (C) shall not assume any representation adverse to the Indemnifying Party during the time of its retention as Indemnified Party Counsel; and (D) shall not assume any representation of the Indemnified Party in a dispute between the Parties during the time of its retention as Indemnified Party Counsel.

(vi) If the Indemnified Party wishes to admit liability or agree or compromise in respect of any Third Party Claim it is defending pursuant to Section 9.3(b)(iv), it must provide a written notification to the Indemnifying Party specifying the course of action proposed by the Indemnified Party to be taken (including the amount of any proposed settlement). If no reply is received from the Indemnifying Party within thirty (30) days of such written notification being made to it by the Indemnified Party, then the Indemnifying Party shall be deemed to have consented to the course of action proposed by the Indemnified Party to be taken; provided, however, that the Indemnified Party shall not consent, and the Indemnifying Party shall not be required to agree, to the entry into any settlement that (A) requires an express admission of wrongdoing by the Indemnifying Party or (B) provides for injunctive or other non-monetary relief affecting the Indemnifying Party in any way. If the Indemnifying Party provides written notice to the Indemnified Party within the thirty (30) day period that it does not consent to the intended course of action, it shall set out the reasons therefor, as well as the course of action which it believes should be followed in respect of any proposed admission of liability, agreement or compromise with respect to the Third Party Claim.

(vii) If an Indemnified Party otherwise settles a Third Party Claim it is defending pursuant to Section 9.3(b)(iv) without obtaining the Indemnifying Party's written consent to such settlement (or waiting the required thirty (30) days), then the Indemnifying Party shall be relieved of its indemnification obligations hereunder with respect to such Third Party Claim unless the Indemnified Party demonstrates that (A) it was actually liable to the Third Party claimant; (B) there was no good defense available; and (C) the settlement amount was reasonable; and if the Indemnified Party does demonstrate

the matters listed in the foregoing clauses (A), (B) and (C), then any right to indemnification for such Third Party Claim shall be subject to the requirements and limitations of this Article IX.

Section 9.4 Limitations.

(a) Notwithstanding anything else contained in this Agreement to the contrary, but subject to Section 9.4(c), each of Citi's and Primerica's total liability (other than for the payment of the Primerica Fees or Citi Fees, as applicable) under this Agreement shall not exceed, (i) in the case of Citi, the aggregate amount of the Citi Fees payable by Primerica during the first twelve (12) months of the Term; provided, that if this Agreement has been in effect for less than twelve (12) months, the Citi Fees shall be annualized to a full twelve (12) months or (ii) in the case of Primerica, the aggregate amount of the greater of: (x) the Primerica Fees payable by Citi during the first twelve (12) months of the Term; provided, that if this Agreement has been in effect for less than (12) months, the Primerica Fees shall be annualized to a full twelve (12) months or (y) six hundred thousand dollars ($600,000).

(b) EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED IN THIS ARTICLE IX, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY (OR TO ANY PERSON OR ENTITY CLAIMING THROUGH THE OTHER PARTY) FOR LOST PROFITS OR FOR SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, CONSEQUENTIAL OR EXEMPLARY DAMAGES ARISING OUT OF OR IN ANY MANNER CONNECTED WITH THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, REGARDLESS OF THE FORM OF ACTION AND WHETHER OR NOT SUCH PARTY HAS BEEN INFORMED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED, THE POSSIBILITY OF SUCH DAMAGES.

(c) THE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 9.4 SHALL NOT APPLY TO DAMAGES (i) ARISING OUT OF INDEMNIFICATION CLAIMS UNDER THIS AGREEMENT, (ii) RESULTING FROM THE GROSS NEGLIGENCE OR THE WILLFUL OR INTENTIONAL MISCONDUCT OF A PARTY OR ITS PERSONNEL, (iii) STEMMING FROM PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE CAUSED BY A PARTY OR ITS PERSONNEL, OR (iv) ARISING FROM EITHER PARTY'S BREACH OF ITS OBLIGATIONS SET FORTH IN ARTICLE IV OR ARTICLE VI.

Section 9.5 Exclusions. Notwithstanding anything contained in this Agreement to the contrary, in no event shall any Indemnifying Party be obligated under this Article IX to indemnify an Indemnified Party otherwise entitled to indemnity hereunder in respect of any Losses to the extent that such Losses result from (a) the Indemnified Party's willful or intentional misconduct or negligence, (b) the acts or omissions of the Indemnified Party, (c) violation of Law by the Indemnified Party or (d) acts taken by the Indemnifying Party at the Indemnified Party's direction.

Section 9.6 Payments. Amounts payable by the Indemnifying Party to the Indemnified Party in respect of any Losses for which such Party is entitled to indemnification hereunder ("Indemnity Payments") shall be paid in immediately available funds within thirty (30) Business Days of receipt by the Indemnifying Party of a written notice from the Indemnified Party that the payment that is the subject of the Indemnity Payment has been made by the Indemnified Party, except to the extent such Indemnity Payment is contested by the Indemnifying Party. All such Indemnity Payments shall be made to the designated account of, and in the manner specified in writing by, the Party entitled to such Indemnity Payments.

Section 9.7 Insurance. Notwithstanding anything contained in this Agreement to the contrary, Losses shall be net of any insurance or other prior or subsequent recoveries actually received by the Indemnified Party or its Affiliates in connection with the facts giving rise to the claim for indemnification. If an Indemnified Party shall have used commercially reasonable efforts to recover any amounts recoverable under insurance policies and shall not have recovered the applicable Losses, the Indemnifying Party shall be liable for the amount by which such Losses exceeds the amounts actually recovered.

Section 9.8 Remedies Exclusive. Except as otherwise specifically provided herein, the remedies provided in this Agreement shall be the exclusive monetary remedies (including equitable remedies that involve monetary payment, such as restitution or disgorgement, other than specific performance to enforce any payment or performance due hereunder) of the Parties with respect to Third Party Claims, and Section 9.4 shall govern with respect to all other claims for monetary remedies, in each case from and after the Effective Date in connection with any non-performance, partial or total, of any term, provision, covenant or agreement contained herein.

Section 9.9 Mitigation. Notwithstanding anything to the contrary contained in this Agreement, each Indemnified Party shall use commercially reasonable efforts to mitigate any claim or liability that an Indemnified Party asserts or may assert under this Agreement. In the event that an Indemnified Party shall fail to make such commercially reasonable efforts to mitigate any such claim or liability, then notwithstanding anything contained in this Agreement to the contrary, neither Citi nor Primerica, as the case may be, shall be required to indemnify any Indemnified Party for that portion of any Losses that would reasonably be expected to have been avoided if the Indemnified Party had made such efforts.

ARTICLE X
TERM AND TERMINATION

Section 10.1 Term of Agreement. Except as set forth below relating to the Citi Benefits Services or as otherwise expressly set forth in this Agreement, this Agreement shall become effective, and each Service shall commence, on the Effective Date, and this Agreement shall remain in force, and each Service shall continue, unless otherwise specified in Schedule 2.1(a), Schedule 2.2, Section 10.1(b) or Section 10.1(c), for a period of eighteen (18) months thereafter (the "Base Term", and together with any Extension Term, First Benefits Extension Term or Second Benefits Extension Term, the "Term"), unless earlier terminated by the Parties as provided in this Article X. Notwithstanding the foregoing, each Citi Benefits Service shall continue until July 1, 2010, unless (x) extended in accordance with Section 10.1(a) or otherwise specified in Schedule 2.1(b), or (y) earlier terminated by the Parties as provided in this Article X.

(a) Except as set forth below relating to the Citi Benefits Services, not less than sixty (60), nor more than ninety (90), days prior to the expiration of the Base Term, Primerica or Citi, as applicable, may notify the other Party if such Party determines in good faith that it will not be able to complete the transition from, or to replace, one or more Services prior to the expiration of the Base Term for such Services. Provided that such Party has at all times performed its obligations under Section 3.7, the other Party shall continue to provide such Services, and, solely with respect to such Services, the term of this Agreement shall be extended for an additional period of up to six (6) months each (the "Extension Term"); provided, that (i) such Party shall at all times use commercially reasonable efforts to minimize the duration of any such extension and (ii) such Party shall indemnify the other Party for any reasonable expenses, payments, penalties or liabilities incurred by the other Party as a result of any such extension (which indemnification payments shall be in addition to any Fees which may be due as a result of such extension).

(i) Not less than thirty (30) days prior to the expiration of the Citi Benefits Services as set forth in Section 10.1, Primerica may notify Citi if Primerica determines in good faith that it will not be able to complete the transition from, or to replace, one or more Citi Benefits Services prior to the expiration of the Citi Benefits Services. Provided that Primerica has at all times performed its obligations under Section 3.7, Citi shall continue to provide such Citi Benefits Services, and, solely with respect to such Citi Benefits Services, the term of this Agreement shall be extended for an additional period of up to three (3) months (the "First Benefits Extension Term"); provided, that (1) Primerica shall at all times use commercially reasonable efforts to minimize the duration of any such extension and (2) Primerica shall indemnify Citi for any reasonable expenses, payments, penalties or liabilities incurred by Citi (but, for the avoidance of doubt, excluding underlying benefits costs under employee benefit plans and arrangements) as a result of any such extension (which indemnification payments shall be in addition to any Fees which may be due as a result of such extension).

(ii) Not less than thirty (30) days prior to the expiration of the First Citi Benefits Extension Term as set forth in Section 10.1(a)(i), Primerica may notify Citi if Primerica determines in good faith that it will not be able to complete the transition from, or to replace, one or more Citi Benefits Services prior to the expiration of the First Benefits Extension Term and request a further extension of such Services. Provided that Primerica has at all times performed its obligations under Section 3.7, Citi shall continue to provide such Citi Benefits Services, and, solely with respect to such Citi Benefits Services, the term of this Agreement shall be extended for an additional period of up to three (3) months ("Second Benefits Extension Term"); provided, that (1) Primerica shall at all times use commercially reasonable efforts to minimize the duration of any such extension and (2) Primerica shall indemnify Citi for any reasonable expenses, payments, penalties or liabilities incurred by Citi (but for the avoidance of doubt, excluding underlying benefits costs under employee benefit plans or arrangements) as a result of any such extension (which indemnification payments shall be in addition to any Fees which may be due as a result of such extension).

(b) Notwithstanding anything in this Agreement to the contrary, in the event that, Citi, in its reasonable judgment, determines that the expiration of any one or more Citi Services would cause Citi or its Affiliates to be in non-compliance with the Bank Holding Company Act or any other bank regulatory law, rule, regulation, guidance, order or directive, Citi may require the continuation of such Citi Service beyond the Base Term or Extension Term, as applicable, until such time as expiration thereof would no longer cause Citi or its Affiliates to be in such non-compliance; provided that Primerica shall not be obligated to pay any Citi Fees in consideration of the receipt of such Citi Service from and after the date on which such Citi Service would have otherwise expired. From and after the First Trigger Date, if Citi exercises the foregoing right, Primerica may instead elect to receive the relevant Citi Services from itself or a third party; provided that if Citi, in its reasonable judgment, determines that Primerica's receipt of the relevant Citi Services from Primerica or such third party would cause Citi or its Affiliates to be in non-compliance with the Bank Holding Company Act or any other bank regulatory law, rule, regulation, guidance, order or directive, Citi may require that Primerica continue to receive such Citi Service from Citi beyond the Base Term or Extension Term, as applicable, until such time as expiration thereof would no longer cause Citi or its Affiliates to be in such non-compliance; provided, further, that Primerica shall not be obligated to pay any Citi Fees in consideration of the receipt of such Citi Service from and after the date on which such Citi Service would have otherwise expired. Citi may exercise either such continuation right by providing written notice to Primerica not less than thirty (30) days prior to the date such Service would otherwise expire, whether through expiration of the Base Term or the Extension Term. This Agreement shall continue in full force and effect with respect to each such Citi Service. In the event of any dispute between Primerica and Citi regarding whether expiration of a Citi Service will cause Citi or its Affiliates to be in non-compliance with the Bank Holding Company Act or any other bank regulatory law, rule, regulation, guidance, order or directive, such dispute shall be subject to the procedures set forth in that certain letter agreement between the Parties dated as of April 7, 2010 (the "BHCA Side Letter").

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(c) This Agreement shall remain in force with respect to the Citi Service that consists of Primerica's ability to receive products or services, as applicable, pursuant to each Enterprise License Agreement until such time as the provisions of such Enterprise License Agreement prohibit Primerica's continued receipt of such Citi Service, provided that in no event shall the term of such Citi Service continue for more than four (4) years following the Effective Date.

Section 10.2 Termination.

(a) Termination by Citi or Primerica. This Agreement, or any Service provided hereunder, as applicable, may be terminated by either Party (the "Terminating Party") upon written notice to the other Party, if:

(i) the other Party fails to perform or otherwise breaches a material provision of this Agreement and such failure or breach is not cured, to the reasonable satisfaction of the Terminating Party, within thirty (30) days of written notice thereof; provided, that the Parties first submit any such uncured failure or breach for resolution in accordance with the procedures set forth in Section 11.14;

(ii) the other Party fails to perform or otherwise breaches a material provision of this Agreement, where such second failure or breach is substantially similar to a prior failure or breach by such other Party, unless, within thirty (30) days of written notice of such subsequent failure or breach, such other Party has (A) cured such subsequent failure or breach to the reasonable satisfaction of such Party (if such failure or breach is subject to cure) and (B) demonstrated, to such Party's sole satisfaction, that such other Party has enacted remedial measures designed to prevent the failure or breach from occurring again;

(iii) the other Party makes a general assignment for the benefit of creditors or becomes insolvent, or a receiver is appointed for, or a court approves reorganization or arrangement proceedings on, such Party;

(iv) performance of this Agreement or any Service provided hereunder has been rendered impossible for a period of at least sixty (60) days by reason of the occurrence of any Force Majeure Event, or if any other event occurs that is reasonably deemed to permanently prevent the performance of this Agreement or any Service provided hereunder; provided, however, that this Agreement may only be terminated under this Section 10.2(a)(iv) with respect to the affected Service; or

(v) required by any Governmental Authority, upon thirty (30) days' notice or sooner if necessary; provided, however, that prior to any such notice of termination, the Parties mutually agree that this Agreement cannot be amended in a manner that will satisfy such Governmental Authority without materially changing the effect or intent of this Agreement.

(b) Partial Termination.

(i) Subject to Section 10.2(b)(ii), either Party may, as a Service recipient, on sixty (60) days' written notice to the other Party, terminate any Service received by such Party, as applicable. Any such terminated Service shall be deleted from Schedule 2.1(a), Schedule 2.1(b) or Schedule 2.2, as applicable, and the terminating Party shall have no obligation to continue to use or pay for any such Citi Service or Primerica Service, as applicable; provided, however, that this Agreement shall remain in effect until the expiration of the Term, or until otherwise terminated pursuant to this Article X. Any termination notice delivered by either Party shall specify in detail the Service or Services to be terminated, and the effective date of such termination.

(ii) Notwithstanding the foregoing, Citi may deny any such termination of a Citi Service requested by Primerica if Citi, in its reasonable judgment, determines that the termination of such Citi Service would cause Citi or its Affiliates to be in non-compliance with the Bank Holding Company Act or any other bank regulatory law, rule, regulation, guidance, order or directive, provided that Primerica shall not be obligated to pay any Citi Fees in consideration of the receipt of such Citi Service provided by Citi from and after the date on which such Citi Service would have otherwise been terminated. From and after the First Trigger Date, if Citi exercises the foregoing right Primerica may instead elect to receive the relevant Citi Service from itself or a third party; provided, that if Citi, in its reasonable judgment, determines that Primerica's receipt of the relevant Citi Services from Primerica or such third party would cause Citi or its Affiliates to be in non-compliance with the Bank Holding Company Act or any other bank regulatory law, rule, regulation, guidance, order or directive, Citi may require that Primerica continue to receive such Citi Service from Citi, until such time as termination thereof would no longer cause Citi or its Affiliates to be in such non-compliance; provided, further, that Primerica shall not be obligated to pay any Citi Fees in consideration of the receipt of such Citi Service from and after the date on which Citi notifies Primerica that Citi must continue to provide such Citi Service to Primerica. Citi may exercise either of the foregoing rights with respect to a Citi Service by providing written notice to Primerica not less than thirty (30) days after the receipt by Citi of Primerica's partial termination request with respect to such Citi Service. In the event of any dispute between Primerica and Citi regarding whether expiration of a Citi Service will cause Citi or its Affiliates to be in non-compliance with the Bank Holding Company Act or any other bank regulatory law, rule, regulation, guidance, order or directive, such dispute shall be subject to the procedures set forth in the BHCA Side Letter.

Section 10.3 Effect of Termination. In the event that this Agreement is terminated for any reason:

(a) Each Party agrees and acknowledges that the obligations of each Party to provide the Services, or to cause the Services to be provided, hereunder shall immediately cease. Upon cessation of the applicable Party's obligation to provide any Service, the Party receiving the Service shall stop using, directly or indirectly, such Service.

(b) Upon request, each Party shall, and shall cause its Affiliates and third parties (subject to the terms of such Party's agreements with such third parties) retained by such Party or its Affiliates to, return to the other Party or, at the other Party's option, destroy (and certify to the destruction of) all tangible personal property and books, records or files owned by such other Party or its Affiliates or third parties and used in connection with the provision of Services that are in their possession as of the termination date.

(c) Subject to Section 10.2(b)(ii), in the event that a Service recipient seeks to discontinue a Service without providing the sixty (60) day notice provided for herein, such Service recipient shall be responsible to the Service provider for reasonable and proper termination charges, including all reasonable cancellation costs; provided, that the Service provider shall use commercially reasonable efforts to minimize such cancellation costs.

(d) The following matters shall survive the termination of this Agreement (i) the rights and obligations of each Party under Section 5.3, Section 5.4, Section 5.5, Section 5.6, Section 5.7, Article VI, Article VII, Article VIII, Article IX, this Section 10.3 and Article XI and (ii) the obligations under Article IV of each Party to pay the applicable Fees for Services furnished prior to the effective date of termination.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Construction; Absence of Presumption.

(a) For the purposes of this Agreement, (i) words (including capitalized terms defined herein) in the singular shall be held to include the plural and vice versa and words (including capitalized terms defined herein) of one gender shall be held to include the other gender as the context requires; (ii) the terms "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, Exhibits and Addenda) and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule, Exhibit and Addendum references are to the Articles, Sections, paragraphs, Schedules, Exhibits and Addenda to this Agreement, unless otherwise provided; (iii) the word "including" and words of similar import when used in this Agreement shall mean

"including, without limitation"; (iv) references to this Agreement shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all Schedules, Exhibits and Addenda) and any amendments hereto or thereto; (v) all references to any period of days shall be deemed to be to the relevant number of calendar days unless otherwise provided; and (v) all references herein to "$" or dollars shall refer to United States dollars, unless otherwise provided.

(b) For the avoidance of doubt, with respect to all references in this Agreement to "prior written consent, which shall not be unreasonably withheld, conditioned or delayed," it shall be deemed reasonable for the applicable Party to withhold, condition or delay any such consent because of requirements of Law or any objection from a Regulatory Body, including any guidance or other advice or direction communicated informally by Regulatory Bodies to the applicable Party.

(c) The Parties hereby acknowledge that each Party and its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall be employed in the interpretation of this Agreement (including all of the Schedules, Exhibits and Addenda) or any amendments hereto or thereto.

Section 11.2 Headings. The Article and Section headings contained in this Agreement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

Section 11.3 Notices. All notices, demands and other communications required or permitted to be given to any Party under this Agreement must be in writing. Any such notice, demand or other communication will be deemed to have been duly given (i) when delivered by hand, courier or overnight delivery service;(ii) two business days after deposit in the mail, provided such mail is sent certified or registered mail, return receipt requested and with first-class postage prepaid; or (iii) in the case of facsimile notice, when sent and transmission is confirmed. Regardless of method, all such notices, demands and other communications must be addressed to the Party at its address or facsimile number set forth below (or at such other address or facsimile number as the Party may furnish the other Party in accordance with this Section) and, must also be included in an email transmission using the email address provided below:

(a) If to Citi:

CitiLife Financial Ltd.
8 Janetville St.
Brampton,
Ontario Canada L6P 2A3
Attn: Reza Shah
Phone: (905) 794-9494
Email address: Reza.Shah@citi.com

Citi Operations & Technology
283 King George Road, C-2
Warren, NJ 07059
Attn: Brad Tessler
Phone: (908) 563-0080
Email address: tesslerb@citi.com

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attn: Jeffrey Brill
Facsimile: (917) 777-2587
Email address: Jeffrey.Brill@skadden.com

and

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attn: Stuart D. Levi
Facsimile: (917) 777-2750
Email address: Stuart.Levi@skadden.com

(b) If to Primerica:

3120 Breckinridge Boulevard
Duluth, GA 30099-0001
Attn: President
Facsimile: (770) 564-5669
Email address: Glenn.Williams@Primerica.com

With a copy to:

3120 Breckinridge Boulevard
Duluth, GA 30099-0001
Attn: General Counsel
Facsimile: (770) 564-6216
Email address: Peter.Schneider@primerica.com

Section 11.4 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York applicable to agreements made and to be performed entirely within such state, without regard to the conflict of laws principles of such state.

Section 11.5 Jurisdiction; Venue; Consent to Service of Process. With respect to any action, suit or other proceeding resulting from, relating to or arising out of this Agreement, each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York or, if such court will not accept jurisdiction, the Supreme Court of the State of New York or any court of competent civil jurisdiction sitting in New York County, New York (and each Party agrees not to commence any such action, suit or other proceeding except in such courts). In any such action, suit or other proceeding, each Party irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims (a) that it is not subject to the jurisdiction of the above courts, (b) that such action or suit is brought in an inconvenient forum or (c) that the venue of such action, suit or other proceeding is improper. Each Party also hereby agrees that any final and unappealable judgment against a Party in connection with any such action, suit or other proceeding shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment. With respect to any action, suit or other proceeding for which it has submitted to jurisdiction pursuant to this Section, each Party irrevocably consents to service of process in the manner provided for the giving of notices pursuant to Section 11.3 of this Agreement. Nothing in this Section shall affect the right of any Party to serve process in any other manner permitted by Law. The foregoing consent to jurisdiction shall not (a) constitute submission to jurisdiction or general consent to service of process in the State of New York for any purpose except with respect to any action, suit or proceeding resulting from, relating to or arising out of this Agreement or (b) be deemed to confer rights on any person other than the respective Parties to this Agreement.

Section 11.6 Entire Agreement. This Agreement, together with all Schedules, Exhibits and Addenda hereto and thereto, embody the entire agreement of the Parties hereto with respect to the subject matter hereof and supersede all prior agreements with respect thereto. The Parties intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Agreement.

Section 11.7 Amendment, Modification and Waiver. No amendment to this Agreement shall be effective unless it shall be in writing and signed by each Party hereto. Any failure of a Party to comply with any obligation, covenant, agreement or condition contained in this Agreement may be waived by the Party entitled to the benefits thereof only by a written instrument duly executed and delivered by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure of compliance.

Section 11.8 Severability. If any provision of this Agreement, or the application of any such provision, is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, or invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable Law, the Parties waive any provision under Law that renders any provision of this Agreement invalid, illegal or unenforceable in any respect. The Parties shall, to the extent lawful and practicable, use commercially reasonable efforts to enter into arrangements to reinstate the intended benefits, not of the intended burdens, of any such provision held invalid, illegal or unenforceable.

Section 11.9 Successors and Assigns; No Third Party Beneficiaries. This Agreement and all its provisions shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns. Nothing in this Agreement, whether expressed or implied, will confer on any person, other than the Parties or their respective permitted successors and assigns, any rights, remedies or liabilities; provided, that the provisions of Article IX will inure to the benefit of the Indemnified Parties. No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party (which consent may not be unreasonably withheld or delayed) and any purported assignment without such consent shall be void; provided, that Citi may, without the consent of Primerica, assign any or all of its rights, and its respective related obligations hereunder, to any of its Affiliates (although no such assignment shall relieve Citi of its obligations to Primerica or any Primerica Indemnified Party hereunder).

Section 11.10 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

Section 11.11 Expenses. Except as otherwise expressly stated in this Agreement, any costs, expenses, or charges incurred by any of the Parties shall be borne by the Party incurring such cost, expense or charge whether or not the transactions contemplated by this Agreement shall be consummated.

Section 11.12 Counterparts. This Agreement may be executed by the Parties in multiple counterparts which may be delivered as an electronic copy or by facsimile transmission. Each counterpart when so executed and delivered shall be deemed an original, and all such counterparts taken together shall constitute one and the same instrument.

Section 11.13 Relationship of the Parties. Each Party and its Affiliates, as applicable, shall be acting as an independent company in performing under this Agreement, and shall not be considered or deemed to be an agent, employee, joint venturer or partner of the other Party or any of its Affiliates, as applicable. Each Party and its Affiliates, as applicable, shall, at all times, maintain complete control over its Personnel and operations, and shall have sole responsibility for staffing, instructing and compensating its Personnel. Neither Party (nor its Affiliates, as applicable) shall have, or shall represent that it has, any power, right or authority to bind the other Party (or its Affiliates, as applicable) to any obligation or liability, to assume or create any obligation or liability or transact any business in the name or on behalf of the other Party (or its Affiliates, as applicable), or make any promises or representations on behalf of the other Party (or its Affiliates, as applicable), unless agreed to in writing.

Section 11.14 Dispute Resolution. Except as set forth in Section 10.1(b) and Section 10.2(b)(ii), in the event of any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or validity thereof, including the dispute of any Fees invoiced under Article IV or any claim by any Party that any other Party has breached the material terms hereof (each, a "Dispute"), the Service Coordinators of Citi and Primerica shall meet (by telephone or in person) no later than two Business Days after receipt of notice by any Party of a request for resolution of a Dispute. The Service Coordinators shall enter into negotiations aimed at resolving any such Dispute. If the Service Coordinators are unable to reach mutually satisfactory resolution of the Dispute within ten (10) Business Days after receipt of notice of the Dispute, the Dispute shall be referred to an executive committee comprised of at least one member of the senior management of each Party (the "Executive Committee"). The initial members of the Executive Committee, including relevant contact information, are set forth on Schedule 11.14, and either Party may replace its Executive Committee members at any time with other representatives of similar seniority by providing notice in accordance with Section 11.3. The Executive Committee will meet (by telephone or in person) during the next ten (10) Business Days and attempt to resolve the Dispute. If the Executive Committee is unable for any reason to resolve a Dispute within thirty (30) days after the receipt of notice of the Dispute, then either party may submit the Dispute to arbitration in accordance with Section 11.15 hereof as the exclusive means to resolve such Dispute.

Section 11.15 Arbitration.

(a) Except as set forth in Section 10.1(b) and Section 10.2(b)(ii), any Dispute not resolved pursuant to Section 11.14 hereof shall, at the request of either Party, be finally settled by arbitration administered by the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules then in effect (the "Rules") except as modified herein. The arbitration shall be held in New York, New York.

(b) There shall be three (3) arbitrators of whom each Party shall select one within fifteen (15) days of respondent's receipt of claimant's demand for arbitration. The two party-appointed arbitrators shall select a third arbitrator to serve as Chair of the tribunal within fifteen (15) days of the selection of the second arbitrator. If any arbitrator has not been appointed within the time limits specified herein, such appointment shall be made by the AAA in accordance with the Rules upon the written request of either party within fifteen (15) days of such request. The hearing shall be held no later than one hundred twenty (120) days following the appointment of the third arbitrator.

(c) The arbitral tribunal shall permit prehearing discovery that is relevant to the subject matter of the Dispute taking into account the Parties' desire that the arbitration be conducted expeditiously and cost effectively. All discovery shall be completed within sixty (60) days of the appointment of the third arbitrator.

(d) By agreeing to arbitration, the Parties do not intend to deprive a court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies, to direct the Parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect. For the purpose of any provisional relief contemplated hereunder, the Parties hereby submit to the exclusive jurisdiction of the New York Courts. Each Party unconditionally and irrevocably waives any objections which they may have now or in the future to the jurisdiction of the New York Courts including objections by reason of lack of personal jurisdiction, improper venue, or inconvenient forum.

(e) The award shall be in writing, shall state the findings of fact and conclusions of law on which it is based, shall be final and binding and shall be the sole and exclusive remedy between the Parties regarding any claims, counterclaims, issues, or accounting presented to the arbitral tribunal. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1 *et seq.*, and judgment upon any award may be entered in any court having jurisdiction.

(f) The Parties will bear equally all fees, costs, disbursements and other expenses of the arbitration, and each Party shall be solely responsible for all fees, costs, disbursements and other expenses incurred in the preparation and prosecution of their own case; provided that in the event that a Party fails to comply with the orders or decision of the arbitral tribunal, then such noncomplying Party shall be liable for all costs and expenses (including attorneys fees) incurred by the other Party in its effort to obtain either an order to compel, or an enforcement of an award, from a court of competent jurisdiction.

(g) The arbitral tribunal shall have the authority, for good cause shown, to extend any of the time periods in this arbitration provision either on its own authority or upon the request of any of the Parties. The arbitral tribunal shall be authorized in its discretion to grant pre-award and post-award interest at commercial rates. The arbitral tribunal shall have no authority to award punitive, exemplary or multiple damages or any other damages not measured by the prevailing Parties' actual damages. The arbitral tribunal shall have the authority to order specific performance or to issue any other type of temporary or permanent injunction.

(h) All notices by one Party to the other in connection with the arbitration shall be in accordance with the provisions of Section 11.3 hereof, except that all notices for a demand for arbitration made pursuant to this Article XI must be made by personal delivery or receipted overnight courier. This agreement to arbitrate shall be binding upon the successors and permitted assigns of each Party. This Agreement and the rights and obligations of the Parties shall remain in full force and effect pending the award in any arbitration proceeding hereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

CITIGROUP INC.

By: /s/ Michael L. Corbat
Name: Michael L. Corbat
Title: Authorized Signatory

PRIMERICA, INC.

By: /s/ Peter W. Schneider
Name: Peter W. Schneider
Title: Executive VP and Secretary

ATTACHMENT 8

EX-10.4 11 dex104.htm LONG-TERM SERVICES AGREEMENT, CITILIFE AND PRIMERICA

Exhibit 10.4

EXECUTION COPY

LONG-TERM SERVICES AGREEMENT

by and between

CITILIFE FINANCIAL LIMITED

and

PRIMERICA LIFE INSURANCE COMPANY

Dated as of Aprfl 7, 2010

Table of Contents

LONG-TERM SERVICES AGREEMENT

This **LONG-TERM SERVICES AGREEMENT** (this "Agreement"), dated as of April 7, 2010 (the "Effective Date"), by and between CITILIFE FINANCIAL LIMITED, an Irish life insurance company ("CitiLife"), and PRIMERICA LIFE INSURANCE COMPANY, a Delaware corporation ("Primerica," together with CitiLife, the "Parties," and each individually a "Party").

WHEREAS, Citigroup, Inc., the ultimate parent of CitiLife, is the indirect owner of all of the issued and outstanding common stock of Primerica immediately prior to the date hereof; and

WHEREAS, in contemplation of Primerica ceasing to be so wholly owned by Citigroup Inc., the Parties hereto have determined that it is necessary and desirable to set forth certain agreements that will govern certain matters between the Parties hereto following the completion of the initial public offering of the common stock of Primerica as of the date hereof, and this Agreement is one such agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Unless the context clearly requires otherwise, the following terms shall have the following meanings:

"AAA" shall have the meaning set forth in Section 12.15.

"Additional Service" shall have the meaning set forth in Section 2.3(a).

"Affiliate" shall mean, with respect to a Party, any person or entity that, directly or indirectly, Controls, or is Controlled by, or is under common Control with, such Party. For the purposes of this Agreement, neither Party shall be deemed an Affiliate of the other.

"Base Cost" shall have the meaning set forth in Section 4.1(a).

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or other day on which banking institutions or trust companies are authorized or obligated by law to close in The City of New York, Spain, Ireland, and the United Kingdom.

"Change of Control" shall mean, with respect to a Party, the occurrence of any of the following events, in a single transaction or a series of related transactions: (a) any consolidation or merger of such Party with or into any other entity in which the holders of such Party's outstanding shares immediately before such consolidation or merger do not, immediately after such consolidation or merger, retain stock representing a majority of the voting power of the surviving entity or stock representing a majority of the voting power of an entity that wholly owns, directly or indirectly, the surviving entity; (b) the sale, transfer or assignment of securities of such Party representing a majority of the voting power of all of such Party's outstanding voting securities to an acquiring party or group; or (c) the sale of all or substantially all of such Party's assets.

"CitiLife Indemnified Parties" shall have the meaning set forth in Section 10.2.

"Confidential Material" shall have the meaning set forth in Section 6.1.

"Contract Year" shall mean each consecutive twelve (12) month period during the Term commencing on the Effective Date, provided that if this Agreement expires or is terminated prior to the end of any such twelve (12) month period, that Contract Year shall end on the expiration date or termination date, as applicable.

"Control" and its derivatives mean legal, beneficial or equitable ownership, directly or indirectly, of more than fifty percent (50%) of the outstanding voting capital stock (or other ownership interest, if not a corporation) of an entity, or actual managerial or operational control over such entity.

"Covered Contracts" shall mean, collectively, all active contracts of insurance and reinsurance issued by CitiLife or its predecessor in interest prior to the Effective Date.

"Data Protection Agreement" shall have the meaning set forth in Section 8.6.

"Data Protection Laws" shall mean any data protection Laws, privacy Laws, or other Laws relating to the protection of personal data, whether currently in force or enacted during the Term; provided that CitiLife shall promptly notify Primerica of any such Laws applicable to the Services which are enacted during the Term.

"Dispute" shall have the meaning set forth in Section 12.14.

"Executive Committee" shall have the meaning set forth in Section 12.14.

"Fees" shall have the meaning set forth in Section 4.1.

"Force Majeure Event" shall have the meaning set forth in Section 3.4(a).

"Governmental Authority" means any federal, state, local or foreign government, any court, administrative, regulatory or other governmental agency, commission or authority or any organized securities exchange.

"Historical Methodology" means the process used prior to the Effective Date to determine the fees and costs charged to CitiLife for the Services.

"Indemnified Parties" shall mean the CitiLife Indemnified Parties and the Primerica Indemnified Parties.

"Indemnified Party Counsel" shall have the meaning set forth in Section 10.3(b)(iv).

"Indemnifying Party" shall mean (a) CitiLife, with respect to any claim for or right to indemnification pursuant to Article X by a Primerica Indemnified Party, and (b) Primerica, with respect to any claim for or right to indemnification pursuant to Article X by a CitiLife Indemnified Party.

"Indemnity Payments" shall have the meaning set forth in Section 10.6.

"Intellectual Property" shall mean all intellectual property, including all (i) inventions (whether patentable or unpatentable and whether or not reduced to practice), improvements thereto, and patents, patent applications, and patent disclosures, together with provisionals, reissuances, continuations, continuations-in-part divisions, revisions, extensions, and reexaminations thereof, (ii) Trademarks, (iii) copyrights and website content, and applications, registrations, and renewals in connection therewith, (iv) trade secrets, know-how and confidential business information and, (v) software (in any form), and electronic data, databases, and data collections.

"Intercompany Agreement" shall mean the Intercompany Agreement by and between Citigroup, Inc. and Primerica, dated as of April 7, 2010.

"Law" shall mean any law, rule, regulation, ordinance, treaty, writ, judicial decision, judgment, injunction, decree, determination, award or other order of any Governmental Authority or any guidance or code of conduct published by any Regulatory Bodies.

"Losses" shall mean all losses, liabilities, claims, damages, settlements, judgments, awards, actions, suits, fines, penalties, assessments, and all related costs and expenses (including taxes, reasonable attorneys' fees and disbursements, and costs of investigation, litigation and settlement).

"Network" shall mean a Party's and its Affiliates' information systems, including all data they contain and all computer software and hardware.

"Pass-Through Expenses" shall have the meaning set forth in Section 4.1.

"Personal Data" shall have the meaning set forth in Article 2 of Directive 95/46/EC of the European Parliament and Council.

"Personnel" shall mean, with respect to any Party, the employees, officers, agents, independent contractors and consultants of (a) such Party, (b) the Affiliates of such Party and (c) any third parties engaged by such Party or its Affiliates to provide a Service.

"Primerica Indemnified Parties" shall have the meaning set forth in Section 10.1.

"Regulatory Bodies" shall have the meaning set forth in Section 5.5.

"Retained Business" shall mean the business of CitiLife as it was operated by CitiLife with respect to the Covered Contracts in the ordinary course prior to the Effective Date.

"Rules" shall have the meaning set forth in Section 12.15.

"Sales Taxes" shall have the meaning set forth in Section 4.4.

"Service Coordinator" shall have the meaning set forth in Section 2.4.

"Service Data" shall have the meaning set forth in Section 7.1(c).

"Services" shall mean the Services and Additional Services including any and all systems, feeds, Networks and Intellectual Property to which a Party has access prior to the Effective Date and which are necessary to provide or receive such Services.

"Term" shall have the meaning set forth in Section 11.1.

"Termination Phase" shall have the meaning set forth in Section 11.4(a).

"Termination Phase Services" shall have the meaning set forth in Section 11.4(b).

"Third Party Claim" shall have the meaning set forth in Section 10.1.

"Trademarks" shall mean all registered and unregistered trademarks, service marks, Internet domain names and other similar designations of source or origin, together with the goodwill associated with any of the foregoing.

ARTICLE II
SERVICES

Section 2.1 Services to be Provided to CitiLife.

(a) Primerica shall provide, or, subject to Section 2.1(b) of this Agreement, shall cause its Affiliates or third-party service providers to provide, to CitiLife all the services set forth on Schedule 2.1 (the "Services").

(b) Primerica shall not subcontract any portion of the Services to be performed under this Agreement (including to Affiliates of Primerica) or replace any existing subcontractor without the prior written consent of CitiLife, which consent shall not be unreasonably withheld, conditioned or delayed. Primerica shall only subcontract such Services or replace any existing subcontractor to the extent that such subcontracting or replacement is not prohibited by applicable Law. Primerica shall be responsible for the performance or non-performance of any subcontractor, and shall remain responsible for the performance of the Services in accordance with this Agreement.

Section 2.2 Management of Services.

(a) Except as may otherwise be expressly provided in this Agreement, the management of and control over the provision of the Services shall reside solely with Primerica, and notwithstanding anything to the contrary herein but subject to the provisions of Article VIII, Primerica shall at any time be permitted to (a) choose the methodology, systems and applications it utilizes in the provision of the Services, including without limitation the location from which any Service is provided at any time and (b) subject to Section 7.14 of the Intercompany Agreement, change its policies or procedures; provided that Primerica shall provide reasonable advance written notice to CitiLife of any change in order for CitiLife to make, in an appropriate and economical

manner, all necessary modifications required as a result of the changes. CitiLife shall bear all costs associated with the necessary modifications CitiLife may be required to make as a result of Primerica's changes. Notwithstanding any changes, Primerica shall remain responsible for the performance of the Services in accordance with this Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, in the event of a change in Law or other request made by a Governmental Authority or a Regulatory Body to CitiLife that requires a change in the Services in order to bring the Services or CitiLife into compliance with such Law or request, CitiLife shall so notify Primerica, and Primerica shall make, in an appropriate and economical manner, all necessary modifications required as a result of such change in Law or request. CitiLife shall bear all costs associated with the necessary modifications Primerica may be required to make as a result of such change in Law or request.

Section 2.3 Additional Services.

(a) If CitiLife desires to receive an additional service (or to expand the scope or lengthen the duration of any Service), the Service Coordinators shall meet (in person or by telephone) within ten (10) days of Primerica's receipt of a written notice by CitiLife to discuss in good faith CitiLife's request for such additional service (or such expanded scope or lengthened duration of a Service) (each such service, to the extent provided, an "Additional Service"). Primerica shall provide such Additional Service only upon mutual agreement of the Parties on the scope, terms, Base Cost and duration of all Additional Services, all of which shall be set forth on Schedule 2.3; provided, that Primerica must provide any Additional Service requested by CitiLife that is reasonably related to the Services then being provided by Primerica in order to comply with any applicable Law.

Section 2.4 Service Coordinators. CitiLife and Primerica shall each nominate a representative to act as the primary contact person with respect to the performance of the Services (each, a "Service Coordinator"). Unless otherwise agreed upon by the Parties, all communications relating to this Agreement and to the Services provided hereunder shall be directed to the Service Coordinators. The initial Service Coordinators for Primerica and CitiLife, including relevant contact information, are set forth on Schedule 2.4. Either Party may replace its Service Coordinator at any time by providing notice in accordance with Section 12.3 of this Agreement.

Section 2.5 Standard of Performance. Primerica shall (and shall cause any party performing services on its behalf to) use commercially reasonable efforts, skill and judgment in providing the Services. Without limiting the foregoing, all Services shall be provided in a timely and professional workmanlike manner, consistent with (a) applicable Law, (b) applicable insurance department requirements, and (c) recent past practice prior to the Effective Date, including with respect to timeliness.

Section 2.6 Cooperation.

(a) Each Party shall use commercially reasonable efforts, and shall use commercially reasonable efforts to cause its respective Affiliates and third-party service providers, to cooperate reasonably with the other Party in all matters relating to the provision and receipt of the Services and to minimize the expense, distraction and disturbance to each Party, and shall perform all obligations hereunder in good faith and in accordance with principles of fair dealing. Such cooperation shall include (i) the execution and delivery of such further instruments or documents as may be reasonably requested by the other Party to enable the full performance of each Party's obligations hereunder and (ii) notifying the other Party in advance of any changes to a Party's operating environment or Personnel (especially changes with respect to employee status), and working with the other Party to minimize the effect of such changes.

(b) CitiLife will use commercially reasonable efforts to provide information and documentation sufficient for Primerica to perform the Services in the manner they were provided in the ordinary course prior to the Effective Date, and will use commercially reasonable efforts to make available, as reasonably requested by Primerica, sufficient resources and timely decisions, approvals and acceptances in order that Primerica may perform its obligations under the agreement in a timely and efficient manner.

(c) CitiLife shall follow, and shall cause its respective third-party service providers to follow, the policies, procedures and practices with respect to the Services followed by Primerica immediately prior to the Effective Date, except for any changes to such policies, procedures and practices required due to changes in applicable Law (or changes in the interpretation or enforcement of applicable Law) following the Effective Date. A failure of CitiLife to act in accordance with this Section 2.6 that prevents Primerica or its Affiliates or third parties from providing a Service hereunder shall relieve Primerica of its obligation to provide such Service until such time as the failure has been cured; provided, that Primerica has previously notified CitiLife in writing of such failure.

Section 2.7 Conduct of Affiliates. To the extent that any Service is provided or received by an Affiliate of a Party, such Party shall cause such Affiliate to comply with the terms and conditions of this Agreement relating to the provision and receipt of the Services as if such Affiliate were a named Party under this Agreement.

7.

ARTICLE III
LIMITATIONS

Section 3.1 General Limitations.

(a) Unless expressly provided otherwise herein (i) Primerica shall be required to provide the Services hereunder only to the extent that such Services were provided to CitiLife or its Affiliates in the ordinary course prior to the Effective Date and (ii) the Services shall be available only for the purposes of conducting the Retained Business.

(b) In no event shall Primerica (or its Affiliates) be obligated to maintain the employment of any specific employee or, unless CitiLife agrees to bear all associated costs, acquire any specific additional equipment or software; provided, that Primerica shall remain responsible for the performance of the Services in accordance with this Agreement.

Section 3.2 Third Party Limitations. Each Party acknowledges and agrees that the Services provided by Primerica through third parties or using third-party Intellectual Property are subject to the terms and conditions of any applicable agreements between Primerica and such third parties. If Primerica provides a Service through third parties or using third-party Intellectual Property, Primerica shall use commercially reasonable efforts to (a) obtain any necessary consent from such third parties in order to provide such Services or (b) if any such consent is not obtained, provide acceptable alternative arrangements to provide the relevant Services sufficient for CitiLife's purposes. All costs associated with (a) and (b), above, shall be borne by CitiLife; provided that Primerica shall not incur any such costs without the prior written consent of CitiLife. If any such acceptable alternative arrangement is not reasonably available or CitiLife does not consent to pay such additional costs, Primerica shall not be required to provide such Service.

Section 3.3 Compliance with Laws. Primerica shall not provide nor shall cause to be provided, any Service to the extent that the provision of such Service would require Primerica, any of its Affiliates or any of their respective Personnel to violate (a) any applicable Law or (b) any policies and/or procedures of Primerica that were established in response to regulatory concerns. If at any time during the term of this Agreement, either Party becomes aware of any facts or circumstances which would cause the provision of any Service to result in any such violation, such Party, as applicable, shall promptly give notice thereof to the other Party; provided (a) Primerica make commercially reasonable efforts to provide acceptable alternative arrangements to provide the relevant Services sufficient for CitiLife's purposes in a manner that complies with applicable Law and (b) all costs associated with the acceptable alternative arrangement shall be borne by CitiLife.

Section 3.4 Force Majeure

(a) If Primerica or any third party engaged by Primerica to perform the Services is wholly or partially prevented from, or delayed in, providing one or more Services, or one or more Services are interrupted or suspended, by reason of events beyond its reasonable control (including acts of God, fire, explosion, accident, floods, earthquakes, embargoes, epidemics, war, acts of terrorism, or nuclear disaster) (each, a "Force Majeure Event"), Primerica shall not be obligated to deliver the affected Services during such period, and CitiLife shall not be obligated to pay for any Services not delivered.

(b) Upon the occurrence of a Force Majeure Event, Primerica shall promptly give written notice to CitiLife of the Force Majeure Event upon which it intends to rely to excuse its performance, and of the expected duration of such Force Majeure Event. The duties and obligations of Primerica hereunder shall be tolled for the duration of the Force Majeure Event, but only to the extent that the Force Majeure Event prevents Primerica from performing its duties and obligations hereunder.

(c) During the duration of a Force Majeure Event, Primerica shall use commercially reasonable efforts to avoid or remove such Force Majeure Event, and shall use commercially reasonable efforts to resume its performance under this Agreement with the least practicable delay. From and during the occurrence of a Force Majeure Event, CitiLife may replace the affected Services by providing such Services for itself or engaging a third party to provide such Services.

(d) For the period beginning thirty (30) days after the occurrence of a Force Majeure Event and ending upon the termination of such Force Majeure Event, Primerica shall pay or reimburse, as applicable, the difference, if any, between (i) all of CitiLife's reasonable costs associated with any replacement Services and (ii) the amount CitiLife would have paid to Primerica under the terms of this Agreement for the provision of such Services had Primerica continued to perform such Services.

Section 3.5 Disaster Recovery Services.

(a) Primerica will maintain disaster recovery and business contiguity facilities and contingency plans, consistent with its historical practice, to the reasonable satisfaction of CitiLife with the purpose of ensuring the continued performance of all of the Services notwithstanding any disaster or event, but not including a Force Majeure Event, which would otherwise adversely affect the performance of such Services.

(b) Primerica agrees to establish and operate all necessary back-up and recovery procedures, consistent with its historical practice, on its operating and information technology systems to ensure that data integrity is maintained and that data relating to the Retained Business that is maintained by Primerica pursuant to this Agreement will not be lost or destroyed.

(c) Primerica shall not be required to provide disaster recovery services to the extent that CitiLife has materially altered the equipment, hardware or software to which such disaster recovery services pertain.

Section 3.6 No Adverse Effect. In providing the Services, Primerica shall not take any action that could reasonably be expected to have a material adverse effect on the Retained Business, or on the ability of CitiLife to comply with its obligations under this Agreement, without obtaining CitiLife's prior written consent.

ARTICLE IV
PAYMENT

Section 4.1 Fees.

(a) In consideration for the Services, CitiLife shall pay to Primerica (i) Primerica's internal costs for the Services (x) as determined in a manner consistent with the Historical Methodology or (y) in the case of an Additional Service, as expressly agreed by the Parties after the Effective Date (the "Base Cost"), plus (ii) third party costs incurred by Primerica for the Services, which shall be allocated in a manner consistent with the Historical Methodology and shall be charged to CitiLife on a pass-through basis ("Pass-Through Expenses"); provided, that the EDP Supplies Services and Vendor Software Annual Maintenance Services set forth on Schedule 4.1 shall be charged to CitiLife on a pass-through basis plus an additional mark-up of ten percent (10%), plus (iii) to the extent not covered by the Base Cost or the Pass-Through Expenses, any reasonable out-of-pocket expenses incurred by Primerica in providing the Services, in accordance with Primerica's existing expense policies, which are incidental to providing the Services and are not incorporated in the Historical Methodology (together with the Base Cost and Pass-Through Expenses, the "Fees"); provided that any out-of-pocket expenses shall be agreed upon in advance by the Parties unless such out-of-pocket expenses were passed through to CitiLife in the ordinary course prior to the Effective Date. The current Base Cost and Pass-Through Expenses for the Services are set forth on Schedule 4.1.

Section 4.2 Adjustments to Base Cost. On the first anniversary of the Effective Date, the Base Cost of the Services shall be increased by an amount equal to three percent (3%) of the Base Cost applicable in the first Contract Year. On each subsequent anniversary of the Effective Date, the Base Cost of the Services shall be increased by a compounded rate equal to the percentage increase, if any, in the employment cost index published by the United States Bureau of Labor Statistics at http://www.bls.gov on each subsequent anniversary date of the Effective Date.

Section 4.3 Billing and Payment Terms.

(a) Primerica shall invoice CitiLife for the Services on a monthly basis (such invoice to set forth a description of the Services provided and reasonable documentation to support the charges thereon) for all Services that Primerica delivered during the preceding month, denominated in U.S. Dollars. Each such invoice shall be payable within sixty (60) days after CitiLife's receipt of the invoice and payment of such invoices shall be made by CitiLife to Primerica in U.S. Dollars.

(b) If any undisputed invoice or undisputed portion of an invoice is not paid in full within sixty (60) days after the date of the invoice, interest shall accrue on the unpaid amount at the annual rate equal to the "Prime Rate" as reported in The Wall Street Journal on the thirtieth (30th) day after the date of the invoice (or, if such day is not a Business Day, the first Business Day immediately after such day), calculated on the basis of a year of three hundred sixty (360) days and the actual number of days elapsed between the end of the sixty (60) day period and the actual payment date.

(c) CitiLife may dispute any or all charges within ninety (90) days after the receipt of the applicable invoice. If CitiLife disputes any charges, the Parties shall work together in good faith to resolve such dispute in accordance with Section 12.14. CitiLife may, without being in breach of this Agreement, withhold payment of any such fees or charges disputed in good faith by CitiLife if (i) CitiLife pays to Primerica all undisputed items comprised in the same invoice as the disputed items; (ii) CitiLife provides a written statement to Primerica on or before the due date of such payment describing in reasonable detail and specificity the basis of the dispute and the amount being withheld; and (iii) such written statement is signed by the CitiLife Service Coordinator or other authorized CitiLife officer, who represents on behalf of CitiLife that the amount in dispute has been determined in good faith after due investigation of the facts. Upon resolution of the dispute, CitiLife shall pay any amount determined to be paid to Primerica within forty-five (45) calendar days after such final resolution. A failure by CitiLife to dispute a charge within ninety (90) days after receipt of invoice shall not waive CitiLife's audit and collection rights under Article V.

(d) The Parties acknowledge that there may be a lag in the submission of invoices for Pass-Through Expenses from third parties relating to the provision of Services, and that Primerica shall use commercially reasonable efforts to obtain such third-party invoices, and to provide same to CitiLife, in a timely fashion.

(e) The existence of a dispute pursuant to Section 4.3(c) above shall not excuse either Party from any other obligation under this Agreement, including Primerica's obligations to continue to provide Services hereunder.

Section 4.4 Sales Taxes. All consideration under this Agreement is exclusive of any sales, transfer, value-added, goods or services tax or similar gross receipts based tax (including any such taxes that are required to be withheld, but

excluding all other taxes including taxes based upon or calculated by reference to income or capital) imposed against or on Services provided ("Sales Taxes") by Primerica hereunder and such Sales Taxes will be added to the consideration where applicable. Such Sales Taxes shall be separately stated on the relevant invoice to CitiLife. All taxable goods and Services for which CitiLife is compensating, or reimbursing, Primerica shall be set out separately from non-taxable goods and Services, if practicable. CitiLife shall be responsible for any such Sales Taxes and shall either (a) remit such Sales Taxes to Primerica (and Primerica shall remit the such amounts to the applicable taxing authority) or (b) provide Primerica with a certificate or other acceptable proof evidencing an exemption from liability for such Sales Taxes. In the event Primerica fails timely to invoice Sales Taxes on taxable goods or services covered by this Agreement, Primerica shall notify CitiLife and CitiLife shall remit such Sales Taxes to Primerica.

ARTICLE V
ACCESS AND SECURITY

Section 5.1 Access to Networks.

(a) Each Party must provide the other Party with access to such Party's Network via a secure, industry-standard method selected by such Party with reasonable input from such other Party, as necessary to provide or receive the Services, as applicable; provided, that no Party shall be required to accept a method selected by the other Party to the extent that such method would require such Party to violate its generally applicable policies and procedures; and provided further that the cost of providing access shall be borne by CitiLife pursuant to Section 4.1.

(b) Each Party agrees to take all reasonable steps to prevent the unauthorized or illegal access to the Network of the other Party.

(c) Each Party shall only use (and will use its best efforts to ensure that its Personnel only use) the other Party's Network for the purpose of providing or receiving, and only to the extent required to provide or receive, the Services, as applicable.

(d) Neither Party shall allow nor permit its agents or subcontractors to use or have access to the other Party's Network except to the extent that such other Party gives its express prior written approval for such use or access by each relevant agent or subcontractor.

(e) Neither Party shall (and shall use its best efforts to ensure that its Personnel shall not): (i) use the other Party's Network to develop software, process data or perform any work or services other than for the purpose of providing or receiving the Services, (ii) break, interrupt, circumvent, adversely affect or attempt to break, interrupt, circumvent or adversely affect any security system or measure of the other Party; (iii) obtain, or attempt to obtain, access to any hardware, program or data

comprised in the other Party's Network except to the extent reasonably necessary to perform or receive the Services; or to which such other Party has given its prior written consent for such Party to obtain or attempt to obtain such access; or (iv) use, disclose or give access to any part of the other Party's Network to any third party, other than its agents and sub-contractors authorized by such other Party in accordance with this Section 5.1. All user identification numbers and passwords for a Party's Network disclosed to the other Party, and any information obtained from the use of such Party's Network, shall be deemed Confidential Material of such Party.

(f) If a Party or any of its Personnel breach any provision of this Article, such Party shall promptly notify the other Party of such breach and cooperate as requested by such other Party in any investigation of such breach.

(g) A material failure to comply with the provisions of this Section 5.1 shall constitute a material breach of this Agreement.

Section 5.2 Policies and Procedures.

(a) CitiLife shall (and shall use its best efforts to ensure that its Personnel) comply with all policies, procedures and regulations of Primerica relating to confidentiality, continuity of business and computer and network security measures, including data encryption policies and procedures established by Primerica, to the extent that such polices, procedures and regulations have been disclosed to CitiLife and relate to CitiLife's receipt of the Services; provided that to the extent that any such Primerica policies, procedures or regulations conflict with any CitiLife policies, procedures or regulations relating to Personal Data, then CitiLife shall not be required to comply with the conflicting portion of such Primerica policies, procedures or regulations and Primerica shall comply with the relevant CitiLife policies, procedures or regulations relating to Personal Data, to the extent of such conflict.

(b) Each Party shall ensure that when entering or within the other Party's premises, all such Party's Personnel must establish their identity to the satisfaction of security Personnel and comply with all directions given by them, including directions to display any identification cards provided by such other Party or to vacate the premises of such other Party.

Section 5.3 Record Retention. Except as otherwise expressly set forth herein with respect to Service Data, Primerica shall take reasonable steps to preserve and maintain all records relating to the Services provided hereunder in commercially reasonable electronic format, which records shall be retained by Primerica or its Affiliates for the period of time specified in Primerica's record retention policies and procedures.

Section 5.4 Audit

(a) CitiLife may from time to time review or audit any document, information or matter relating to Primerica's performance under this Agreement, including Primerica's compliance with its obligations under Article VIII, through its own staff or through contractors, agents, auditors or advisers and will ensure that such persons are bound by confidentiality provisions substantially similar to those contained in Article VI.

(b) Primerica will provide CitiLife and its Personnel, auditors and advisers with such information, assistance and access to Primerica's premises, employees and documentation as is reasonable in order that they may fully and promptly carry out each audit described in Section 5.4(a); provided, that: (i) CitiLife will permit Primerica the opportunity to deliver up any information required by CitiLife prior to CitiLife carrying out any audit hereunder which may render an audit visit unnecessary; (ii) such access shall not unreasonably interfere with the conduct of the business Primerica; and (iii) in the event Primerica reasonably determines that affording any such access to CitiLife would be commercially detrimental in any material respect or violate any applicable Law or any agreement to which Primerica is a party, or waive any attorney-client privilege applicable to Primerica, the Parties shall use reasonable efforts to permit the compliance with such request in a manner that avoids such harm or consequence.

Section 5.5 Regulatory Audit. In addition to the rights set out above, Primerica acknowledges and agrees that certain government departments and regulatory, statutory and other entities, committees and bodies which, whether under Law or codes of practice or otherwise, are entitled to regulate, investigate or influence any matters within this Agreement or any other affairs of CitiLife (collectively, "Regulatory Bodies") from time to time require the right, whether by virtue of Law or code of practice or otherwise, to investigate the affairs of Primerica; and, accordingly, Primerica agrees to provide such access as is referred to in Section 5.4 and all such other access, information and assistance as such Regulatory Bodies properly require in order to fulfill such requirements. CitiLife shall bear any reasonable, out-of pocket costs incurred by Primerica in providing such access, information and assistance. If Primerica considers that any requirement relates to information which is confidential to Primerica, Primerica will be entitled to disclose the information directly to the Regulatory Body without having to disclose it to CitiLife.

Section 5.6 Audit Results

(a) Without prejudice to CitiLife's other rights under this Agreement, if CitiLife's exercise of its rights under this Article V results in audit findings that Primerica has failed to perform its material obligations under this Agreement, CitiLife will make the audit findings available to Primerica, and the Parties will use all reasonable efforts to agree to a remedial plan and a timetable for achievement of the planned actions or improvements. Following agreement of the timetable, Primerica will implement that plan in accordance with the agreed timescales and will confirm its completion by a notice in writing to CitiLife. If Primerica fails to agree or implement such plan, CitiLife will be entitled to terminate this Agreement or any part thereof pursuant to the provisions of Article X.

(b) If CitiLife's exercise of its rights under this Article V results in audit findings that any Fees have been overpaid by CitiLife, then upon receiving notice of such audit findings, the appropriate reduction will be made to the next applicable invoice(s). If such audit findings show that CitiLife overpaid by five percent (5%) or greater, Primerica shall bear any costs associated with such audit.

Section 5.7 Reporting. Primerica shall notify CitiLife as soon as reasonably practicable upon the occurrence of any event or events of which it becomes aware which would prejudice Primerica's ability to perform the Services effectively and in compliance with all applicable Laws.

ARTICLE VI
CONFIDENTIALITY

Section 6.1 Confidential Materials. Each Party shall keep confidential and shall not, without the prior written consent of the other Party, make available or disclose to any person, or make or permit any use of Confidential Material by any person, any information or material of the other Party or its Affiliates that is or has been (a) disclosed by such other Party or its Affiliates under or in connection with this Agreement, whether orally, electronically, in writing or otherwise, including copies, or (b) learned, acquired, or generated by the other Party in connection with this Agreement, including the terms of this Agreement (collectively, "Confidential Material"). Notwithstanding the foregoing, Confidential Material may be disclosed on an as needed basis to Personnel of the receiving Party as required for the purpose of fulfilling the receiving Party's obligations under this Agreement. Each Party shall take all reasonable steps to require that any such Confidential Material disclosed to any such Personnel in accordance with this Section 6.1 is treated as confidential by such Personnel and shall require its subcontractors to enter into a confidentiality agreement which imposes confidentiality obligations no less protective of the Confidential Material than those imposed upon under this Agreement. The receiving Party will be liable to the disclosing Party for any non-compliance by its Personnel who are not employees or officers to the same extent it would be liable for non-compliance by its employees or officers.

Section 6.2 Permitted Disclosures. The provisions of this Article VI shall not apply to any Confidential Material which: (a) is or becomes commonly known within the public domain other than by breach of this Agreement or any other agreement that CitiLife or Primerica has with any third party; (b) is obtained from a third party who is lawfully authorized to disclose such information free from any obligation of confidentiality; or (c) is independantly developed without reference to any Confidential Material.

Section 6.3 Disclosure in Compliance with Law. Nothing in this Article VI shall prevent either Party from disclosing Confidential Material where it is required to be disclosed by judicial, administrative, governmental or regulatory process in connection with any action, suit, proceeding or claim or otherwise by applicable Law; provided, however, that a Party that is so required to disclose Confidential Material shall, if legally permitted, give the other Party prior reasonable notice as soon as possible, of such required disclosure so as to enable such other Party to seek relief from such disclosure requirement or measures to protect the confidentiality of the disclosure.

Section 6.4 Unauthorized Disclosures. Each Party shall immediately inform the other Party in the event that it becomes aware of the possession, use or knowledge of any of such other Party's Confidential Material by any person not authorized to possess, use or have knowledge of the Confidential Material and shall at the request of such other Party provide such reasonable assistance as is required by such other Party to mitigate any damage caused thereby.

Section 6.5 Failure to Comply. Failure by a Party to comply with this Article VI shall constitute a material breach of this Agreement.

Section 6.6 Injunctive Relief. Without prejudice to any other rights or remedies that a Party may have, each Party acknowledges that the other Party may not have an adequate remedy at law for any breach by such Party or its Personnel of the provisions of this Article VI, and, therefore, any such other Party shall be entitled to equitable relief including injunctive relief. Each Party agrees to provide reasonable assistance at its own expense or to join at the request of the other Party in any action against any of such Party's staff where such other Party is seeking equitable relief, including injunctive relief, for any such breach.

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ARTICLE VII
INTELLECTUAL PROPERTY AND DATA

Section 7.1 Ownership of Data and Intellectual Property.

(a) CitiLife shall be the sole and exclusive owner of all Intellectual Property it creates hereunder. CitiLife hereby grants to Primerica a non-exclusive, non-sublicensable, non-transferable, limited license to use such Intellectual Property during the Term, solely to the extent required to provide the Services.

(b) Primerica shall be the sole and exclusive owner of all Intellectual Property it creates hereunder. Primerica hereby grants to CitiLife a non-exclusive, non-sublicensable, non-transferable, limited license to use such Intellectual Property during the Term, solely to the extent required to receive the Services.

(c) All data created, transmitted through or maintained pursuant to a Service and on behalf of CitiLife ("Service Data") shall be owned by CitiLife, and following termination of this Agreement Primerica shall, in accordance with CitiLife's instructions, either:

(i) store such data on behalf of CitiLife for the period of time specified in CitiLife's record retention policies and procedures and shall, upon CitiLife's request, provide CitiLife with complete access to such data in a commercially reasonable manner, including for the purposes of obtaining copies of such data, provided that the cost of obtaining such copies shall be borne by CitiLife;

(ii) return all such data and copies thereof to CitiLife; or

(iii) destroy all such data and copies thereof and certify to CitiLife that it has taken such actions.

(d) CitiLife may request that Primerica deliver (i) thirty (30) days prior to the expiration or effective date of termination of this Agreement or a Service, an extract of data for the Services to be used by CitiLife to test the ability of its replacement systems to perform the Services and (ii) on or prior to the date that is thirty (30) days following the expiration or effective date of termination of this Agreement or a Service, as applicable, a copy of all Service Data for such Services. In each case, Primerica shall (y) use commercially reasonable efforts to provide the requested data promptly following receipt of such request and (z) provide the requested data in its then-current format in accordance with CitiLife's Transportable Media Policy. Primerica shall bear the costs of providing one (1) copy of data for testing purposes and one (1) final copy of Service Data with respect to each Service in accordance herewith, and CitiLife shall bear the costs of providing any other copies of data requested by CitiLife.

ARTICLE VIII
DATA PROTECTION

Section 8.1 Compliance With Data Protection Laws. Primerica shall, and shall ensure that its Personnel and other representatives, comply with the provisions of any Data Protection Laws applicable to the provision of the Services, and Primerica must not do, or omit to do, and must ensure that its Personnel and other representatives do not do or omit to do, anything that would cause, or may be reasonably expected to cause CitiLife to be in breach of any provision of any Data Protection Laws or any registration of CitiLife made in accordance with the Data Protection Laws (to the extent Primerica has been notified of any such registration).

Section 8.2 Primerica Obligations. Without prejudice to Section 8.1 above, the Parties agree that Primerica is a data processor when processing Personal Data relating to the staff or customers of CitiLife. If a supervisory authority for data protection considers, or CitiLife reasonably considers based on applicable Law, that Primerica is a data controller, not a data processor, then either (a) the Parties will modify the Services such that Primerica is not considered a data controller; provided that any such modifications shall not adversely affect, in any material respect, any of the Services to be provided by Primerica to CitiLife under Section 2.1 or (b) if such modifications would materially adversely affect the Services, Primerica shall make any changes to this Section 8.2 as CitiLife may reasonably require in order for CitiLife and the Services to comply with applicable Law; provided that CitiLife shall bear any costs incurred by Primerica in making such modifications to the Services or implementing such changes to this Section 8.2, as applicable. When Primerica processes Personal Data as a data processor, it shall:

(a) only carry out processing on the instructions of CitiLife from time to time and promptly comply with any such instructions;

(b) include in any contract with third parties or subcontractors who will process Personal Data directly or indirectly on behalf of CitiLife, provisions in favor of CitiLife which are equivalent to those in this Article VIII, including sufficient guarantees in respect of the appropriate technical and organizational measures governing the data processing;

(c) promptly refer to CitiLife any queries from data subjects, any data protection supervising authority, or any law enforcement authority, in each case relating to the Services or the Personal Data, for CitiLife to resolve;

(d) promptly provide such information to CitiLife as may be reasonably required to allow it to comply with the rights of data subjects, to the extent CitiLife does not already have access to such information, including subject access rights, or with information notices served by the relevant law enforcement authority or to facilitate timely resolution of any of the foregoing or any related matter;

(e) comply with the security breach notification procedures that may be provided by CitiLife from time to time, and promptly notify CitiLife in writing if this Article VIII has, may have been, or is likely to be breached, in sufficient detail to enable CitiLife to mitigate any liability it may incur;

(f) cooperate with CitiLife to assist CitiLife in investigating and mitigating any breach of this Article VIII (including the provision of regular updates on the status of the breach);

(g) ensure that the Services are provided in accordance with Primerica's information security policies and procedures; provided that any material changes to such policies and procedures relating to Personal Data following the Effective Date shall be subject to CitiLife's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed;

(h) take security, technical and organizational measures to prevent unauthorized or accidental access to, alteration, disclosure, or loss and destruction of Personal Data; and

(i) only transfer Personal Data to another country if and to the extent expressly authorized by CitiLife in writing. To the extent that Personal Data owned or controlled by CitiLife located in the European Union is transferred to a country outside of the European Union, Primerica shall ensure an adequate level of protection for the rights of the data subject after written authorization by CitiLife which may be granted subject to such conditions as CitiLife thinks are necessary to ensure adequate protection of the data.

Section 8.3 Integrity of Data. Primerica must take reasonable precautions (having regard to the nature of its other respective obligations under this Agreement) to preserve the integrity of any data of CitiLife processed by Primerica as part of the Services and to prevent any corruption or loss of such data. Primerica shall implement (and update from time to time as needed) the appropriate technical, organizational, and security measures (including any specific security measures specified in a Data Protection Agreement) to protect CitiLife data against unauthorized or unlawful processing and against accidental loss, destruction, damage, disclosure, or alteration and provide CitiLife with a written detailed description of such measures promptly on request from time to time.

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Section 8.4 Data Back-up. Primerica and CitiLife shall agree on a back-up procedure that shall require both Parties to back up data and in any event Primerica shall make a back up copy of CitiLife's data every day and record the copy on media from which CitiLife's data can be re-loaded in the event of any corruption or loss of CitiLife's data.

Section 8.5 Corruption of Data. In the event that CitiLife's data is corrupted or lost as a result of any breach of this Agreement by Primerica, CitiLife may, in addition to any other remedies that may be available to it under this Agreement, elect to pursue either of the following remedies:

(a) CitiLife may require Primerica at its own expense to restore or procure the restoration of CitiLife's data; or

(b) CitiLife may itself restore or procure restoration of CitiLife's data, and shall be repaid by Primerica for any reasonable expenses so incurred.

Section 8.6 Data Protection Agreements.

(a) For the purposes of complying with Directive 95/46/EC with respect to customer data, Primerica and CitiLife shall either (i) enter into an agreement in the form set forth in Schedule 8.6 (the "Data Protection Agreement") or (ii) otherwise ensure that the processing of such data by Primerica is within the scope of a Data Protection Agreement executed by Primerica and CitiLife in each relevant country and approved by applicable data protection Regulatory Bodies, where required. For the purposes of Directive 95/46/EC and the applicable implementing legislation, Primerica shall be a "processor" of CitiLife customer data, as such term is defined in Directive 95/46/EC, and shall only process CitiLife customer data pursuant to CitiLife's instructions. Upon the enactment of any new Data Protection Laws or changes to existing Data Protection Laws in the European Union, Primerica and CitiLife shall amend the Data Protection Agreement or enter into (or to the extent required by any applicable Data Protection Laws, cause any Primerica Affiliates or CitiLife Affiliates to enter into) further Data Protection Agreements, in accordance with Section 3.3. Primerica and CitiLife shall process and maintain trans-border exchanges of CitiLife customer data in the manner set forth in the Data Protection Agreement.

(b) In all cases of disclosure of CitiLife customer data to any third party (whether or not such third party is a Primerica Affiliate) Primerica shall enter into a written agreement with such third party which places obligations on such third party which shall be no less restrictive than the obligations placed on the Data Importer (as defined in the Data Protection Agreement set forth in Schedule 8.6) under the Data Protection Agreement, and which provides adequate assurance that CitiLife customer data will only be transferred or processed in a manner which is consistent with the Data Protection Laws.

(c) If CitiLife determines, in its sole discretion, that (i) a newly enacted Data Protection Law, (ii) a change to an existing Data Protection Law in the European Union, or (iii) the requirements of any Data Protection Laws other than Directive 95/46/EC require CitiLife to amend or otherwise enter into any further or additional agreements as contemplated by Section 8.6(a) or Section 8.6(b) above, Primerica and CitiLife shall enter into such further or additional agreements.

ARTICLE IX
DISCLAIMER OF WARRANTIES

Section 9.1 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES, AND EACH PARTY EXPRESSLY DISCLAIMS, ANY AND ALL REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT, INCLUDING WARRANTIES WITH RESPECT TO MERCHANTABILITY, OR SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT OF ANY SOFTWARE OR HARDWARE PROVIDED HEREUNDER, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR TRADE USAGE.

ARTICLE X
INDEMNIFICATION

Section 10.1 Indemnification of Primerica. Subject to the terms of this Article X, from and after the Effective Date, CitiLife shall indemnify, defend, save and hold harmless Primerica and its Affiliates and each of their respective Personnel and directors and each of their successors and assigns (collectively, the "Primerica Indemnified Parties"), from and against any and all Losses (including such reasonable fees and expenses related to the enforcement of this Agreement), to the extent resulting from or arising out of any action, suit, proceedings, claim, arbitration, investigation or litigation, whether civil or criminal, at law or in equity, made or brought by a third party that is not an Affiliate of the Indemnified Party (each, a "Third Party Claim") to the extent resulting from or arising out of CitiLife's material breach of this Agreement.

Section 10.2 Indemnification of CitiLife. Subject to the terms of this Article X, from and after the Effective Date, Primerica shall indemnify, defend, save and hold harmless CitiLife and its Affiliates and each of their respective Personnel and directors and each of their successors and assigns (collectively, the "CitiLife Indemnified Parties" and, together with the Primerica Indemnified Parties, the "Indemnified Parties"), from and against any and all Losses (including such reasonable fees and expenses related to the enforcement of this Agreement), to the extent resulting from or arising out of any Third Party Claim (a) resulting from or arising out of Primerica's material breach of this Agreement or (b) alleging that the provision or receipt of the Services infringes or misappropriates such third party's Intellectual Property.

Section 10.3 Indemnification Procedures.

(a) Upon receipt by an Indemnified Party of notice of any Third Party Claim with respect to a matter for which such Indemnified Party is indemnified under this Article X that has or is expected to give rise to a claim for Losses, the Indemnified Party shall promptly (but in any event within ten (10) days of receipt of such Third Party Claim) notify the Indemnifying Party in writing, indicating the nature of such Third Party Claim and the basis therefor; provided, however, that any delay or failure by the Indemnified Party to give notice to the Indemnifying Party shall relieve the Indemnifying Party of its obligations hereunder only to the extent, if at all, that it is prejudiced by reason of such delay or failure. Such written notice shall (i) describe such Third Party Claim in reasonable detail, including the facts underlying each particular claim and the specific sections of this Agreement pursuant to which indemnification is being sought for each such set of facts; (ii) attach copies of all material written evidence upon which such claim is based; and (iii) set forth the estimated amount of the Losses that have been or may be sustained by an Indemnified Party.

(b) The Indemnifying Party shall have sixty (60) days after receipt of a written notice that complies with the requirements of Section 10.3(a) to elect, at its option, to exercise its right to assume and control the defense of, at its own expense and by its own counsel, any such Third Party Claim and shall be entitled to assert any and all defenses available to the Indemnified Party to the fullest extent permitted by applicable Law; provided, however, that the applicable Party shall have sole control of the defense (including selecting counsel) of any Third Party Claim brought against such Party by (i) any customer of such Party or (ii) any Regulatory Body or other supervisory agency, notwithstanding the fact that such Party is indemnified by the Indemnifying Party for such Third Party Claim pursuant to Section 10.2; and provided, further, that, to the extent required to avoid any prejudice to the Indemnified Party's rights or remedies with respect to such Third Party Claim, the Indemnified Party may conduct the defense of such claim in any manner not otherwise inconsistent with this Agreement prior to the Indemnifying Party's exercise of such right. For any such Third Party Claims, such Party shall not settle, compromise or discharge, or admit any liability with respect to, such Third Party Claims without the prior written consent of the Indemnifying Party (which consent will not be unreasonably withheld, delayed or conditioned).

(i) If the Indemnifying Party shall undertake to compromise or defend any such Third Party Claim, it shall promptly notify the Indemnified Party of its intention to do so, and the Indemnified Party shall cooperate fully with the Indemnifying Party and its counsel in the compromise of, or defense against, any such Third Party Claim. Such cooperation shall include (A) furnishing and, upon request, using reasonable efforts to procure the attendance of potential witnesses for interview, preparation, submission of witness statements and the giving of evidence at any related hearing; (B) promptly furnishing documentary evidence to the extent available to it or its Affiliates; and (C) using reasonable efforts to provide access to any other relevant party, including any representatives of the Parties as reasonably needed; provided,

however, that the Indemnifying Party shall not settle, compromise or discharge, or admit any liability with respect to, any such Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), unless the relief consists solely of money Losses to be paid by the Indemnifying Party and includes a provision whereby the plaintiff or claimant in the matter releases the Indemnified Party from all liability with respect thereto.

(ii) Notwithstanding an election by the Indemnifying Party to assume the defense of such Third Party Claim, the Indemnified Party shall have the right to employ separate counsel and to participate in the defense of the Third Party Claim, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if the (A) Indemnified Party shall have determined in good faith that an actual or potential conflict of interest makes representation by the same counsel or the counsel selected by the Indemnifying Party inappropriate or (B) Indemnifying Party shall have authorized the Indemnified Party to employ separate counsel at the Indemnifying Party's expense.

(iii) The Indemnified Party and Indemnifying Party and their counsel shall cooperate in the defense of any Third Party Claim subject to this Article X and keep such persons informed of all developments relating to any such Third Party Claims, and provide copies of all relevant correspondence and documentation relating thereto. All costs and expenses incurred in connection with the Indemnified Party's cooperation shall be borne by the Indemnifying Party. In any event, the Indemnified Party shall have the right at its own expense to participate in the defense of such asserted liability.

(iv) If the Indemnifying Party, after receiving a written notice that complies with Section 10.3(a) of a Third Party Claim, does not elect to defend such Third Party Claim within sixty (60) days after receipt of such written notice, the Indemnified Party shall have the right, in addition to any other right or remedy it may have hereunder, at the Indemnifying Party's expense, to defend such Third Party Claim (upon providing further written notice to the Indemnifying Party), subject to the right of the Indemnifying Party to (A) assume the defense of such Third Party Claim at any time prior to the settlement, compromise or final determination thereof and (B) approve the counsel selected by the Indemnified Party ("Indemnified Party Counsel"), which approval shall not be unreasonably withheld or delayed; provided, however, that the Indemnified Party shall not settle, compromise or discharge, or admit any liability with respect to any such Third Party Claim without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(v) Notwithstanding the foregoing, unless expressly agreed by the Indemnifying Party, the Indemnified Party Counsel (A) shall have

no conflict of interest relative to the Indemnifying Party; (B) shall not previously have acted in any matter adverse to the Indemnifying Party with respect to any matters arising under this Agreement; (C) shall not assume any representation adverse to the Indemnifying Party during the time of its retention as Indemnified Party Counsel; and (D) shall not assume any representation of the Indemnified Party in any other dispute between the Parties during the time of its retention as Indemnified Party Counsel.

(vi) If the Indemnified Party wishes to admit liability or agree or compromise in respect of any Third Party Claim it is defending pursuant to Section 10.3(b)(iv), it must provide a written notification to the Indemnifying Party specifying the course of action proposed by the Indemnified Party to be taken (including the amount of any proposed settlement). If no reply is received from the Indemnifying Party within thirty (30) days of such written notification being made to it by the Indemnified Party, then the Indemnifying Party shall be deemed to have consented to the course of action proposed by the Indemnified Party to be taken; provided, however, that the Indemnified Party shall not consent, and the Indemnifying Party shall not be required to agree, to the entry into any settlement that (A) requires an express admission of wrongdoing by the Indemnifying Party or (B) provides for injunctive or other non-monetary relief affecting the Indemnifying Party in any way. If the Indemnifying Party provides written notice to the Indemnified Party within the thirty (30) day period that it does not consent to the intended course of action, it shall set out the reasons therefor, as well as the course of action which it believes should be followed in respect of any proposed admission of liability, agreement or compromise with respect to the Third Party Claim.

(vii) If an Indemnified Party otherwise settles a Third Party Claim it is defending pursuant to Section 10.3(b)(iv) without obtaining the Indemnifying Party's written consent to such settlement (or waiting the required thirty (30) days), then the Indemnifying Party shall be relieved of its indemnification obligations hereunder with respect to such Third Party Claim unless the Indemnified Party demonstrates that (A) it was actually liable to the Third Party claimant; (B) there was no good defense available; and (C) the settlement amount was reasonable; and if the Indemnified Party does demonstrate the matters listed in the foregoing clauses (A), (B) and (C), then any right to indemnification for such Third Party Claim shall be subject to the requirements and limitations of this Article X.

Section 10.4 Limitations.

(a) Notwithstanding anything else contained in this Agreement to the contrary, but subject to Section 10.4(c), each of CitiLife's and Primerica's total liability (other than for the payment of Fees) under this Agreement for any and all claims arising during any single Contract Year shall not exceed the aggregate amount of the Fees

payable by CitiLife during such Contract Year; provided, that if this Agreement has been in effect for less than twelve (12) months, the Fees shall be annualized to a full twelve (12) months.

(b) EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED IN THIS ARTICLE X, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY (OR TO ANY PERSON OR ENTITY CLAIMING THROUGH THE OTHER PARTY) FOR LOST PROFITS OR FOR SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, CONSEQUENTIAL OR EXEMPLARY DAMAGES ARISING OUT OF OR IN ANY MANNER CONNECTED WITH THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, REGARDLESS OF THE FORM OF ACTION AND WHETHER OR NOT SUCH PARTY HAS BEEN INFORMED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED, THE POSSIBILITY OF SUCH DAMAGES.

(c) THE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 10.4 SHALL NOT APPLY TO DAMAGES (i) ARISING OUT OF INDEMNIFICATION CLAIMS UNDER THIS AGREEMENT, (ii) RESULTING FROM THE GROSS NEGLIGENCE OR THE WILLFUL OR INTENTIONAL MISCONDUCT OF A PARTY OR ITS PERSONNEL, (iii) STEMMING FROM PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE CAUSED BY A PARTY OR ITS PERSONNEL, OR (iv) ARISING FROM EITHER PARTY'S BREACH OF ITS OBLIGATIONS SET FORTH IN ARTICLE IV OR ARTICLE VI.

Section 10.5 Exclusions. Notwithstanding anything contained in this Agreement to the contrary, in no event shall any Indemnifying Party be obligated under this Article X to indemnify an Indemnified Party otherwise entitled to indemnity hereunder in respect of any Losses to the extent that such Losses result from (a) the Indemnified Party's willful or intentional misconduct or negligence, (b) the acts or omissions of the Indemnified Party, (c) violation of Law by the Indemnified Party or (d) acts taken by the Indemnifying Party at the Indemnified Party's direction.

Section 10.6 Payments. Amounts payable by the Indemnifying Party to the Indemnified Party in respect of any Losses for which such Party is entitled to indemnification hereunder ("Indemnity Payments") shall be paid in immediately available funds within thirty (30) Business Days of receipt by the Indemnifying Party of a written notice from the Indemnified Party that the payment that is the subject of the Indemnity Payment has been made by the Indemnified Party, except to the extent such Indemnity Payment is contested by the Indemnifying Party. All such Indemnity Payments shall be made to the designated account of, and in the manner specified in writing by, the Party entitled to such Indemnity Payments.

Section 10.7 Insurance. Notwithstanding anything contained in this Agreement to the contrary, Losses shall be net of any insurance or other prior or subsequent recoveries actually received by the Indemnified Party or its Affiliates in

connection with the facts giving rise to the claim for indemnification. If an Indemnified Party shall have used commercially reasonable efforts to recover any amounts recoverable under insurance policies and shall not have recovered the applicable Losses, the Indemnifying Party shall be liable for the amount by which such Losses exceeds the amounts actually recovered.

Section 10.8 Remedies Exclusive. Except as otherwise specifically provided herein, the remedies provided in this Agreement shall be the exclusive monetary remedies (including equitable remedies that involve monetary payment, such as restitution or disgorgement, other than specific performance to enforce any payment or performance due hereunder) of the Parties with respect to Third Party Claims, and Section 10.4 shall govern with respect to all other claims for monetary remedies, in each case from and after the Effective Date in connection with any non-performance, partial or total, of any term, provision, covenant or agreement contained herein shall be governed by this Article X.

Section 10.9 Mitigation. Notwithstanding anything to the contrary contained in this Agreement, each Indemnified Party shall use commercially reasonable efforts to mitigate any claim or liability that an Indemnified Party asserts or may assert under this Agreement. In the event that an Indemnified Party shall fail to make such commercially reasonable efforts to mitigate any such claim or liability, then notwithstanding anything contained in this Agreement to the contrary, neither CitiLife nor Primerica, as the case may be, shall be required to indemnify any Indemnified Party for that portion of any Losses that would reasonably be expected to have been avoided if the Indemnified Party had made such efforts.

ARTICLE XI
TERM AND TERMINATION

Section 11.1 Term of Agreement. Except as otherwise expressly set forth in this Agreement, this Agreement shall become effective, and each Service shall commence, on the Effective Date, and this Agreement shall remain in force, and each Service shall continue until the expiration of the last-to-expire Covered Contract (the "Term"), unless earlier terminated by the Parties as provided in this Article XI. Notwithstanding the foregoing, CitiLife's use of the PeopleSoft application Service identified at 18 in Schedule 2.1 shall commence on the Effective Date and shall continue for six (6) months thereafter, unless earlier terminated pursuant to Section 11.2(b).

Section 11.2 Termination.

(a) Termination by CitiLife or Primerica. This Agreement, or any Service provided hereunder, as applicable, may be terminated by either Party (the "Terminating Party") upon written notice to the other Party, if:

(i) the other Party fails to perform or otherwise breaches a material provision of this Agreement and such failure or breach is not cured, to the reasonable satisfaction of the Terminating Party, within thirty (30) days of written notice thereof; provided, that the Parties first submit any such uncured failure or breach for resolution in accordance with the procedures set forth in Section 12.14;

(ii) the other Party fails to perform or otherwise breaches a material provision of this Agreement, where such second failure or breach is substantially similar to a prior failure or breach by such other Party, unless, within thirty (30) days of written notice of such subsequent failure or breach, such other Party has (A) cured such subsequent failure or breach to the reasonable satisfaction of such Party (if such failure or breach is subject to cure) and (B) demonstrated, to such Party's sole satisfaction, that such other Party has enacted remedial measures designed to prevent the failure or breach from occurring again;

(iii) the other Party makes a general assignment for the benefit of creditors or becomes insolvent, or a receiver is appointed for, or a court approves reorganization or arrangement proceedings on, such Party;

(iv) performance of this Agreement or any Service provided hereunder has been rendered impossible for a period of at least sixty (60) days by reason of the occurrence of any Force Majeure Event, or if any other event occurs that is reasonably deemed to permanently prevent the performance of this Agreement or any Service provided hereunder; provided, however, that this Agreement may only be terminated under this Section 11.2(a)(iv) with respect to the affected Service and, provided, further, that if this Agreement is so terminated with respect to one or more affected Services, CitiLife shall be entitled to receive a corresponding reduction in the Fees; or

(v) required by any Governmental Authority, upon thirty (30) days' notice or sooner if necessary; provided, however, that prior to any such notice of termination, the Parties mutually agree that this Agreement cannot be amended in a manner that will satisfy such Governmental Authority without materially changing the effect or intent of this Agreement.

(b) Termination by CitiLife. Notwithstanding anything in this Agreement to the contrary, CitiLife shall have the right at any time, at its option and without cause, (i) to terminate this Agreement upon one hundred twenty (120) days prior written notice to Primerica and (ii) to terminate its use of the PeopleSoft application Service identified at 18 in Schedule 2.1 upon thirty (30) days prior written notice to Primerica and, upon the effective date of such termination, to receive a corresponding reduction in the Fees.

(c) Termination by Primerica. Notwithstanding anything in this Agreement to the contrary, Primerica shall have the right to terminate this Agreement upon three hundred sixty-five (365) days prior written notice to CitiLife in the event that any material component of the infrastructure used by Primerica to provide the Services is being discontinued and no alternative arrangements are available on commercially reasonable terms.

(d) Termination Following Assignment or Change of Control. Notwithstanding anything in this Agreement to the contrary, Primerica shall have the right to terminate this Agreement upon three hundred sixty-five (365) days prior written notice to CitiLife in the event of (i) any Change of Control of CitiLife or (ii) any sale by CitiLife of all or substantially all of the Retained Business, in each case to an unaffiliated third party, provided that Primerica provides such notice of termination within thirty (30) days following its receipt of notification of such Change of Control or sale, as applicable.

Section 11.3 Effect of Termination. In the event that this Agreement is terminated for any reason:

(a) Each Party agrees and acknowledges that the obligations of Primerica to provide the Services, or to cause the Services to be provided, hereunder shall immediately cease. Upon cessation of Primerica's obligation to provide any Service, CitiLife shall stop using, directly or indirectly, such Service.

(b) Upon request, each Party shall, and shall cause its Affiliates and third parties (subject to the terms of such Party's agreements with such third parties) retained by such Party or its Affiliates to, return to the other Party or, at the other Party's option, destroy (and certify to the destruction of) all tangible personal property and books, records or files owned by such other Party or its Affiliates or third parties and used in connection with the provision or receipt of Services that are in their possession as of the termination date.

(c) The following matters shall survive the termination of this Agreement (i) the rights and obligations of each Party under Section 5.3, Section 5.4, Section 5.5, Section 5.6, Article VI, Article VII, Article IX, Article X, this Section 11.3, Section 11.4 and Article XII and (ii) the obligations under Article IV of CitiLife to pay the applicable Fees for Services furnished prior to the effective date of termination.

Section 11.4 Termination Phase Assistance.

(a) CitiLife may elect, by written notice to Primerica delivered no later than ten (10) Business Days after the delivery of any notice of termination of this Agreement or a Service in accordance with the terms hereof, to receive migration services from Primerica as set forth herein for a period beginning as of the date of Citi's notice and continuing until the later of (i) the date that is 60 (sixty) days following such notice of termination and (ii) the effective date of such termination (such period, the "Termination Phase").

(b) During the Termination Phase, in addition to the Services, Primerica shall perform for CitiLife or its designee such services as are reasonably necessary to facilitate the orderly migration of the Services to CitiLife or its designee (the "Termination Phase Services"). Each Party shall use reasonable efforts, communication and cooperation to achieve the migration in a commercially reasonable manner for each of the Parties. CitiLife shall bear the costs incurred by both Parties in connection with the Termination Phase Services.

ARTICLE XII
MISCELLANEOUS

Section 12.1 Construction; Absence of Presumption.

(a) For the purposes of this Agreement, (i) words (including capitalized terms defined herein) in the singular shall be held to include the plural and vice versa and words (including capitalized terms defined herein) of one gender shall be held to include the other gender as the context requires; (ii) the terms "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, Exhibits and Addenda) and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule, Exhibit and Addendum references are to the Articles, Sections, paragraphs, Schedules, Exhibits and Addenda to this Agreement, unless otherwise provided; (iii) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation"; (iv) references to this Agreement shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all Schedules, Exhibits and Addenda) and any amendments hereto or thereto; (v) all references to any period of days shall be deemed to be to the relevant number of calendar days unless otherwise provided; and (v) all references herein to "$" or dollars shall refer to United States dollars, unless otherwise provided.

(b) For the avoidance of doubt, with respect to all references in this Agreement to "prior written consent, which shall not be unreasonably withheld, conditioned or delayed," it shall be deemed reasonable for the applicable Party to withhold, condition or delay any such consent because of requirements of Law or any objection from a Regulatory Body, including any guidance or other advice or direction communicated informally by Regnlatory Bodies to the applicable Party.

(c) The Parties hereby acknowledge that each Party and its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall be employed in the interpretation of this Agreement (including all of the Schedules, Exhibits and Addenda) or any amendments hereto or thereto.

Section 12.2 Headings. The Article and Section headings contained in this Agreement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

Section 12.3 Notices. All notices, demands and other communications required or permitted to be given to any Party under this Agreement must be in writing. Any such notice, demand or other communication will be deemed to have been duly given (i) when delivered by hand, courier or overnight delivery service; (ii) two (2) Business Days after deposit in the mail, provided such mail is sent certified or registered mail, return receipt requested and with first-class postage prepaid; or (iii) in the case of facsimile notice, when sent and transmission is confirmed. Regardless of method, all such notices, demands and other communications must be addressed to the Party at its address or facsimile number set forth below (or at such other address or facsimile number as the Party may furnish the other Party in accordance with this Section) and, must also be included in an email transmission using the email address provided below:

(a) If to CitiLife:

CitiLife Financial Ltd.
8 Janetville St.
Brampton,
Ontario Canada L6P 2A3
Attn: Reza Shah
Phone: (905) 794-9494
Email address: Reza.Shah@citi.com

Citi Operations & Technology
283 King George Road, C-2
Warren, NJ 07059
Attn: Brad Tessler
Phone: (908) 563-0080
Email address: tesslerb@citi.com

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attn: Jeffrey Brill
Facsimile: (917) 777-2587
Email address: Jeffrey.Brill@skadden.com

and

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attn: Stuart D. Levi
Facsimile: (917) 777-2750
Email address: Stuart.Levi@skadden.com

(b) If to Primerica:

3120 Breckinridge Boulevard
Duluth, GA 30099-0001
Attn: President
Facsimile: (770) 564-5669

With a copy to:

3120 Breckinridge Boulevard
Duluth, GA 30099-0001
Attn: General Counsel
Facsimile: (770) 564-6216
Email address: Peter.Sehneider@primerica.com

Section 12.4 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York applicable to agreements made and to be performed entirely within such state, without regard to the conflict of laws principles of such state.

Section 12.5 Jurisdiction; Venue; Consent to Service of Process. With respect to any action, suit or other proceeding resulting from, relating to or arising out of this Agreement, each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York or, if such court will not accept jurisdiction, the Supreme Court of the State of New York or any court of competent civil jurisdiction sitting in New York County, New York (and each Party agrees not to commence any such action, suit or other proceeding except in such courts). In any such action, suit or other proceeding, each Party irrevocably and

unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims (a) that it is not subject to the jurisdiction of the above courts, (b) that such action or suit is brought in an inconvenient forum or (c) that the venue of such action, suit or other proceeding is improper. Each Party also hereby agrees that any final and unappealable judgment against a Party in connection with any such action, suit or other proceeding shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment. With respect to any action, suit or other proceeding for which it has submitted to jurisdiction pursuant to this Section, each Party irrevocably consents to service of process in the manner provided for the giving of notices pursuant to Section 12.3 of this Agreement. Nothing in this Section shall affect the right of any Party to serve process in any other manner permitted by Law. The foregoing consent to jurisdiction shall not (a) constitute submission to jurisdiction or general consent to service of process in the State of New York for any purpose except with respect to any action, suit or proceeding resulting from, relating to or arising out of this Agreement or (b) be deemed to confer rights on any person other than the respective Parties to this Agreement.

Section 12.6 Entire Agreement. This Agreement, together with all Schedules, Exhibits and Addenda hereto and thereto, embody the entire agreement of the Parties hereto with respect to the subject matter hereof and supersede all prior agreements with respect thereto. The Parties intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Agreement.

Section 12.7 Amendment, Modification and Waiver. No amendment to this Agreement shall be effective unless it shall be in writing and signed by each Party hereto. Any failure of a Party to comply with any obligation, covenant, agreement or condition contained in this Agreement may be waived by the Party entitled to the benefits thereof only by a written instrument duly executed and delivered by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure of compliance.

Section 12.8 Severability. If any provision of this Agreement, or the application of any such provision, is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, or invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable Law, the Parties waive any provision under Law that renders any provision of this Agreement invalid, illegal or unenforceable in any respect. The Parties shall, to the extent lawful and practicable, use commercially reasonable efforts to enter into arrangements to reinstate the intended benefits, net of the intended burdens, of any such provision held invalid, illegal or unenforceable.

Section 12.9 Successors and Assigns; No Third Party Beneficiaries. This Agreement and all its provisions shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns. Nothing in this Agreement, whether expressed or implied, will confer on any person, other than the Parties or their respective permitted successors and assigns, any rights, remedies or liabilities; provided, that the provisions of Article X will inure to the benefit of the Indemnified Parties and the provisions of the Data Protection Agreement and any other agreement entered into between Primerica and a third party pursuant to Section 8.6(b) shall inure to the benefit of the relevant Data Subjects, to the extent required to comply with applicable Law. No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party (which consent may not be unreasonably withheld or delayed) and any purported assignment without such consent shall be void; provided, that CitiLife may, without the consent of Primerica, assign or transfer any or all of its rights, and its respective related obligations hereunder, to (a) any of its Affiliates (although no such assignment shall relieve CitiLife of its obligations to Primerica or any Primerica Indemnified Party hereunder), (b) any entity which has succeeded to all or substantially all of the Retained Business so long as such entity assumes all of CitiLife's obligations in writing or (c) any third party engaged by CitiLife to administer the Covered Contracts.

Section 12.10 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

Section 12.11 Expenses. Except as otherwise expressly stated in this Agreement, any costs, expenses, or charges incurred by any of the Parties shall be borne by the Party incurring such cost, expense or charge whether or not the transactions contemplated by this Agreement shall be consummated.

Section 12.12 Counterparts. This Agreement may be executed by the Parties in multiple counterparts which may be delivered as an electronic copy or by facsimile transmission. Each counterpart when so executed and delivered shall be deemed an original, and all such counterparts taken together shall constitute one and the same instrument.

Section 12.13 Relationship of the Parties. Each Party and its Affiliates, as applicable, shall be acting as an independent company in performing under this Agreement, and shall not be considered or deemed to be an agent, employee, joint venturer or partner of the other Party or any of its Affiliates, as applicable. Each Party and its Affiliates, as applicable, shall, at all times, maintain complete control over its Personnel and operations, and shall have sole responsibility for staffing, instructing and compensating its Personnel. Neither Party (nor its Affiliates, as applicable) shall have, or shall represent that it has, any power, right or authority to bind the other Party (or its Affiliates, as applicable) to any obligation

or liability, to assume or create any obligation or liability or transact any business in the name or on behalf of the other Party (or its Affiliates, as applicable), or make any promises or representations on behalf of the other Party (or its Affiliates, as applicable), unless agreed to in writing.

Section 12.14 Dispute Resolution. In the event of any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or validity thereof, including the dispute of any Fees invoiced under Article IV or any claim by any Party that any other Party has breached the material terms hereof (each, a "Dispute"), the Service Coordinators of CitiLife and Primerica shall meet (by telephone or in person) no later than two (2) Business Days after receipt of notice by any Party of a request for resolution of a Dispute. The Service Coordinators shall enter into negotiations aimed at resolving any such Dispute. If the Service Coordinators are unable to reach mutually satisfactory resolution of the Dispute within ten (10) Business Days after receipt of notice of the Dispute, the Dispute shall be referred to an executive committee comprised of at least one member of the senior management of each Party (the "Executive Committee"). The initial members of the Executive Committee, including relevant contact information, are set forth on Schedule 12.14, and either Party may replace its Executive Committee members at any time with other representatives of similar seniority by providing notice in accordance with Section 12.3. The Executive Committee will meet (by telephone or in person) during the next ten (10) Business Days and attempt to resolve the Dispute. If the Executive Committee is unable for any reason to resolve a Dispute within thirty (30) days after the receipt of notice of the Dispute, then either party may submit the Dispute to arbitration in accordance with Section 12.15 hereof as the exclusive means to resolve such Dispute.

Section 12.15 Arbitration.

(a) Any Dispute not resolved pursuant to Section 12.14 hereof shall, at the request of either Party, be finally settled by arbitration administered by the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules then in effect (the "Rules") except as modified herein. The arbitration shall be held in New York, New York.

(b) There shall be three (3) arbitrators of whom each Party shall select one within fifteen (15) days of respondent's receipt of claimant's demand for arbitration. The two party-appointed arbitrators shall select a third arbitrator to serve as Chair of the tribunal within fifteen (15) days of the selection of the second arbitrator. If any arbitrator has not been appointed within the time limits specified herein, such appointment shall be made by the AAA in accordance with the Rules upon the written request of either party within fifteen (15) days of such request. The hearing shall be held no later than one hundred twenty (120) days following the appointment of the third arbitrator.

(c) The arbitral tribunal shall permit prehearing discovery that is relevant to the subject matter of the Dispute taking into account the Parties' desire that the arbitration be conducted expeditiously and cost effectively. All discovery shall be completed within sixty (60) days of the appointment of the third arbitrator.

(d) By agreeing to arbitration, the Parties do not intend to deprive a court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies, to direct the Parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect. For the purpose of any provisional relief contemplated hereunder, the Parties hereby submit to the exclusive jurisdiction of the New York Courts. Each Party unconditionally and irrevocably waives any objections which they may have now or in the future to the jurisdiction of the New York Courts including objections by reason of lack of personal jurisdiction, improper venue, or inconvenient forum.

(e) The award shall be in writing, shall state the findings of fact and conclusions of law on which it is based, shall be final and binding and shall be the sole and exclusive remedy between the Parties regarding any claims, counterclaims, issues, or accounting presented to the arbitral tribunal. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. § 1 *et seq.*, and judgment upon any award may be entered in any court having jurisdiction.

(f) The Parties will bear equally all fees, costs, disbursements and other expenses of the arbitration, and each Party shall be solely responsible for all fees, costs, disbursements and other expenses incurred in the preparation and prosecution of their own case; provided that in the event that a Party fails to comply with the orders or decision of the arbitral tribunal, then such noncomplying Party shall be liable for all costs and expenses (including attorneys fees) incurred by the other Party in its effort to obtain either an order to compel, or an enforcement of an award, from a court of competent jurisdiction.

(g) The arbitral tribunal shall have the authority, for good cause shown, to extend any of the time periods in this arbitration provision either on its own authority or upon the request of any of the Parties. The arbitral tribunal shall be authorized in its discretion to grant pre-award and post-award interest at commercial rates. The arbitral tribunal shall have no authority to award punitive, exemplary or multiple damages or any other damages not measured by the prevailing Parties' actual damages. The arbitral tribunal shall have the authority to order specific performance or to issue any other type of temporary or permanent injunction.

(h) All notices by one Party to the other in connection with the arbitration shall be in accordance with the provisions of Section 12.3 hereof, except that all notices for a demand for arbitration made pursuant to this Article XII must be made by

personal delivery or receipted overnight courier. This agreement to arbitrate shall be binding upon the successors and permitted assigns of each Party. This Agreement and the rights and obligations of the Parties shall remain in full force and effect pending the award in any arbitration proceeding hereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

CITILIFE FINANCIAL LIMITED

By: /s/ Reza Shah
Name: Reza Shah
Title: Authorized Signatory

PRIMERICA LIFE INSURANCE COMPANY

By: /s/ Stanton J. Shapiro
Name: Stanton J. Shapiro
Title: Executive Vice President; Clerk/Secretary

ATTACHMENT 9

EX-10.5 12 dex105.htm 80% COINSURANCE AGREEMENT, PRIMERICA LIFE AND PRIME REINSURANCE

Exhibit 10.5

CONFIDENTIAL

80% COINSURANCE AGREEMENT

by and between

PRIMERICA LIFE INSURANCE COMPANY

(the "Ceding Company")

and

PRIME REINSURANCE COMPANY, INC.

(the "Reinsurer")

Dated March 31, 2010

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80% COINSURANCE AGREEMENT

This 80% COINSURANCE AGREEMENT (together with the Exhibits hereto, this "**Agreement**") is made on this the 31st day of March, 2010 by and between PRIMERICA LIFE INSURANCE COMPANY, a stock life insurance company domiciled in the Commonwealth of Massachusetts (together with its successors and permitted assigns, the "**Ceding Company**") and PRIME REINSURANCE COMPANY, INC., a special purpose financial captive insurance company domiciled in the State of Vermont (together with its successors and permitted assigns, the "**Reinsurer**").

WHEREAS, the Ceding Company is engaged in the business of issuing certain life insurance policies and certain related riders;

WHEREAS, the Ceding Company desires to cede to the Reinsurer on an indemnity reinsurance basis certain liabilities with respect to the Reinsured Policies (as defined herein); and

WHEREAS, the Reinsurer is willing to reinsure on an indemnity reinsurance basis the liabilities that the Ceding Company desires to cede hereunder on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual and several promises and undertakings herein contained, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Ceding Company and the Reinsurer (individually, a "**Party**" and collectively, the "**Parties**") hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following terms, when used in this Agreement, shall have the meanings set forth in this Article I.

(a) "**Administrative Practices**" shall have the meaning specified in Section 17.2(a).

(b) "**Affiliate**" means, with respect to a Party, any entity that controls, is controlled by or is under common control with such Party

(c) **"Agreement"** shall have the meaning specified in the Preamble.

(d) **"Applicable Law"** means any domestic or foreign, federal, state or local statute, law, ordinance or code, or any written rules, regulations or administrative interpretations issued by any Governmental Authority pursuant to any of the foregoing, in each case applicable to any Party, and any order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the Parties.

(e) **"Approval Period"** shall mean forty-five (45) calendar days, and any forty-five (45) day extension thereof as consented to by the Ceding Company, which consent shall not be unreasonably conditioned, delayed or withheld; provided, however, the Ceding Company shall not be required to consent to extend the Approval Period beyond an additional forty-five (45) days, for a total of ninety (90) days.

(f) **"Business Day"** means any day other than a day on which banks in the State of Vermont or the Commonwealth of Massachusetts are permitted or required to be closed.

(g) **"Capital Maintenance Agreement"** means the Capital Maintenance Agreement, dated as of March 31, 2010, by and between Citigroup, Inc. and the Reinsurer.

(h) **"Capital Maintenance Failure"** shall have the meaning specified in Section 11.1 (e).

(i) **"Ceding Company"** shall have the meaning specified in the Preamble.

(j) **"Change of Control"** shall have the meaning specified in Section 21.10.

(k) **"Claims"** means any and all claims, requests, demands or notices made under a Reinsured Policy for payment of benefits or other obligations, including death benefits, waived premiums, returned premium or any other payments alleged to be due in accordance with the terms and conditions of such Reinsured Policy.

(l) **"Code"** shall have the meaning specified in Section 5.2.

(m) **"Commissioner"** means the Commissioner of Insurance of the State of Vermont.

(n) **"Commissions"** means the contractual amounts earned by and the bonuses paid to the Ceding Company's sales representatives in connection with the Reinsured Policies on and after the Effective Date.

(o) **"Commutation Payment"** shall have the meaning specified in Section 11.5.

(p) **"Confidential Information"** shall have the meaning specified in Section 21.10.

(q) **"Conversion"** means the issuance by the Ceding Company of a new Coverage in replacement of a Coverage under a Reinsured Policy pursuant to an option granted under the terms of such Reinsured Policy; provided, however, in no event shall Conversions include any Renewal.

(r) **"Coverage"** means, with respect to any Policy, one or more life insurance coverages issued by the Ceding Company. A single Policy may have multiple Coverages issued to multiple individuals and such multiple Coverages, in turn, may have different Original Initial Level Premium Periods, all within a single Policy.

(s) **"Covered Liabilities"** means all liabilities incurred by the Ceding Company under the express terms of the Reinsured Policies (including End of Term Renewals) and all Reinsured ECOs; provided, however, in no event shall Covered Liabilities include any Excluded Liabilities.

(t) **"Direct Premiums"** means all premiums actually received from the Policyholders attributable to the Reinsured Policies from and after the Effective Date and waived premiums on such Policies.

(u) **"Effective Date"** means January 1, 2010.

(v) **"Eligible Assets"** means cash in United States dollars, certificates of deposit issued by a United States bank and payable in United States dollars, and investments permitted by M.G.L. c. 175 or any combination of the above, provided investments in or issued by an entity controlling, controlled by or under common control with either the Ceding Company or the Reinsurer shall not exceed 5% of total investments. Commercial paper and other obligations of institutions must be issued by a corporation (other than the Ceding Company or the Reinsurer, or any Affiliate of either) which is organized and existing under the laws of the United States of America, unless otherwise allowed by M.G.L. c. 175. The Eligible Assets are further subject to and limited by, the investment guidelines set forth in the Reinsurance Trust Agreement.

(w) **"End of Term Conversion"** means, with respect to a Coverage under a Reinsured Policy, a Conversion that occurs (i) at any time during the two year period ending on the last day of the Original Initial Level Premium Period of a Coverage or (ii) after the last day of such period.

(x) **"End of Term Renewal"** means a Renewal that occurs at the end of the Original Initial Level Premium Period.

(y) **"Excluded Liabilities"** shall have the meaning specified in Section 2.2.

(z) **"Existing Practice"** shall have the meaning specified in Section 17.2(a).

(aa) **"Expense Allowance"** means an annualized per base policy expense allowance equal to the Reinsurer's Quota Share multiplied by $42.50 for each Reinsured Policy payable on a monthly basis, which amount shall be increased (i) by 3% on the first anniversary date of the Effective Date and (ii) thereafter, by a compounded rate equal to the percentage increase, if any, in the employment cost index published by the United States Bureau of Labor Statistics at http://www.bls.gov on each subsequent anniversary date of the Effective Date.

(bb) **"Extra-Contractual Obligations"** means all liabilities, obligations and expenses not arising under the express terms and conditions of any Reinsured Policy, whether such liabilities, obligations or expenses are owing to an insured, a Governmental Authority or any other Person in connection with such Reinsured Policy, including (a) any liability for punitive, exemplary, consequential, special, treble, tort, bad faith or any other form of extra-contractual damages, (b) damages or claims in excess of the applicable policy limits of the Reinsured Policies, (c) statutory or regulatory damages, fines, penalties, forfeitures and similar charges of a penal or disciplinary nature, and (d) liabilities and obligations arising out of any act, error or omission, whether or not intentional, in bad faith or otherwise, including any act, error or omission relating to (i) the form, marketing, production, issuance, sale, cancellation or administration of Reinsured Policies or (ii) the failure to pay or the delay in payment of claims, benefits, disbursements or any other amounts due or alleged to be due under or in connection with Reinsured Policies (exclusive of interest on payments to Policyholders, as determined in accordance with the laws of the jurisdiction applicable to such Reinsured Policy). For avoidance of doubt, any liabilities, obligations and expenses relating to any change in the Reinsured Policies arising out of or resulting from litigation, arbitration or settlements will be deemed Extra-Contractual Obligations.

(cc) **"Fair Value"** has the meaning set forth in the Reinsurance Trust Agreement.

(dd) "**Governmental Authority**" means any federal, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority or self-regulatory organization, board or body.

(ee) "**Indemnification Claims**" shall have the meaning specified in Section 18.1.

(ff) "**Initial Ceding Commission**" shall have the meaning specified in Section 4.1.

(gg) "**Insurance Division**" means the Massachusetts Division of Insurance.

(hh) "**Interest Maintenance Reserves**" means the reserves required to be established under SAP as liabilities on a life insurer's statutory financial statements applicable to all types of fixed income investments.

(ii) "**Massachusetts SAP**" means the statutory accounting and actuarial principles and practices prescribed or permitted by the Insurance Division for Massachusetts domestic life insurance companies.

(jj) "**Milliman**" shall have the meaning specified in Section 17.1(e).

(kk) "**Milliman Information**" shall have the meaning specified in Section 17.1(e).

(ll) "**Milliman Report**" shall mean the report attached hereto as Exhibit VII.

(mm) "**Monthly Account Balance Report**" shall have the meaning specified in Section 8.2.

(nn) "**Monthly Report**" shall have the meaning specified in Section 8.1.

(oo) "**Net Premium**" shall have the meaning specified in Section 4.1(b).

(pp) "**Original Initial Level Premium Period**" means, with respect to each Reinsured Policy, the period beginning with the original issue date of a Coverage and

ending with the first premium increase date identified within such Reinsured Policy on which premiums for such Coverage will increase without a corresponding increase in the terms or limits of such Coverage.

(qq) **"Parties"** shall have the meaning specified in the Preamble.

(rr) **"Person"** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

(ss) **"Policies"** means term life insurance base policies and riders thereto issued by the Ceding Company.

(tt) **"Policyholders"** means the owners or holders of one or more of the Reinsured Policies.

(uu) **"Premium Taxes"** means any Taxes imposed on premiums relating to the Reinsured Policies.

(vv) **"Prime Rate"** means, as of any day, a fluctuating interest rate per annum equal to the average (rounded upward to the nearest 1/16 of 1%) of the "prime" rate of interest announced publicly by Bank of America, N.T. & S.A., The Chase Manhattan Bank, N.A., Citibank N.A. and Morgan Guaranty Trust Company of New York. If any of these banks does not publicly announce a prime rate, the Ceding Company and the Reinsurer (or its designee) shall jointly select another bank that publicly announces a prime rate and the prime rate publicly announced by that bank shall be used.

(ww) **"Primerica"** means Primerica, Inc., a Delaware corporation.

(xx) **"Primmer Piper"** shall have the meaning specified in Section 21.7.

(yy) **"Recapture Fee"** shall have the meaning specified in Section 11.3.

(zz) **"Recapture Notice"** shall have the meaning specified in Section 11.2.

(aaa) **"Reinstatement"** shall have the meaning specified in Section 7.1.

(bbb) **"Reinsurance Consideration"** shall have the meaning specified in Section 4.1 (a).

(ccc) **"Reinsurance Trust Account"** shall have the meaning specified in Section 15.1.

(ddd) **"Reinsurance Trust Agreement"** shall have the meaning specified in Section 15.1.

(eee) **"Reinsured ECOs"** means (i) Extra-Contractual Obligations paid by the Ceding Company to a single (or joint) policyholder or beneficiary in the ordinary course of business, consistent with prudent business practices and (ii) Extra-Contractual Obligations arising in circumstances where the Reinsurer is an active party and directs or consents to the act, omission or course of conduct occurring after the date hereof that resulted in such Extra-Contractual Obligation; provided, however, that Reinsured ECOs shall not include any liabilities: (x) relating to class actions of any kind; (y) relating to sales, marketing or distribution practices of the Ceding Company or its sales representatives directed or applied to any specific class of policyholders as indicated on the underwriting records of the Ceding Company; or (z) relating to or based on violations of, or noncompliance with, Applicable Law by the Ceding Company. Notwithstanding the foregoing, the term "Reinsured ECOs" shall not include any punitive, exemplary, consequential, special, treble, tort, bad faith or any other form of extra-contractual damages to the extent not permitted to be insured or reinsured under applicable law.

(fff) **"Reinsured Policies"** means Policies issued (i) on the policy forms identified in Exhibit I and riders thereto in force as of 11:59 p.m. (EST) on December 18, 2009 and (ii) as a result of any Conversions thereto, but not including any End of Term Conversions arising from Coverages with an Original Initial Level Premium Period ending on or after January 1, 2017.

(ggg) **"Reinsurer"** shall have the meaning specified in the Preamble.

(hhh) **"Reinsurer's Quota Share"** means eighty percent (80%) or such other percentage as modified to reflect a partial recapture of the Reinsurer's Quota Share of the Reinsured Policies pursuant to the terms and conditions specified in Article XI.

(iii) **"Renewal"** means the continuation of coverage under a Reinsured Policy after the end of the Original Initial Level Premium Period of such coverage in accordance with the terms of the Reinsured Policy.

(jjj) **"Renewal Recapture Right"** shall have the meaning specified in Section 11.4.

(kkk) **"Representatives"** shall have the meaning specified in Section 12.1.

(lll) **"Required Balance"** means, as of any date, the amount equal to the Reinsurer's Quota Share of the Statutory Reserves with respect to the Reinsured Policies.

(mmm) **"Retained Asset Account"** means the Primerica Estate Account identified in the financial statements of the Ceding Company, reflecting death benefit proceeds retained by the Company on behalf of beneficiaries and available to such beneficiaries on demand.

(nnn) **"SAP"** means statutory accounting principles.

(ooo) **"Security"** means the Reinsurance Trust Account to be established by the Reinsurer for the purpose of securing its obligations to the Ceding Company with respect to the Covered Liabilities.

(ppp) **"Security Balance"** means, as of the last day of each calendar quarter following the date hereof, the aggregate Fair Value as of such date of the Eligible Assets maintained in the Reinsurance Trust Account.

(qqq) **"Statutory Financial Statement Credit"** means credit for reinsurance permitted by the Massachusetts General Laws on the Ceding Company's statutory financial statements filed in the Commonwealth of Massachusetts with respect to the Reinsured Policies.

(rrr) **"Statutory Reserves"** means, as of any date, all reserves set forth on Schedule A as of such date corresponding to liabilities of a type or kind identified as Covered Liabilities, related to the Reinsured Policies, such amount as determined by the Ceding Company in accordance with the methodologies used by the Ceding Company to calculate such amounts for purposes of its statutory financial statements prepared in accordance with Massachusetts SAP and generally consistent with past practices as of all dates without giving effect to this Agreement or the 10% Coinsurance Agreement.

(sss) **"Tax Authority"** means the Internal Revenue Service and any other domestic or foreign Governmental Entity responsible for the administration of any Taxes.

(ttt) **"Taxes"** means all forms of taxation, whether of the United States or elsewhere and whether imposed by a local, municipal, state, federal, foreign or other body or instrumentality, and shall include, without limitation, income, excise, sales, use, gross receipts,

value added and premium taxes, together with any related interest, penalties and additional amounts imposed by any taxing authority.

(uuu) **"Tax Return"** means any and all returns, reports, information returns or documents with respect to any Tax which is supplied to or required to be supplied to any Tax Authority, including any attachments, amendments and supplements thereto.

(vvv) **"10% Coinsurance Agreement"** means the Coinsurance Agreement, dated as of even date, by and between the Ceding Company and the Reinsurer, pursuant to which the Ceding Company has agreed to cede on an indemnity basis to the Reinsurer, and the Reinsurer has agreed to reinsure on an indemnity basis, 10% of the Covered Liabilities.

(www) **"Their Current Practice"** shall have the meaning specified in Section 17.2(a).

(xxx) **"Third Party Accountant"** means an independent accounting firm which is mutually acceptable to Ceding Company and Reinsurer, or, if Ceding Company and Reinsurer cannot agree on such an accounting firm, an independent accounting firm mutually acceptable to Ceding Company's and Reinsurer's respective independent accountants.

(yyy) **"Third Party Reinsurance"** means reinsurance of the Reinsured Policies placed with third party reinsurers as identified and summarized in Exhibit II (as such Exhibit II may be amended from time to time).

(zzz) **"Third Party Reinsurance Premiums"** means all premiums paid by the Ceding Company on or after the Effective Date for coverage under Third Party Reinsurance, net of refunds of unearned premiums on lapse (except that the refund of unearned premiums shall only apply for premiums payable under Third Party Reinsurance on or after the Effective Date).

(aaaa) **"Top-Up Notice"** shall have the meaning specified in Section 8.3.

(bbbb) **"Trust Assets"** shall have the meaning specified in Section 15.2.

(cccc) **"Trustee"** shall have the meaning specified in Section 15.1.

ARTICLE II

REINSURANCE

Section 2.1 Reinsurance. Subject to the terms and conditions of this Agreement, the Ceding Company hereby cedes on an indemnity basis to the Reinsurer, and the Reinsurer hereby accepts and agrees to reinsure on an indemnity basis, the Reinsurer's Quota Share of the Covered Liabilities, provided, however, in the event of a recapture involving a pro rata portion of the Reinsurer's Quota Share of the Reinsured Policies pursuant to Article XI hereof, the Reinsurer's Quota Share of the Covered Liabilities will be proportionately reduced. The Reinsurer's Quota Share of Covered Liabilities shall be reduced, but not below zero, by the Reinsurer's Quota Share of Third Party Reinsurance for Covered Liabilities in accordance with the respective terms thereof, to the extent such Third Party Reinsurance is actually collected.

Section 2.2 Exclusions. Notwithstanding any provision of this Agreement to the contrary, the Reinsurer shall not be liable for any liabilities or obligations of the Ceding Company that are not Covered Liabilities, including:

(a) liabilities relating to benefits, including, but not limited to, terminal illness benefits, other than life insurance death benefits, any related waiver of premium coverages and write-offs of terminal illness policy loan balances;

(b) any liabilities resulting from any coverage added after the Effective Date to a Reinsured Policy that is not a Conversion or Renewal or otherwise required or permitted by the terms of such Reinsured Policy in effect on the Effective Date, unless such additional coverage is required by applicable law or has been approved in writing in advance by the Reinsurer;

(c) any liabilities relating to deaths occurring prior to the Effective Date;

(d) Extra-Contractual Obligations, other than Reinsured ECOs;

(e) any loss or liabilities relating to or arising from the Ceding Company's Retained Asset Account for the Reinsured Policies;

(f) any losses or liabilities arising under any End of Term Conversion occurring on or after January 1, 2017;

(g) any loss or liabilities relating to or arising from actions taken by the Ceding Company without the consent of the Reinsurer as required by Section 17.2(b) hereof;

(h) any loss or liabilities relating to or arising from claims made, or lawsuits brought, by agents of the Ceding Company; and

(i) all liabilities or obligations of any kind or nature whatsoever that do not relate to the Reinsured Policies (collectively, (a)-(i) constitute the **"Excluded Liabilities"**).

Section 2.3 Territory. The reinsurance provided under this Agreement shall apply to the Covered Liabilities covering lives and risks wherever resident or situated.

ARTICLE III

COMMENCEMENT OF THE REINSURER'S LIABILITY

Section 3.1 Commencement of the Reinsurer's Liability. Except as otherwise set forth in this Agreement, the Reinsurer's liability under this Agreement shall attach simultaneously with that of the Ceding Company, and all reinsurance with respect to which the Reinsurer shall be liable by virtue of this Agreement shall be subject in all respects to the same risks, terms, rates, conditions, interpretations, and to the same modifications, alterations, cancellations and receivables under Third Party Reinsurance, as the respective Reinsured Policies to which liability under this Agreement attaches, the true intent of this Agreement being that the Reinsurer shall, in every case to which liability under this Agreement attaches and always subject to the Excluded Liabilities, follow the fortunes of the Ceding Company.

ARTICLE IV

REINSURANCE PREMIUMS, ALLOWANCES AND OTHER OBLIGATIONS

Section 4.1 Reinsurance Premiums.

(a) On the date hereof, as consideration for the reinsurance provided hereunder, the Ceding Company shall transfer to the Reinsurance Trust Account on behalf of the Reinsurer an amount equal to (i) the Reinsurer's Quota Share of the Statutory Reserves, Interest Maintenance Reserves (but only to the extent the Ceding Company's Interest Maintenance Reserves are reduced) and advance premiums attributable to the Reinsured Policies as of the Effective Date, less (ii) the sum of three billion one hundred fifty-nine million dollars ($3,159,000,000) (the **"Initial Ceding Commission"**) and net deferred premiums (such amount, the **"Reinsurance Consideration"**). The Reinsurance Consideration shall be payable in Eligible Assets valued at Fair Value. Any Eligible Assets shall be free of all liens, charges or encumbrances, and assigned or endorsed in blank by the Ceding Company to the Reinsurer in order to transfer absolutely and unequivocally all right, title and interest in such assets.

(b) As additional consideration for the reinsurance provided herein, on a monthly basis during the term of this Agreement, the Ceding Company shall pay to the Reinsurer

the Reinsurer's Quota Share of Direct Premiums net of the Reinsurer's Quota Share of Third Party Reinsurance Premiums (the "**Net Premium**"). The Net Premium shall be paid in accordance with Article VIII.

Section 4.2 Allowances. At each month end following the date hereof, the Reinsurer shall pay the Ceding Company the Expense Allowance calculated on the basis of the number of Reinsured Policies in force on such date. The number of Reinsured Policies in force for each calendar month shall be determined by adding the number of Reinsured Policies in force on the last day of the prior calendar month (or December 18, 2009 for the initial calculation) and the number of Reinsured Policies in force on the last day of the current calendar month and dividing that total by two (2); provided, however, if there are any End of Term Renewals, the Expense Allowance for the Reinsured Policies associated with such End of Term Renewals that start after December 31, 2016 will be zero. The Expense Allowance shall be payable in accordance with Article VIII.

Section 4.3 Other Obligations. On a monthly basis during the term of this Agreement, the Reinsurer shall pay the Ceding Company the Reinsurer's Quota Share of the following amounts: (i) 2.3% of premiums collected for such month in connection with the Reinsured Policies as a provision for Premium Taxes incurred by the Ceding Company; (ii) $50 for each new Conversion which results in the issuance of a Reinsured Policy (including the issuance of one or more riders to a base Policy); (iii) Commissions for each Reinsured Policy; and (iv) any out-of-pocket underwriting fees associated with Reinstatements.

Section 4.4 Third Party Reinsurance. The Ceding Company shall pay to the Reinsurer the Reinsurer's Quota Share of all ceding commissions and any Premium Tax or other expense allowances collected by the Ceding Company from the reinsurers under Third Party Reinsurance.

ARTICLE V

TAXES

Section 5.1 Guaranty Fund Assessments. Except as provided in Section 4.2, the Reinsurer shall not reimburse the Ceding Company for any guaranty fund assessments arising on account of premiums on the Reinsured Policies.

Section 5.2 Premium Taxes. The Ceding Company shall be liable for all Premium Taxes. The Reinsurer shall pay to the Ceding Company a provision for Premium Taxes incurred in connection with premiums received under the Reinsured Policies in accordance with Section 4.3.

Section 5.3 DAC Tax Election. All uncapitalized terms used in this Section 5.2 shall have the meanings set forth in the Treasury regulations under section 848 of the Internal Revenue Code of 1986, as amended ("**Code**").

(a) The Parties will elect, pursuant to Treasury regulations section 1.848-2(g)(8), to determine specified policy acquisition expenses with respect to this Agreement without regard to the general deductions limitation of section 848(c)(1) of the Code. This election shall be effective for the calendar year ending on or after the Effective Date and for all subsequent taxable years for which any reinsurance agreement is deemed to exist due to an election made pursuant to Section 5.2 of this Agreement. Each Party agrees to attach to its Tax Return filed for the first taxable year ending after this election becomes effective a schedule that identifies this Agreement as the subject of this election. The Party with the net positive consideration under this Agreement for each taxable year shall capitalize specified policy acquisition expenses with respect to this Agreement without regard to the general deductions limitation of section 848(c)(1) of the Code.

(b) To ensure consistency, the Parties agree to exchange information pertaining to the amount of net consideration deemed to be paid pursuant to any reinsurance agreement deemed to exist due to an election made pursuant to Section 5.2 of this Agreement. Ceding Company shall submit a schedule to Reinsurer by March 1 of each year that follows a year during which this Agreement was in effect for any portion of such year of Ceding Company's calculations of the net consideration under this Agreement for the preceding calendar year. This schedule of calculations shall be accompanied by a statement signed by an officer of Ceding Company stating that Ceding Company will report such net consideration in its federal income tax return for the preceding calendar year. Reinsurer may contest such calculation by providing an alternative calculation to Ceding Company in writing within thirty (30) days of Reinsurer's receipt of Ceding Company's calculation. If Reinsurer does not notify Ceding Company within such time that it contests the calculation, Reinsurer shall report the net consideration as determined by Ceding Company in Reinsurer's Tax Return for the previous calendar year.

(c) If Reinsurer contests Ceding Company's calculation of the net consideration, the Parties will act in good faith to reach an agreement as to the correct amount within thirty (30) days of the date Reinsurer submits its alternative calculation. If the Parties reach an agreement on an amount of net consideration, each Party will report the agreed upon amount in its federal income tax return for the previous calendar year. If during such period, Ceding Company and Reinsurer are unable to reach agreement, they shall within ten (10) days of the expiration of the thirty (30) day period set forth in this Section 5.2(c), cause a Third Party Accountant promptly to review (which review shall commence no later than five (5) days after the selection of the Third Party Accountant) this Agreement and the calculations of Ceding Company and Reinsurer for the purpose of calculating the net consideration under this Agreement. In making such calculation, the Third Party Accountant shall consider only those items or amounts in Ceding Company's calculation as to which Reinsurer has disagreed. The Third Party Accountant shall deliver to Ceding Company and Reinsurer, as promptly as practicable (but no later than thirty (30) days after the commencement of its review), a report setting forth such calculation, which calculation shall result in a net consideration between the amount thereof shown in Ceding Company's calculation delivered pursuant to Section 5.2(b) and the amount thereof in Reinsurer's calculation delivered pursuant to Section 5.2(b). Such report shall be final and binding upon Ceding Company and Reinsurer. The fees, costs and expenses of

the Third Party Accountant shall be borne (x) by Ceding Company if the difference between the net consideration as calculated by the Third Party Accountant and Ceding Company's calculation is greater than the difference between the net consideration as calculated by the Third Party Accountant and Reinsurer's calculation; (y) by Reinsurer if the first such difference is less than the second such difference; and (z) otherwise equally by Ceding Company and Reinsurer.

ARTICLE VI

CLAIMS

Section 6.1 Notice of Claims. Claim amounts less than or equal to $250,000 (net of amounts recoverable under Third Party Reinsurance) will be reported by the Ceding Company to the Reinsurer on a bordereau basis, and all other Claims shall be reported on an individual basis, in each case in accordance with Section 8.1.

Section 6.2 Settlement Authority. The Ceding Company shall have full authority to determine liability on any Claim reinsured hereunder and may settle losses as it deems appropriate, but in so doing it shall act with the skill and diligence commonly expected from qualified personnel performing such duties for U.S. life insurance companies and consistent with the Ceding Company's Then Current Practice.

Section 6.3 Claim Payments. Following receipt by the Reinsurer of the Monthly Report setting forth the Ceding Company's payment of any Covered Liabilities reinsured hereunder, the Reinsurer shall make payment of the Reinsurer's Quota Share of the Covered Liabilities in accordance with Article VIII.

Section 6.4 Misstatement of Age or Sex. In the event of an increase or reduction in the amount of the Ceding Company's insurance on any Reinsured Policy because of an overstatement or understatement of age or misstatement of sex, established during the life, or after the death, of the insured, the Reinsurer will share in such increase or reduction in proportion to the Reinsurer's Quota Share.

ARTICLE VII

REINSTATEMENTS

Section 7.1 Reinstatements. If a Reinsured Policy is reinstated in accordance with its terms and the Ceding Company's reinstatement rules as in effect on the Effective Date (a "**Reinstatement**"), the reinsurance of such Reinsured Policy will be restored as if no change had occurred. In such a case, the Ceding Company shall promptly pay the Reinsurer the Reinsurer's Quota Share of the Net Premiums attributable to such Reinstatement.

ARTICLE VIII

ACCOUNTING AND RESERVES

Section 8.1 Monthly Reports. Within twenty (20) Business Days after the end of each calendar month, the Ceding Company shall deliver to the Reinsurer the following monthly reports (each a "**Monthly Report**") substantially in the form set forth in Exhibit III hereto: (i) Monthly Settlement Report; (ii) Policy Exhibit; (iii) Reserve Report; (iv) Claim Reserve Report; (v) Bordereau Report; and (vi) Non-Bordereau Claims Report; it being understood that the initial Monthly Report shall be for the period from the Effective Date to the last day of the month in which this Agreement is executed.

Section 8.2 Monthly Account Balance Reports. No later than ten (10) Business Days after the end of each calendar month, the Ceding Company shall prepare and deliver to the Reinsurer a report in the form and containing the information set forth in Exhibit IV (each a "**Monthly Account Balance Report**").

Section 8.3 Settlements.

(a) All monthly settlements shall be effected as follows: (i) if the Monthly Report shows that the Ceding Company owes the Reinsurer a positive amount, the Ceding Company will pay the amount owed simultaneously with the delivery to the Reinsurer of the Monthly Report and (ii) if the Monthly Report shows that the Reinsurer owes the Ceding Company a positive amount, the Reinsurer shall pay the amount owed within twenty (20) Business Days after receiving the Monthly Report, it being understood that, for purposes of this Section 8.3(a), appropriate adjustments shall be made for withdrawals and reimbursements made during the month by the Ceding Company pursuant to Sections 15.5 and 15.6.

(b) If the Reserve Report provided to the Reinsurer for the last month of a calendar quarter shows that the Security Balance is less than the Required Balance as of the end of the immediately preceding calendar quarter, the Ceding Company shall notify the Reinsurer of the amount of the deficiency (the "**Top-Up Notice**"). The Top-Up Notice shall be delivered to the Reinsurer at the same time as the copy of the Monthly Report for the same calendar quarter.

(c) All settlements of account between the Ceding Company and the Reinsurer shall be made in cash or its equivalent.

Section 8.4 Offset and Recoupment. Each Party, at its option, may offset or recoup any balance or balances, whether on account of premiums, Expense Allowances, claims and losses or amounts otherwise due from one Party to the other under this Agreement or other agreements between the Parties, or as a result of damages awarded to either Party pursuant to litigation or otherwise, which shall be deemed mutual debts or credits, as the case may be; provided, however, that the Party electing such right with respect to matters not reflected in the Monthly Reports shall notify the other Party in writing of its election to do so.

Section 8.5 Currency. All financial data required to be provided pursuant to the terms of this Agreement shall be expressed in United States dollars. All payments and all settlements of account between the Parties shall be in United States currency unless otherwise agreed by the Parties.

ARTICLE IX

EXPENSES IN CONNECTION WITH THE REINSURED POLICIES

Section 9.1 Expenses in Connection with the Reinsured Policies. The Ceding Company shall pay for all expenses and charges incurred in connection with the Reinsured Policies including medical examinations, inspection fees, and other fees. Except as provided in Section 4.2 and Section 4.3, such amounts shall not be reimbursed by the Reinsurer.

ARTICLE X

ERRORS AND OMISSIONS

Section 10.1 Errors and Omissions. Subject to the terms of this Agreement, neither Party hereto shall be prejudiced in any way by inadvertent errors or omissions made by such Party in connection with this Agreement provided such errors and omissions are corrected promptly following discovery thereof. Upon the discovery of an inadvertent error or omission by either Party hereto, appropriate adjustments shall be made as soon as practicable to restore the Parties to the fullest extent possible to the position they would have been in had no such inadvertent error or omission occurred.

ARTICLE XI

RECAPTURE

Section 11.1 Recapture. The Ceding Company may in accordance with the provisions of this Article XI recapture, in its sole discretion, all or a *pro rata* portion of all of the Reinsurer's Quota Share of the Reinsured Policies upon the occurrence of one of the following events:

(a) If the Reinsurer becomes insolvent or if the Commissioner has instituted a proceeding or entered a decree or order for the appointment of a rehabilitator or liquidator;

(b) If the Reinsurer fails to take steps reasonably satisfactory to the Ceding Company to assure the Ceding Company of full Statutory Financial Statement Credit for the Reinsured Policies within forty-five (45) calendar days of Reinsurer's receipt of written notice from the Ceding Company that the Ceding Company has been advised by any

Governmental Authority that the Governmental Authority will deny or has denied Statutory Financial Statement Credit on any financial statement filed by the Ceding Company with such Governmental Authority;

(c) If the Reinsurer is in material breach of any other representation, warranty or covenant under this Agreement and the Reinsurer fails to cure any such material breach of any representation, warranty or covenant hereunder within sixty (60) calendar days of receipt of written notice of such breach by the Reinsurer, unless such breach constitutes a Capital Maintenance Failure, in which case the provision in Section 11.1(e) shall apply and this provision shall not apply;

(d) If the Reinsurer fails in any material respects to fund the Reinsurance Trust Account to the amount required after receipt of the Top-Up Notice under Section 15.3(c) within the time period specified therein, and the Reinsurer fails to cure any such funding deficiency within twenty (20) Business Days of receipt of written notice of such funding deficiency by the Reinsurer; or

(e) If there is a Capital Maintenance Failure under the Capital Maintenance Agreement. For purposes of this Section 11.1(e), a "**Capital Maintenance Failure**" occurs at the end of any Approval Period when (i) the Reinsurer's Total Adjusted Capital is less than the Capital Threshold (as such terms are defined in the Capital Maintenance Agreement) and (ii) the Reinsurer fails to obtain a payment from the Obligor (as defined in the Capital Maintenance Agreement) in the amount of the deficiency within the Approval Period beginning on the date a demand is made by or on behalf of the Reinsurer for such payment in accordance with Section 2(a) of the Capital Maintenance Agreement (for the avoidance of doubt, including if any such failure is due to the failure on part of the Obligor to obtain any required prior consents from the Board of Governors of the Federal Reserve System as set forth in the Capital Maintenance Agreement within the Approval Period). The Reinsurer shall reimburse the Ceding Company for actual reasonable expenses incurred by the Ceding Company pursuant to this Section 11.1(e).

Section 11.2 Notice of Recapture. The Ceding Company shall notify the Reinsurer in writing of the reasons for, and the effective date of, the recapture ninety (90) calendar days prior to the effective date of recapture (the "**Recapture Notice**"); provided, however, that the recapture shall not be deemed to be consummated until the final accounting described in Section 11.4 of this Article XI has been completed and the Reinsurer has paid the Commutation Payment, if any.

Section 11.3 Recapture Fee. The Ceding Company shall pay a recapture fee (the "**Recapture Fee**") to the Reinsurer upon the occurrence of any recapture of the Reinsured Policies pursuant to Section 11.1(b) if such recapture was triggered by the inability of the Ceding Company to obtain full Statutory Financial Statement Credit for the Reinsured Policies due to actions taken by the Ceding Company or its Affiliates; provided, however, that if the Reinsurer is in material breach of any representation, warranty or covenant under this Agreement at the time a recapture is triggered under Section 11.1(b), no Recapture Fee will be due and payable by the

Ceding Company. The Recapture Fee shall be equal to an amount to be determined by an actuarial appraisal prepared by a nationally recognized independent actuarial firm in accordance with methodologies agreed upon by the Ceding Company and Reinsurer to determine the value of the Reinsured Policies at such time in a manner consistent with the valuation of the Reinsured Policies as set forth in the Milliman Report and consistent with the determination of the Initial Ceding Commission based on such valuation.

Section 11.4 Renewal Recapture. The Ceding Company shall also have the right, upon prior written notice to the Reinsurer, to recapture, in its sole discretion, all or a *pro rata* portion of End of Term Renewals arising from Policies with an Original Initial Level Premium Period ending on or after January 1, 2017 (the "**Renewal Recapture Right**"). No Recapture Fee is payable in connection with the recapture of any End of Term Renewal.

Section 11.5 Commutation Accounting and Settlement. In the event of any recapture under this Article XI, the Reinsurer shall pay to the Ceding Company an amount equal to (i) the Reinsurer's Quota Share of the Statutory Reserves, Interest Maintenance Reserves (but only to the extent the Ceding Company's Interest Maintenance Reserves are increased) and advance premiums, if applicable, attributable to the Reinsured Policies being recaptured, calculated as of the effective date of the recapture set forth in the Recapture Notice; minus (ii) any amounts due to the Reinsurer but unpaid under this Agreement, including the Recapture Fee, if any, and net deferred premiums; plus (iii) any amounts due to the Ceding Company but unpaid under this Agreement (collectively, the "**Commutation Payment**"); provided, however, that, if the amount calculated pursuant to clause (ii) of this subsection exceeds the amounts calculated pursuant to clauses (i), (ii) and (iii) of this subsection, the Ceding Company shall pay to the Reinsurer the amount of such excess. Following recapture and payment to the appropriate Party of the net Commutation Payment required hereunder, neither Party shall have further liability to the other Party hereunder with respect to the recaptured business.

Section 11.6 Limitation on Partial Recaptures. Notwithstanding the provisions of Section 11.1, the Ceding Company shall not be permitted to effect a partial recapture pursuant to Section 11.1 if, after giving effect to the recapture, the Statutory Reserves would be less than U.S. $100,000,000.

ARTICLE XII

ACCESS TO BOOKS AND RECORDS

Section 12.1 Access to Books and Records.

(a) The Ceding Company shall, upon reasonable notice, provide to the Reinsurer and the counsel, financial advisors, accountants, actuaries and other representatives of the Reinsurer (the "**Representatives**") access, at the Reinsurer's sole cost and expense, to review, inspect, examine and reproduce the Ceding Company's books, records, accounts, policies, practices and procedures, including underwriting policy, claims administration guidelines and sales and Conversion practices, relating to the Reinsured Policies, including any audits and self assessments conducted by the Ceding Company as well as any unaudited information provided

to Primerica in connection with Primerica's public company reporting requirements, at the place such records are located, and to discuss such matters with the employees, external auditors and external actuaries of the Ceding Company that are knowledgeable about such records, without undue disruption of the normal operations of the Ceding Company.

(b) The Reinsurer and its Representatives shall have the right, at its sole cost and expense, to conduct audits from time to time, upon reasonable notice to the Ceding Company, of the relevant books, records, accounts, policies, practices and procedures, including underwriting policy, claims administration guidelines and sales and Conversion practices of the Ceding Company relating to the Reinsured Policies.

(c) The Reinsurer shall reimburse the Ceding Company for any reasonable out-of-pocket costs that the Ceding Company incurs in providing assistance to the Reinsurer and its Representatives in connection with this Section 12.1.

(d) The Ceding Company shall use its reasonable best efforts to assist and cooperate with the Reinsurer, and its Representatives in providing access to the relevant in force files, experience data, books, records and accounts of the Ceding Company relating to the Reinsured Policies.

ARTICLE XIII

INSOLVENCY

Section 13.1 Insolvency. In the event of the insolvency of the Ceding Company, payments due the Ceding Company on all reinsurance made, ceded, renewed or otherwise becoming effective under this Agreement shall be payable by the Reinsurer on the basis of claims filed and allowed in the liquidation proceeding under the Reinsured Policies without diminution because of the insolvency of the Ceding Company, either directly to the Ceding Company or to its domiciliary liquidator or receiver, except where the Reinsurer, with the consent of the Policyholder and in conformity with Applicable Law, has assumed the Ceding Company's obligations as direct obligations of the Reinsurer to the payees under the Reinsured Policies and in substitution for the obligations of the Ceding Company to the payees. It is understood, however, that in the event of the insolvency of the Ceding Company, the liquidator or receiver or statutory successor of the Ceding Company shall give written notice to the Reinsurer of any impending Claim against the Ceding Company on a Reinsured Policy within a reasonable period of time after such Claim is filed in the insolvency proceedings and that during the pendency of such Claim the Reinsurer may, at its own expense, investigate such Claim and interpose, in the proceeding where such Claim is to be adjudicated any defense or defenses which it may deem available to the Ceding Company or its liquidator or receiver or statutory successor. It is further understood that the expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the Ceding Company as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the Ceding Company solely as a result of the defense undertaken by the Reinsurer.

ARTICLE XIV

DISPUTE RESOLUTION

Section 14.1 Consent to Jurisdiction. Each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the United States District Court for the District of Massachusetts or, if such court does not have jurisdiction, the appropriate district court of the Commonwealth of Massachusetts, for the purposes of enforcing this Agreement. The parties shall take such actions as are within their control to cause any disputes as described in the preceding sentence to be assigned to the complex litigation docket of the applicable court. In any action, suit or other proceeding, each of the parties hereto irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above courts, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding as contemplated in this Article XIV shall be conclusive and binding on such party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

Section 14.2 Waiver of Jury Trial. Each of the parties hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

Section 14.3 Specific Performance. The parties recognize and agree that if for any reason any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or injury would be caused for which money damages would not be an adequate remedy. Accordingly, each party agrees that, in addition to any other available remedies each other party shall be entitled to an injunction restraining any violation or threatened violation of any of the provisions of this Agreement without the necessity of posting a bond or other form of security. In the event that any action should be brought in equity to enforce any of the provisions of this Agreement, no party will allege, and each party hereby waives the defense, that there is an adequate remedy at law.

ARTICLE XV

REINSURANCE TRUST ACCOUNT

Section 15.1 Reinsurance Trust Agreement. On the date hereof, in accordance with the Reinsurance Trust Agreement to be entered into between the Parties, in the form attached hereto as Exhibit V (as such agreement may be amended from time to time in writing by mutual consent of the Ceding Company, the Reinsurer and the trustee (the "**Trustee**") thereunder, the "**Reinsurance Trust Agreement**"), the Reinsurer, as grantor, shall create a trust account (the "**Reinsurance Trust Account**") naming the Ceding Company as sole beneficiary thereof. The

Reinsurance Trust Account shall initially be funded with Trust Assets the Fair Value of which (as of the date hereof) is at least equal to the Reinsurer's Quota Share of the Statutory Reserves as of the Effective Date.

Section 15.2 Investment and Valuation of Trust Assets. The assets held in the Reinsurance Trust Account (the "**Trust Assets**") shall consist of Eligible Assets.

Section 15.3 Adjustment of Trust Assets and Withdrawals.

(a) The amount of assets to be maintained in the Reinsurance Trust Account shall be adjusted following the end of each calendar quarter in accordance with the Reserve Report for the last calendar month of each calendar quarter provided to the Reinsurer pursuant to the terms of Section 8.1. Such report shall set forth the amount by which the Security Balance equals or exceeds the Required Balance, in each case as of the end of the immediately preceding calendar quarter.

(b) If the Security Balance exceeds 102% of the Required Balance, in each case as of the end of the immediately preceding calendar quarter, then the Reinsurer shall have the right to seek approval (which shall not be unreasonably or arbitrarily withheld, conditioned or delayed) from the Ceding Company to withdraw the excess.

(c) The Reinsurer shall, no later than twenty (20) Business Days following receipt of a Top-Up Notice, place additional Trust Assets into the Reinsurance Trust Account so that the Security Balance, as of the date such additional Trust Assets are so placed, is no less than the Required Balance as of the end of the immediately preceding calendar quarter.

(d) Without limitation of the other provisions of this Section 15.3, subject to obtaining the Ceding Company's prior written consent (which shall not be unreasonably or arbitrarily withheld, conditioned or delayed), the Reinsurer may remove assets from the Reinsurance Trust Account; provided, however, that the Reinsurer, at the time of such withdrawal, replaces the withdrawn assets with Trust Assets permitted under the terms of the Reinsurance Trust Agreement and having a Fair Value equal to or greater than the Fair Value of the assets withdrawn so that the Security Balance, as of the date of such withdrawal, is no less than the Required Balance as of the end of the immediately preceding calendar quarter.

Section 15.4 Negotiability of Trust Assets. Prior to depositing Trust Assets with the Trustee, the Reinsurer shall execute all assignments or endorsements in blank, or transfer legal title to the Trustee of all shares, obligations or any other assets requiring assignments, in order that the Ceding Company, or the Trustee upon direction of the Ceding Company, may whenever necessary negotiate any such assets without consent or signature from the Reinsurer or any other entity.

Section 15.5 Ceding Company's Withdrawals. The Ceding Company (or any successor by operation of law of the Ceding Company, including, but not limited to, any

liquidator, rehabilitator, receiver or conservator of the Ceding Company) may only withdraw Trust Assets for one or more of the following purposes, without diminution because of insolvency on the part of the Ceding Company or the Reinsurer:

(a) to pay, or reimburse the Ceding Company for payment of, the Reinsurer's Quota Share of premiums to be returned, but not yet recovered from the Reinsurer, to Policyholders because of cancellations of Reinsured Policies;

(b) to pay, or reimburse the Ceding Company for payment of, the Reinsurer's Quota Share of Covered Liabilities payable pursuant to the provisions of the Reinsured Policies, but not yet recovered from the Reinsurer;

(c) to pay to the Ceding Company any Commutation Payment due the Ceding Company but not yet paid by the Reinsurer;

(d) in the event that the Ceding Company has received notification from the Reinsurer or Trustee of termination of the Reinsurance Trust Account and where the Reinsurer's Quota Share of obligations under this Agreement remain unliquidated and undischarged ten (10) days prior to the scheduled termination date, the Ceding Company may withdraw all the assets in the Reinsurance Trust Account and deposit such amounts, in the name of the Ceding Company, in any United States bank or trust accompany, apart from its general assets, in trust for such uses and purposes specified in (a) and (b) above as may remain executory after such withdrawal and for any period after such termination date; or

(e) to pay to the Reinsurer amounts held in the Reinsurance Trust Account in excess of the amount necessary to secure the credit or reduction from liability for reinsurance taken by the Ceding Company.

Any assets deposited into an account of the Ceding Company pursuant to clause (d) of this Section 15.5 or withdrawn by the Ceding Company pursuant to clause (e) of this Section 15.5 and any interest or other earnings thereon shall be held by the Ceding Company in trust and separate and apart from any assets of the Ceding Company, for the sole purpose of funding the payments and reimbursements described in clauses (a) through (e), inclusive, of this Section 15.5.

Section 15.6 Return of Excess Withdrawals. The Ceding Company shall return to the Reinsurer, within five (5) Business Days, assets withdrawn in excess of all amounts due under Sections 15.5(a), (b) and (e), or, in the case of Section 15.5(d) above, assets that are subsequently determined not to be due. Any assets subsequently returned in the case of Section 15.5(d) shall include interest at the Prime Rate applied on a daily basis for the amounts returned.

Section 15.7 Costs of Trust. The cost of maintaining the Reinsurance Trust Account shall be borne by the Reinsurer.

ARTICLE XVI

THIRD PARTY BENEFICIARY

Section 16.1 Third Party Beneficiary. Nothing in this Agreement or the Reinsurance Trust Agreement is intended to give any person, other than the parties to such agreements, their successors and permitted assigns, any legal or equitable right remedy or claim under or in respect of this Agreement or the Reinsurance Trust Agreement or any provision contained therein.

ARTICLE XVII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 17.1 Representations and Warranties of the Ceding Company.

(a) Organization, Standing and Authority of the Ceding Company. The Ceding Company is a life insurance company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and has all requisite corporate power and authority to carry on the operations of its business as they are now being conducted. The Ceding Company has obtained all authorizations and approvals required under Applicable Law to enter into and perform the obligations contemplated of the Ceding Company under this Agreement.

(b) Authorization. The Ceding Company has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Ceding Company of this Agreement, and the performance by the Ceding Company of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Ceding Company. This Agreement, when duly executed and delivered by the Ceding Company, subject to the due execution and delivery by the Reinsurer, will be a valid and binding obligation of the Ceding Company, enforceable against the Ceding Company in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(c) No Conflict or Violation. Except as set forth in Schedule B, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby in accordance with the respective terms and conditions hereof will not (a) violate any provision of the Articles of Incorporation or Bylaws of the Ceding Company, (b) violate, conflict with or result in the breach of any of the terms of, result in any modification of, give any counterparty the right to terminate, or constitute a default under, any contract or other agreement to which the Ceding Company is a party, or (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against,

or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Ceding Company.

(d) Absence of Litigation. There is no action, suit, proceeding or investigation pending or threatened that questions the legality of the transactions contemplated by this Agreement or that would prevent consummation of the transactions contemplated by this Agreement or the performance by the Ceding Company of its obligations hereunder.

(e) Milliman Information True and Complete.

(i) To the best of the Ceding Company's knowledge, all information and data supplied to Milliman Inc. ("**Milliman**") identified on Exhibit VI-A hereto (the "**Milliman Information**") was true, accurate and complete in all material respects as of the date the document containing such Milliman Information was provided to Milliman by the Ceding Company; provided, however, the Parties acknowledge that no representation or warranty has been made to the Reinsurer or any of its Affiliates or Representatives with respect to the truth, accuracy and completeness of any assumptions, projections, or estimates either provided by the Ceding Company or underlying any of the studies prepared by the Ceding Company in connection with the Milliman Information except that the Ceding Company represents and warrants that such assumptions, projections or estimates were the ones actually utilized by the Ceding Company for the purposes stated in Exhibit VI. The Milliman Information was complied in a commercially reasonable manner given the intended purpose.

(ii) The financial data supplied to Milliman identified on Exhibit VI-B hereto presents fairly, in all material respects, the financial condition and results of operations of the Ceding Company as of and for the periods specified therein in accordance with Massachusetts SAP, consistently applied.

(f) Coverage Information. The Reinsured Policies information identified in Exhibit I is true, accurate and complete in all material respects.

(g) Good and Marketable Title to Eligible Assets. The Ceding Company will have good and marketable title, free and clear of all liens, to all Eligible Assets immediately prior to the payment thereof to the Reinsurer in accordance with Section 4.1.

Section 17.2 Covenants of the Ceding Company.

(a) Administration and Claims Practices.

(i) In the administration and claims practices relating to the Reinsured Policies (the "**Administrative Practices**"), the Ceding Company shall (A) use the skill and diligence commonly expected from qualified personnel performing such duties for U.S. life insurance companies; (B) act in accordance with the Ceding Company's internal company guidelines as in effect on the Effective Date; (C) be in conformance with Applicable Law in all material respects; and (D) act in a manner consistent with its existing administrative and claims practices in effect on the Effective Date and in any case with no less skill, diligence and expertise as the Ceding Company applies to servicing its other business, including those claims practices in existence for Third Party Reinsurance (each, an "**Existing Practice**"); notwithstanding the foregoing, the Ceding Company shall not be in breach of this Section 17.2(a)(i) unless either (Y) the Reinsurer shall have notified the Ceding Company in writing of the Ceding Company's failure to perform its obligations under this Section 17.1(n)(i) (which written notice shall describe such failure with reasonable particularity) or (Z) an officer of the Ceding Company with direct responsibility for its administrative services, or any senior officer of the Ceding Company, has actual knowledge that the Ceding Company has failed to perform its obligations under this Section 17.1(a)(i), and in either case the Ceding Company shall have failed to cure such breach within thirty (30) days following receipt of such notice or such actual knowledge.

(ii) An Existing Practice may be reasonably modified from time to time, except that, to the extent the Ceding Company modifies an Existing Practice from time to time following the Effective Date (an Existing Practice, as modified from time to time, a "**Then Current Practice**"), the Ceding Company shall act in accordance and consistent with the Then Current Practice; provided, that, if a Then Current Practice would materially adversely affect the rights, remedies and position of the Reinsurer, the Ceding Company shall obtain the consent of the Reinsurer (which consent shall not be unreasonably withheld or delayed) prior to applying the Then Current Practice to the Reinsured Policies.

(b) Reinsured Policies. In all instances as they relate to the Reinsured Policies:

(i) The Ceding Company shall not, and shall cause its Affiliates not to (A) change agent commission and compensation schedules, (B) adopt or implement any program that is expected to result in a material increase in lapses, exchanges, replacements or Conversions under the Reinsured Policies or

(C) change coverage options or premiums (except as contemplated by Section 17.2(g) hereof), including coverage options for End of Term Conversions, in each case under (A), (B) and (C) without notifying the Reinsurer in advance of any such action and obtaining the Reinsurer's prior written consent (which shall not be unreasonably withheld or delayed).

(ii) The Ceding Company and the Reinsurer shall reasonably cooperate on any proposals for pricing or coverage changes proposed by either Party, including making any rate and form filings or other regulatory filings that impact pricing or premiums under the Reinsured Policies; provided, however, the Ceding Company shall have final approval authority in its discretion over any proposal brought by the Reinsurer pursuant to this Section 17.2(b)(ii).

(iii) The Ceding Company shall notify the Reinsurer of any information known to the Ceding Company, including any third party or regulatory actions and management decisions reasonably anticipated to adversely and materially impact the economics of the Reinsured Policies for the Reinsurer. Such notification shall be made within twenty (20) Business Days after the information becomes known to the Ceding Company.

(iv) The Parties agree and acknowledge that the Ceding Company's relationship with the Reinsurer shall in all respects be governed by a duty of utmost good faith. At all times during the term of this Agreement, the Ceding Company shall (i) administer, manage and oversee the Reinsured Policies and the Covered Liabilities, and (ii) perform all its obligations to the Reinsurer under this Agreement, in a manner consistent with its utmost good faith obligations.

(c) Third Party Reinsurance.

(i) The Ceding Company shall not, without the Reinsurer's prior approval (which approval shall not be unreasonably or arbitrarily withheld, conditioned or delayed), (A) terminate or materially modify any existing Third Party Reinsurance or (B) purchase new third party reinsurance for the Reinsured Policies.

(ii) The Ceding Company shall use commercially reasonable efforts to maintain its existing Third Party Reinsurance from and after the Effective Date, consistent with the existing practice of the Ceding Company in effect on the Effective Date.

(d) Reporting. To the extent not prohibited by Applicable Law, the Ceding Company will provide all reports it is required to deliver under this Agreement (including, without limitation, each Monthly Report and Quarterly Report) not later than the last date on which such report is required to be so delivered, except that the Ceding Company shall not be in breach of this Section 17.2(d) unless either (i) the Reinsurer shall have notified the Ceding Company in writing of its failure to timely deliver such report or (ii) a officer of the Ceding Company with direct responsibility for the preparation and delivery of such report has actual knowledge that the report was not delivered when due, and in either case the Ceding Company shall have failed to deliver such information within thirty (30) days following receipt of such notice or actual knowledge.

(e) Policy Data. Within six (6) months of the date hereof, the Ceding Company shall provide to the Reinsurer a schedule containing a list of Policies with Original Initial Level Premium Periods ending on or after January 1, 2017.

(f) Books and Records. The Ceding Company shall maintain and implement reasonable administrative and operating procedures with respect to records relating to the Reinsured Policies and shall keep and maintain all material documents, books, records and other information reasonably necessary for the maintenance of the Reinsured Policies, which documents, books, records and other information will be accurately maintained in all material respects throughout the term of this Agreement.

(g) Regulatory Filings. The Ceding Company has filed the appropriate regulatory filings to increase guaranteed premium provisions in Policies or coverages that may be issued upon the occurrence of a Conversion with each applicable state insurance regulator prior to the Effective Date. To the extent regulatory approval has not been obtained by the Effective Date, the Ceding Company shall use its reasonable best efforts to obtain regulatory approval for each filing as practicable. If regulatory approval is initially not granted by any state insurance regulator, the Ceding Company shall agree to work in consultation with the Reinsurer to determine the approach to future regulatory filings to increase guaranteed premium provisions. The Ceding Company shall notify its agents of such increases within thirty (30) days after the date hereof and shall thereafter implement such increases in the ordinary course of business, consistent with past practices.

Section 17.3 Representations and Warranties of the Reinsurer.

(a) Organization, Standing and Authority of the Reinsurer. The Reinsurer is a special purpose financial captive insurance company duly organized, validly existing and in good standing under the laws of the State of Vermont and has all requisite corporate power and authority to carry on the operations of its business as they are proposed to be conducted. The Reinsurer has obtained all authorizations and approvals required under Applicable Law to enter into and perform the obligations contemplated of the Reinsurer under this Agreement and the Reinsurer shall maintain throughout the term of this Agreement all

licenses, permits or other permissions of any Governmental Authority that shall be required in order to perform the obligations of the Reinsurer hereunder.

(b) Authorization. The Reinsurer has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Reinsurer of this Agreement, and the performance by the Reinsurer of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Reinsurer or its stockholder. This Agreement, when duly executed and delivered by the Reinsurer, subject to the due execution and delivery by the Ceding Company, will be a valid and binding obligation of the Reinsurer, enforceable against the Reinsurer in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(c) No Conflict or Violation. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (a) violate any provision of the Articles of Incorporation, Bylaws or other charter or organizational document of the Reinsurer, or (b) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Reinsurer, except when any such violation would not have a material adverse effect on this Agreement or the consummation of the transactions contemplated hereby.

(d) Absence of Litigation. There is no action, suit, proceeding or investigation pending or threatened that questions the legality of the transactions contemplated by this Agreement or that would prevent consummation of the transactions contemplated by this Agreement or the performance by the Reinsurer of its obligations hereunder.

(e) Good and Marketable Title to Trust Assets. The Reinsurer will have good and marketable title, free and clear of all liens, to all Trust Assets immediately prior to the deposit thereof in the Trust Account.

Section 17.4 Covenants of the Reinsurer.

(a) The Reinsurer shall comply with all covenants relating to this Agreement, the Reinsurance Trust Agreement and the Reinsured Policies that are memorialized in Section IV.C. "Other Agreements" in the Reinsurer's plan of operation as filed with the Commissioner prior to the date hereof.

(b) The Reinsurer shall not engage in any business, other than the business provided by or relating to this Agreement or the 10% Coinsurance Agreement. Other

than the reinsurance provided hereunder and in the 10% Coinsurance Agreement, the Reinsurer shall not issue or reinsure any insurance policies.

ARTICLE XVIII

INDEMNIFICATION

Section 18.1 Indemnification.

(a) The Ceding Company shall indemnify, defend and hold harmless the Reinsurer and its directors, officers, employees, agents, representatives, successors, permitted assigns and Affiliates from and against any and all losses, liabilities, claims, expenses (including reasonable attorneys' fees and expenses) and damages reasonably and actually incurred by the Reinsurer (collectively, "**Indemnification Claims**") to the extent arising from:

(i) any breach or falsity of any representation, warranty or covenant of the Ceding Company; or

(ii) the breach of or failure to perform any of the duties, obligations, covenants or agreements of the Ceding Company contained in this Agreement.

(b) The Reinsurer agrees to indemnify and hold harmless the Ceding Company and its directors, officers, employees, agents, representatives, successors, permitted assigns and Affiliates from and against any and all Indemnification Claims to the extent arising from:

(i) any breach or falsity of any representation, warranty or covenant of the Reinsurer; or

(ii) the breach of or failure to perform any of the duties, obligations, covenants or agreements of the Reinsurer contained in this Agreement.

ARTICLE XIX

LICENSES; REGULATORY MATTERS

Section 19.1 Licenses.

(a) At all times during the term of this Agreement, each of the Reinsurer and the Ceding Company, respectively agrees that it shall hold and maintain all licenses and authorities required under Applicable Laws to perform its respective obligations hereunder unless otherwise mutually agreed by the parties.

(b) At all times during the term of this Agreement, the Reinsurer shall hold and maintain all licenses and authorizations required under Applicable Law or otherwise to take all action that may be necessary so that the Ceding Company shall receive Statutory Financial Statement Credit.

Section 19.2 Regulatory Matters.

(a) If Ceding Company or Reinsurer receives notice of, or otherwise becomes aware of any inquiry, investigation, examination, audit or proceeding outside the ordinary course of business by Governmental Authorities, relating te the Reinsured Policies or the reinsurance provided hereunder, the Ceding Company or Reinsurer, as applicable, shall promptly notify the other party thereof.

(b) If Ceding Company or Reinsurer receives notice of, or otherwise becomes aware of any enforcement action by any Governmental Authority arising out of any inquiry, investigation, examination, audit or proceeding by such Governmental Authority, the Ceding Company or Reinsurer, as applicable, shall promptly notify the other party thereof, and the Parties shall cooperate to resolve such matter.

ARTICLE XX

DURATION OF AGREEMENT; TERMINATION

Section 20.1 Duration. This Agreement shall automatically terminate if, at such time, there are no Covered Liabilities.

Section 20.2 Termination. This Agreement shall be terminated only by the mutual written consent of the Reinsurer and the Ceding Company, which writing shall state the effective date and relevant terms of termination. For the avoidance of doubt, a Change of Control, sale or merger of the Reinsurer will not result in termination of this Agreement.

Section 20.3 Survival. Notwithstanding the other provisions of this Article XX, the terms and conditions of Articles I, IV, V, VIII, X, XI, XII, XIV, XV, XVI, XX and XXI shall remain in full force and effect after termination of this Agreement.

ARTICLE XXI

MISCELLANEOUS

Section 21.1 Entire Agreement. This Agreement represents the entire agreement between the Reinsurer and the Ceding Company concerning the business reinsured hereunder. There are no understandings between the Reinsurer and the Ceding Company other than as expressed in this Agreement and the Reinsurance Trust Agreement.

Section 21.2 Amendments.

(a) Any provision of this Agreement may be amended if, but only if, such amendment is in writing and is signed by each party to this Agreement. Any change or modification to this Agreement shall be null and void unless made by an amendment hereto signed by each party to this Agreement.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 21.3 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law or if determined by a court of competent jurisdiction to be unenforceable, and if the rights or obligations of the Ceding Company or the Reinsurer under this Agreement will not be materially and adversely affected thereby, such provision shall be fully severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

Section 21.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to the principles of conflicts of law thereof.

Section 21.5 Notices. Any notice and other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or, if mailed, on the date shown on the receipt therefore, as follows:

if to the Ceding Company:

Primerica Life Insurance Company
3120 Breckinridge Blvd.
Duluth, Georgia 30099
Attention: General Counsel

with copies to (which shall not constitute notice to the Ceding Company for purposes of this Section 21.5):

Donald B. Henderson, Jr., Esq.
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY 10019
(212) 259-8000

if to the Reinsurer:

Prime Reinsurance Company, Inc.
c/o Marsh Management Services Inc.
100 Bank Street, Suite 600,
Burlington, Vermont 05402

with copies to (which shall not constitute notice to the Reinsurer for purposes of this Section 21.5):

Robert Sullivan, Esq.
Susan Sutherland, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000

Either Party may change the names or addresses where notice is to be given by providing notice to the other Party of such change in accordance with this Section 21.5.

Section 21.6 Consent to Jurisdiction. Subject to the terms and conditions of Article XIV, the Reinsurer agrees that in the event of the failure of either Party to perform its obligations under the terms of this Agreement, the Party so failing to perform, at the request of the other Party, shall submit to the jurisdiction of any court of competent jurisdiction in any state of the United States shall comply with all requirements necessary to give such court jurisdiction, and shall abide by the final decision of such court or of any appellate court in the event of an appeal.

Section 21.7 Service of Process. The Reinsurer hereby designates Primmer Piper Eggleston & Cramer PC, 150 South Champlain Street, P.O. Box 1489, Burlington, VT 05402-1489 ("**Primmer Piper**") as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Ceding

Company. The Ceding Company hereby designates Primmer Piper, and the insurance commissioner in Reinsurer's state of domicile, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Reinsurer.

Section 21.8 Assignment and Retrocession. This Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Neither Party may assign any of its duties or obligations hereunder without the prior written consent of the other Party or without the prior written consent of the regulatory states. Notwithstanding any other provision in this Agreement to the contrary, the Reinsurer shall have the right to retrocede all or a portion of the Reinsured Policies under this Agreement.

Section 21.9 Captions. The captions contained in this Agreement are for reference only and are not part of the Agreement.

Section 21.10 Treatment of Confidential Information. The Parties agree that, other than as contemplated by this Agreement and to the extent permitted or required to implement the transactions contemplated hereby, the Parties will keep confidential and will not use or disclose the other Party's Confidential Information or the terms and conditions of this Agreement, including, without limitation, the exhibits and schedules hereto, except as otherwise required by Applicable Law or any order or ruling of any state insurance regulatory authority, the Securities and Exchange Commission or any other Governmental Authority; provided, however, that the Reinsurer may disclose Confidential Information to its Representatives in connection with the exercise of its rights under Article XII; provided, further, that either party may disclose, with the other party's written consent, Confidential Information to any person other than its Representatives who agrees to (i) hold such Confidential Information in strict confidence as if such person were a party to this Agreement and (ii) use such Confidential Information solely for the limited purpose of evaluating a potential purchase, merger or Change of Control of such Party. Without limiting the generality of the foregoing, neither the Reinsurer nor any Affiliates of the Reinsurer shall utilize any Confidential Information regarding Policyholders for the purpose of soliciting Policyholders for the sale of any insurance policies or other products or services. The parties agree that any violation or threatened violation of this Section 21.10 may cause irreparable injury to a party and that, in addition to any other remedies that may be available, each party shall be entitled to seek injunctive relief against the threatened breach of the provisions of this Section 21.10, or a continuation of any such breach by the other party or any person provided with Confidential Information, specific performance and other such relief to redress such breach together with damages and reasonable counsel fees and expenses to enforce its rights hereunder. For purposes of this Agreement, "**Confidential Information**" means all documents and information concerning one Party, any of its Affiliates, the Covered Liabilities or the Reinsured Policies, including any information relating to any person insured directly or indirectly under the Reinsured Policies, furnished to the other Party or such other Party's Affiliates or representatives in connection with this Agreement or the transactions contemplated hereby, except that Confidential Information shall not include information which: (a) at the time of disclosure or thereafter is generally available to and known by the public other than by way of a wrongful disclosure by a Party or by any representative of a Party; (b) was available on a nonconfidential basis from a source other than the Parties or their representatives, provided that such source is not and was not bound by a confidentiality agreement with a Party; or (c) was

independently developed without violating any obligations under this Agreement and without the use of any Confidential Information. For the purposes of this Agreement, "**Change of Control**" means the acquisition of ten percent (10%) or more of the voting securities of a Party or any parent of such Party, or any other acquisition that is deemed to be a Change of Control by applicable insurance regulatory authorities of the state of domicile of such Party.

Section 21.11 No Waiver; Preservation of Remedies. No consent or waiver, express or implied, by any Party to or of any breach or default by any other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such other Party hereunder. Failure on the part of any Party to complain of any act or failure to act of any other Party or to declare any other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first Party of any of its rights hereunder.

Section 21.12 Calendar Days. To the extent that any calendar day on which a deliverable pursuant to this Agreement is due is not a Business Day, such deliverable will be due the next Business Day.

Section 21.13 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument, and either of the Parties may execute this Agreement by signing such counterpart. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

Section 21.14 Incontestability. In consideration of the mutual covenants and agreements contained herein, each party hereto does hereby agree that this Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each party does hereby agree that it shall not contest the validity or enforceability hereof.

Section 21.15 Interpretation.

(a) When a reference is made in this Agreement to a Section, such reference shall be to a Section to this Agreement unless otherwise indicated. The Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments)

by waiver or consent and (in the case of statutes) by succession of comparable successor statutes. References to a person are also to its permitted successors and assigns.

(b) The parties have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

Section 21.16 Reasonableness. Each of the parties will act reasonably and in good faith on all matters within the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed this 31st day of March, 2010.

Primerica Life Insurance Company

By: /s/ Dan Settle
Name: Daniel B. Settle
Title: Executive Vice President

Prime Reinsurance Company, Inc.

By: /s/ Reza Shah
Name: Reza Shah
Title: President

ATTACHMENT 10

EX-10.6 13 dex106.htm 10% COINSURANCE AGREEMENT, PRIMERICA LIFE AND PRIME REINSURANCE

Exhibit 10.6

CONFIDENTIAL

10% COINSURANCE AGREEMENT

by and between

PRIMERICA LIFE INSURANCE COMPANY

(the "Ceding Company")

and

PRIME REINSURANCE COMPANY, INC.

(the "Reinsurer")

Dated March 31, 2010

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REPRESENTATIONS, WARRANTIES AND COVENANTS

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10% COINSURANCE AGREEMENT

This 10% COINSURANCE AGREEMENT (together with the Exhibits hereto, this "**Agreement**") is made on this the 31st day of March, 2010 by and between PRIMERICA LIFE INSURANCE COMPANY, a stock life insurance company domiciled in the Commonwealth of Massachusetts (together with its successors and permitted assigns, the "**Ceding Company**") and PRIME REINSURANCE COMPANY, INC., a special purpose financial captive insurance company domiciled in the State of Vermont (together with its successors and permitted assigns, the "**Reinsurer**").

WHEREAS, the Ceding Company is engaged in the business of issuing certain life insurance policies and certain related riders;

WHEREAS, the Ceding Company desires to cede to the Reinsurer on an indemnity reinsurance basis certain liabilities with respect to the Reinsured Policies (as defined herein); and

WHEREAS, the Reinsurer is willing to reinsure on an indemnity reinsurance basis the liabilities that the Ceding Company desires to cede hereunder on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual and several promises and undertakings herein contained, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Ceding Company and the Reinsurer (individually, a "**Party**" and collectively, the "**Parties**") hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following terms, when used in this Agreement, shall have the meanings set forth in this Article I.

(a) "**Administrative Practices**" shall have the meaning specified in Section 17.2(a).

(b) "**Affiliate**" means, with respect to a Party, any entity that controls, is controlled by or is under common control with such Party

(c) **"Agreement"** shall have the meaning specified in the Preamble.

(d) **"Applicable Law"** means any domestic or foreign, federal, state or local statute, law, ordinance or code, or any written rules, regulations or administrative interpretations issued by any Governmental Authority pursuant to any of the foregoing, in each case applicable to any Party, and any order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the Parties.

(e) **"Approval Period"** shall mean forty-five (45) calendar days, and any forty-five (45) day extension thereof as consented to by the Ceding Company, which consent shall not be unreasonably conditioned, delayed or withheld; provided, however, the Ceding Company shall not be required to consent to extend the Approval Period beyond an additional forty-five (45) days, for a total of ninety (90) days.

(f) **"Business Day"** means any day other than a day on which banks in the State of Vermont or the Commonwealth of Massachusetts are permitted or required to be closed.

(g) **"Capital Maintenance Agreement"** means the Capital Maintenance Agreement, dated as of March 31, 2010, by and between Citigroup, Inc. and the Reinsurer.

(h) **"Capital Maintenance Failure"** shall have the meaning specified in Section 11.1(e).

(i) **"Ceding Company"** shall have the meaning specified in the Preamble.

(j) **"Change of Control"** shall have the meaning specified in Section 21.10.

(k) **"Claims"** means any and all claims, requests, demands or notices made under a Reinsured Policy for payment of benefits or other obligations, including death benefits, waived premiums, returned premium or any other payments alleged to be due in accordance with the terms and conditions of such Reinsured Policy.

(l) **"Code"** shall have the meaning specified in Section 5.2.

(m) **"Commissioner"** means the Commissioner of Insurance of the State of Vermont.

(n) **"Commissions"** means the contractual amounts earned by and the bonuses paid to the Ceding Company's sales representatives in connection with the Reinsured Policies on and after the Effective Date.

(o) **"Commutation Payment"** shall have the meaning specified in Section 11.5.

(p) **"Confidential Information"** shall have the meaning specified in Section 21.10.

(q) **"Conversion"** means the issuance by the Ceding Company of a new Coverage in replacement of a Coverage under a Reinsured Policy pursuant to an option granted under the terms of such Reinsured Policy; provided, however, in no event shall Conversions include any Renewal.

(r) **"Coverage"** means, with respect to any Policy, one or more life insurance coverages issued by the Ceding Company. A single Policy may have multiple Coverages issued to multiple individuals and such multiple Coverages, in turn, may have different Original Initial Level Premium Periods, all within a single Policy.

(s) **"Covered Liabilities"** means all liabilities incurred by the Ceding Company under the express terms of the Reinsured Policies (including End of Term Renewals) and all Reinsured ECOs; provided, however, in no event shall Covered Liabilities include any Excluded Liabilities.

(t) **"Direct Premiums"** means all premiums actually received from the Policyholders attributable to the Reinsured Policies from and after the Effective Date and waived premiums on such Policies.

(u) **"Economic Reserves"** means: (1) for Coverages in the Level Term Period, the Reinsurer's Quota Share of (A) the present value of future benefits (net of Third Party Reinsurance) plus (B) the present value of future Expense Allowances and Other Obligations less (C) the present value of future premiums (net of Third Party Reinsurance premiums) at assumptions for mortality and lapse documented in the Milliman Report (which assumptions shall not be re-assessed after the Effective Date), 100% lapse at the end of the Level Term Period, and a 5% discount rate; (2) for Coverages not in the Level Term Period, equal to the Reinsurer's Quota Share of the Statutory Reserves; and (3) for Waiver of Premium Coverages, equal to the Reinsurer's Quota Share of the Statutory Reserves. Economic Reserves in aggregate are subject to a minimum of the Reinsurer's Quota Share of the Statutory Reserves on the Waiver of Premium Coverages, and a maximum of the Reinsurer's Quota Share of the Statutory Reserves for the Reinsured Liabilities.

(v) "**Economic Reserves Trust Account**" shall have the meaning specified in Section 15.1.

(w) "**Economic Reserves Trust Account Required Balance**" means an amount, calculated as of the Effective Date and as of the last day of each Accounting Period, equal to the Economic Reserves.

(x) "**Economic Security Balance**" means, as of the Effective Date and as of the last day of each Accounting Period, the aggregate Fair Value as of such date of the Eligible Assets maintained in the Economic Reserves Trust Account.

(y) "**Effective Date**" means January 1, 2010.

(z) "**80% Coinsurance Agreement**" means the Coinsurance Agreement, dated as of even date, by and between the Ceding Company and the Reinsurer, pursuant to which the Ceding Company has agreed to cede on an indemnity basis to the Reinsurer, and the Reinsurer has agreed to reinsure on an indemnity basis, 80% of the Covered Liabilities.

(aa) "**Eligible Assets**" means cash in United States dollars, certificates of deposit issued by a United States bank and payable in United States dollars, and investments permitted by M.G.L. c. 175 or any combination of the above, provided investments in or issued by an entity controlling, controlled by or under common control with either the Ceding Company or the Reinsurer shall not exceed 5% of total investments. Commercial paper and other obligations of institutions must be issued by a corporation (other than the Ceding Company or the Reinsurer, or any Affiliate of either) which is organized and existing under the laws of the United States of America, unless otherwise allowed by M.G.L. c. 175. The Eligible Assets are further subject to and limited by, the investment guidelines set forth in the Reinsurance Trust Agreement.

(bb) "**End of Term Conversion**" means, with respect to a Coverage under a Reinsured Policy, a Conversion that occurs (i) at any time during the two year period ending on the last day of the Original Initial Level Premium Period of a Coverage or (ii) after the last day of such period.

(cc) "**End of Term Renewal**" means a Renewal that occurs at the end of the Original Initial Level Premium Period.

(dd) "**Excess Reserves**" means an amount equal to (i) the difference between the Reinsurer's Quota Share of Statutory Reserves and (ii) Economic Reserves.

(ee) **"Excess Reserves Trust Account"** shall have the meaning specified in Section 15.1.

(ff) **"Excess Reserves Trust Account Required Balance"** means an amount, calculated as of the Effective Date and as of the last day of each Accounting Period, equal to the Reinsurer's Quota Share of the Excess Reserves.

(gg) **"Excess Security Balance"** means, as of the Effective Date and as of the last day of each Accounting Period, the aggregate Fair Value as of such date of the Eligible Assets maintained in the Excess Reserves Trust Account.

(hh) **"Excluded Liabilities"** shall have the meaning specified in Section 2.2.

(ii) **"Existing Practice"** shall have the meaning specified in Section 17.2.

(jj) **"Expense Allowance"** means an annualized per base policy expense allowance equal to the Reinsurer's Quota Share multiplied by $42.50 for each Reinsured Policy payable on a monthly basis, which amount shall be increased (i) by 3% on the first anniversary date of the Effective Date and (ii) thereafter, by a compounded rate equal to the percentage increase, if any, in the employment cost index published by the United States Bureau of Labor Statistics at http://www.bls.gov on each subsequent anniversary date of the Effective Date.

(kk) **"Experience Refund"** shall have the meaning specified in Exhibit IV.

(ll) **"Extra-Contractual Obligations"** means all liabilities, obligations and expenses not arising under the express terms and conditions of any Reinsured Policy, whether such liabilities, obligations or expenses are owing to an insured, a Governmental Authority or any other Person in connection with such Reinsured Policy, including (a) any liability for punitive, exemplary, consequential, special, treble, tort, bad faith or any other form of extra-contractual damages, (b) damages on claims in excess of the applicable policy limits of the Reinsured Policies, (c) statutory or regulatory damages, fines, penalties, forfeitures and similar charges of a penal or disciplinary nature, and (d) liabilities and obligations arising out of any act, error or omission, whether or not intentional, in bad faith or otherwise, including any act, error or omission relating to (i) the form, marketing, production, issuance, sale, cancellation or administration of Reinsured Policies or (ii) the failure to pay or the delay in payment of claims, benefits, disbursements or any other amounts due or alleged to be due under or in connection with Reinsured Policies (exclusive of interest on payments to Policyholders, as determined in accordance with the laws of the jurisdiction applicable to such Reinsured Policy). For avoidance

of doubt, any liabilities, obligations and expenses relating to any change in the Reinsured Policies arising out of or resulting from litigation, arbitration or settlements will be deemed Extra-Contractual Obligations.

(mm) **"Fair Value"** has the meaning set forth in the Reinsurance Trust Agreements.

(nn) **"Finance Charge"** means an annual rate of return of three percent (3%) on the Excess Reserves.

(oo) **"Governmental Authority"** means any federal, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority or self-regulatory organization, board or body.

(pp) **"Indemnification Claims"** shall have the meaning specified in Section 18.1.

(qq) **"Initial Ceding Commission"** shall have the meaning specified in Section 4.1.

(rr) **"Insurance Division"** means the Massachusetts Division of Insurance.

(ss) **"Interest Maintenance Reserves"** means the reserves required to be established under SAP as liabilities on a life insurer's statutory financial statements applicable to all types of fixed income investments.

(tt) **"Level Term Period"** means, with respect to each Coverage, the latest to occur of (i) the current period as of the Effective Date in which the premium rate is expected, but not necessarily guaranteed, to remain level for such Coverage or (ii) the initial period over which the premium rate is expected, but not necessarily guaranteed, to remain level for each such Coverage.

(uu) **"Massachusetts SAP"** means the statutory accounting and actuarial principles and practices prescribed or permitted by the Insurance Division for Massachusetts domestic life insurance companies.

(vv) **"Milliman"** shall have the meaning specified in Section 17.1(e).

(ww) **"Milliman Information"** shall have the meaning specified in Section 17.1(e).

(xx) **"Milliman Report"** shall mean the report attached hereto as Exhibit VII.

(yy) **"Monthly Account Balance Report"** shall have the meaning specified in Section 8.2.

(zz) **"Monthly Report"** shall have the meaning specified in Section 8.1.

(aaa) **"Net Premium"** shall have the meaning specified in Section 4.1(b).

(bbb) **"Other Obligations"** shall have the meaning specified in Section 4.4.

(ccc) **"Original Initial Level Premium Period"** means, with respect to each Reinsured Policy, the period beginning with the original issue date of a Coverage and ending with the first premium increase date identified within such Reinsured Policy on which premiums for such Coverage will increase without a corresponding increase in the terms or limits of such Coverage.

(ddd) **"Parties"** shall have the meaning specified in the Preamble.

(eee) **"Person"** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

(fff) **"Policies"** means term life insurance base policies and riders thereto issued by the Ceding Company.

(ggg) **"Policyholders"** means the owners or holders of one or more of the Reinsured Policies.

(hhh) **"Premium Taxes"** means any Taxes imposed on premiums relating to the Reinsured Policies.

(iii) **"Prime Rate"** means, as of any day, a fluctuating interest rate per annum equal to the average (rounded upward to the nearest 1/16 of 1%) of the "prime" rate of interest announced publicly by Bank of America, N.T. & S.A., The Chase Manhattan Bank, N.A., Citibank N.A. and Morgan Guaranty Trust Company of New York. If any of these banks does not publicly announce a prime rate, the Ceding Company and the Reinsurer (or its designee) shall jointly select another bank that publicly announces a prime rate and the prime rate publicly announced by that bank shall be used.

(jjj) **"Primerica"** means Primerica, Inc., a Delaware corporation.

(kkk) **"Primmer Piper"** shall have the meaning specified in Section 21.7.

(lll) **"Recapture Fee"** shall have the meaning specified in Section 11.3.

(mmm) **"Recapture Notice"** shall have the meaning specified in Section 11.2.

(nnn) **"Reinstatement"** shall have the meaning specified in Section 7.1.

(ooo) **"Reinsurance Consideration"** shall have the meaning specified in Section 4.1(a).

(ppp) **"Reinsurance Trust Accounts"** shall have the meaning specified in Section 15.1.

(qqq) **"Reinsurance Trust Agreements"** shall have the meaning specified in Section 15.1.

(rrr) **"Reinsured ECOs"** means (i) Extra-Contractual Obligations paid by the Ceding Company to a single (or joint) policyholder or beneficiary in the ordinary course of business, consistent with prudent business practices and (ii) Extra-Contractual Obligations arising in circumstances where the Reinsurer is an active party and directs or consents to the act, omission or course of conduct occurring after the date hereof that resulted in such Extra-Contractual Obligation; provided, however, that Reinsured ECOs shall not include any liabilities: (x) relating to class actions of any kind; (y) relating to sales, marketing or distribution practices of the Ceding Company or its sales representatives directed or applied to any specific class of policyholders as indicated on the underwriting records of the Ceding Company; or (z) relating to or based on violations of, or noncompliance with, Applicable Law by the Ceding Company. Notwithstanding the foregoing, the term "Reinsured ECOs" shall not include any punitive,

exemplary, consequential, special, treble, tort, bad faith or any other form of extra-contractual damages to the extent not permitted to be insured or reinsured under applicable law.

(sss) **"Reinsured Policies"** means Policies issued (i) on the policy forms identified in Exhibit I and riders thereto in force as of 11:59 p.m. (EST) on December 18, 2009 and (ii) as a result of any Conversions thereto, but not including any End of Term Conversions arising from Coverages with an Original Initial Level Premium Period ending on or after January 1, 2017.

(ttt) **"Reinsurer"** shall have the meaning specified in the Preamble.

(uuu) **"Reinsurer's Quota Share"** means ten percent (10%) or such other percentage as modified to reflect a partial recapture of the Reinsurer's Quota Share of the Reinsured Policies pursuant to the terms and conditions specified in Article XI.

(vvv) **"Renewal"** means the continuation of coverage under a Reinsured Policy after the end of the Original Initial Level Premium Period of such coverage in accordance with the terms of the Reinsured Policy.

(www) **"Renewal Recapture Right"** shall have the meaning specified in Section 11.4.

(xxx) **"Representatives"** shall have the meaning specified in Section 12.1.

(yyy) **"Required Balance"** means, as of any date, the amount equal to the Reinsurer's Quota Share of the Statutory Reserves with respect to the Reinsured Policies.

(zzz) **"Retained Asset Account"** means the Primerica Estate Account identified in the financial statements of the Ceding Company, reflecting death benefit proceeds retained by the Company on behalf of beneficiaries and available to such beneficiaries on demand.

(aaaa) **"SAP"** means statutory accounting principles.

(bbbb) **"Security"** means the Reinsurance Trust Accounts to be established by the Reinsurer for the purpose of securing its obligations to the Ceding Company with respect to the Covered Liabilities.

(cccc) **"Security Balance"** means, as of the last day of each calendar quarter following the date hereof, the aggregate Fair Value as of such date of the Eligible Assets maintained in the Reinsurance Trust Accounts.

(dddd) **"Statutory Financial Statement Credit"** means credit for reinsurance permitted by the Massachusetts General Laws on the Ceding Company's statutory financial statements filed in the Commonwealth of Massachusetts with respect to the Reinsured Policies.

(eeee) **"Statutory Reserves"** means, as of any date, all reserves set forth on Schedule A as of such date corresponding to liabilities of a type or kind identified as Covered Liabilities, related to the Reinsured Policies, such amount as determined by the Ceding Company in accordance with the methodologies used by the Ceding Company to calculate such amounts for purposes of its statutory financial statements prepared in accordance with Massachusetts SAP and generally consistent with past practices as of all dates without giving effect to this Agreement or the 80% Coinsurance Agreement.

(ffff) **"Tax Authority"** means the Internal Revenue Service and any other domestic or foreign Governmental Entity responsible for the administration of any Taxes.

(gggg) **"Taxes"** means all forms of taxation, whether of the United States or elsewhere and whether imposed by a local, municipal, state, federal, foreign or other body or instrumentality, and shall include, without limitation, income, excise, sales, use, gross receipts, value added and premium taxes, together with any related interest, penalties and additional amounts imposed by any taxing authority.

(hhhh) **"Tax Return"** means any and all returns, reports, information returns or documents with respect to any Tax which is supplied to or required to be supplied to any Tax Authority, including any attachments, amendments and supplements thereto.

(iiii) **"Then Current Practice"** shall have the meaning specified in Section 17.2.

(jjjj) **"Third Party Accountant"** means an independent accounting firm which is mutually acceptable to Ceding Company and Reinsurer, or, if Ceding Company and Reinsurer cannot agree on such an accounting firm, an independent accounting firm mutually acceptable to Ceding Company's and Reinsurer's respective independent accountants.

(kkkk) **"Third Party Reinsurance"** means reinsurance of the Reinsured Policies placed with third party reinsurers as identified and summarized in Exhibit II (as such Exhibit II may be amended from time to time).

(llll) **"Third Party Reinsurance Allowances"** shall have the meaning specified in Section 4.5.

(mmmm) **"Third Party Reinsurance Premiums"** means all premiums paid by the Ceding Company on or after the Effective Date for coverage under Third Party Reinsurance, net of refunds of unearned premiums on lapse (except that the refund of unearned premiums shall only apply for premiums payable under Third Party Reinsurance on or after the Effective Date).

(nnnn) **"Top-Up Notice"** shall have the meaning specified in Section 8.3.

(oooo) **"Trust Assets"** shall have the meaning specified in Section 15.2.

(pppp) **"Trustee"** shall have the meaning specified in Section 15.1.

ARTICLE II

REINSURANCE

Section 2.1 Reinsurance. Subject to the terms and conditions of this Agreement, the Ceding Company hereby cedes on an indemnity basis to the Reinsurer, and the Reinsurer hereby accepts and agrees to reinsure on an indemnity basis, the Reinsurer's Quota Share of the Covered Liabilities, provided, however, in the event of a recapture involving a pro rata portion of the Reinsurer's Quota Share of the Reinsured Policies pursuant to Article XI hereof, the Reinsurer's Quota Share of the Covered Liabilities will be proportionately reduced. The Reinsurer's Quota Share of Covered Liabilities shall be reduced, but not below zero, by the Reinsurer's Quota Share of Third Party Reinsurance for Covered Liabilities in accordance with the respective terms thereof, to the extent such Third Party Reinsurance is actually collected.

Section 2.2 Exclusions. Notwithstanding any provision of this Agreement to the contrary, the Reinsurer shall not be liable for any liabilities or obligations of the Ceding Company that are not Covered Liabilities, including:

(a) liabilities relating to benefits, including, but not limited to, terminal illness benefits, other than life insurance death benefits, any related waiver of premium coverages and write-offs of terminal illness policy loan balances;

(b) any liabilities resulting from any coverage added after the Effective Date to a Reinsured Policy that is not a Conversion or Renewal or otherwise required or permitted by the terms of such Reinsured Policy in effect on the Effective Date, unless such additional coverage is required by applicable law or has been approved in writing in advance by the Reinsurer;

(c) any liabilities relating to deaths occurring prior to the Effective Date;

(d) Extra-Contractual Obligations, other than Reinsured ECOs;

(e) any loss or liabilities relating to or arising from the Ceding Company's Retained Asset Account for the Reinsured Policies;

(f) any losses or liabilities arising under any End of Term Conversion occurring on or after January 1, 2017;

(g) any loss or liabilities relating to or arising from actions taken by the Ceding Company without the consent of the Reinsurer as required by Section 17.2(b) hereof;

(h) any loss or liabilities relating to or arising from claims made, or lawsuits brought, by agents of the Ceding Company; and

(i) all liabilities or obligations of any kind or nature whatsoever that do not relate to the Reinsured Policies (collectively, (a)-(i) constitute the "**Excluded Liabilities**").

Section 2.3 Territory. The reinsurance provided under this Agreement shall apply to the Covered Liabilities covering lives and risks wherever resident or situated.

ARTICLE III

COMMENCEMENT OF THE REINSURER'S LIABILITY

Section 3.1 Commencement of the Reinsurer's Liability. Except as otherwise set forth in this Agreement, the Reinsurer's liability under this Agreement shall attach simultaneously with that of the Ceding Company, and all reinsurance with respect to which the Reinsurer shall be liable by virtue of this Agreement shall be subject in all respects to the same risks, terms, rates, conditions, interpretations, and to the same modifications, alterations, cancellations and receivables under Third Party Reinsurance, as the respective Reinsured Policies to which liability under this Agreement attaches, the true intent of this Agreement being that the Reinsurer shall, in every case to which liability under this Agreement attaches and always subject to the Excluded Liabilities, follow the fortunes of the Ceding Company.

ARTICLE IV

REINSURANCE PREMIUMS, ALLOWANCES AND OTHER OBLIGATIONS

Section 4.1 Reinsurance Premiums.

(a) On the date hereof, as consideration for the reinsurance provided hereunder, the Ceding Company shall transfer to the Reinsurance Trust Accounts on behalf of the Reinsurer an amount equal to (i) the Reinsurer's Quota Share of the Statutory Reserves, Interest Maintenance Reserves (but only to the extent the Ceding Company's Interest Maintenance Reserves are reduced) and advance premiums attributable to the Reinsured Policies as of the Effective Date, less (ii) the sum of three hundred sixty eight million, nine hundred eighty thousand, one hundred eighteen dollars ($368,980,118) (the "**Initial Ceding Commission**") and net deferred premiums (such amount, the "**Reinsurance Consideration**"). The Reinsurance Consideration shall be payable in Eligible Assets valued at Fair Value. Any Eligible Assets shall be free of all liens, charges or encumbrances, and assigned or endorsed in blank by the Ceding Company to the Reinsurer in order to transfer absolutely and unequivocally all right, title and interest in such assets.

(b) As additional consideration for the reinsurance provided herein, on a monthly basis during the term of this Agreement, the Ceding Company shall pay to the Reinsurer the Reinsurer's Quota Share of Direct Premiums net of the Reinsurer's Quota Share of Third Party Reinsurance Premiums (the "Net Premium"). The Net Premium shall be paid in accordance with
Article VIII.

Section 4.2 Allowances. At each month end following the date hereof, the Reinsurer shall pay the Ceding Company the Expense Allowance calculated on the basis of the number of Reinsured Policies in force on such date. The number of Reinsured Policies in force for each calendar month shall be determined by adding the number of Reinsured Policies in force on the last day of the prior calendar month (or December 18, 2009 for the initial calculation) and the number of Reinsured Policies in force on the last day of the current calendar month and dividing that total by two (2); provided, however, if there are any End of Term Renewals, the Expense Allowance for the Reinsured Policies associated with such End of Term Renewals that start after December 31, 2016 will be zero. The Expense Allowance shall be payable in accordance with Article VIII.

Section 4.3 Experience Refund. On a monthly basis during the term of this Agreement, the Reinsurer shall pay the Ceding Company the Experience Refund for each calendar month following the Effective Date. To the extent the Experience Refund calculation results in a negative amount, such negative amount shall be offset by Experience Refunds payable in future months. The Experience Refund shall be payable in accordance with Article VIII.

Section 4.4 Other Obligations. On a monthly basis during the term of this Agreement, the Reinsurer shall pay the Ceding Company the Reinsurer's Quota Share of the following amounts: (i) 2.3% of premiums collected for such month in connection with the

Reinsured Policies as a provision for Premium Taxes incurred by the Ceding Company; (ii) $50 for each new Conversion which results in the issuance of a Reinsured Policy (including the issuance of one or more riders to a base Policy); (iii) Commissions for each Reinsured Policy; and (iv) any out-of-pocket underwriting fees associated with Reinstatements (items (i)-(iv), collectively, the ("**Other Obligations**").

Section 4.5 Third Party Reinsurance Allowances. The Ceding Company shall pay to the Reinsurer the Reinsurer's Quota Share of all ceding commissions and any Premium Tax or other expense allowances collected by the Ceding Company from the reinsurers under Third Party Reinsurance (collectively, "**Third Party Reinsurance Allowances**").

ARTICLE V

TAXES

Section 5.1 Guaranty Fund Assessments. Except as provided in Section 4.2, the Reinsurer shall not reimburse the Ceding Company for any guaranty fund assessments arising on account of premiums on the Reinsured Policies.

Section 5.2 Premium Taxes. The Ceding Company shall be liable for all Premium Taxes. The Reinsurer shall pay to the Ceding Company a provision for Premium Taxes incurred in connection with premiums received under the Reinsured Policies in accordance with Section 4.4.

Section 5.3 DAC Tax Election. All unexplained terms used in this Section 5.2 shall have the meanings set forth in the Treasury regulations under section 848 of the Internal Revenue Code of 1986, as amended ("**Code**").

(a) The Parties will elect, pursuant to Treasury regulations section 1.848-2(g)(8), to determine specified policy acquisition expenses with respect to this Agreement without regard to the general deductions limitation of section 848 (c)(1) of the Code. This election shall be effective for the calendar year ending on or after the Effective Date and for all subsequent taxable years for which any reinsurance agreement is deemed to exist due to an election made pursuant to Section 5.2 of this Agreement. Each Party agrees to attach to its Tax Return filed for the first taxable year ending after this election becomes effective a schedule that identifies this Agreement as the subject of this election. The Party with the net positive consideration under this Agreement for each taxable year shall capitalize specified policy acquisition expenses with respect to this Agreement without regard to the general deductions limitation of section 848(c)(1) of the Code.

(b) To ensure consistency, the Parties agree to exchange information pertaining to the amount of net consideration deemed to be paid pursuant to any reinsurance agreement deemed to exist due to an election made pursuant to Section 5.2 of this Agreement. Ceding Company shall submit a schedule to Reinsurer by March 1 of each year that follows a year during which this Agreement was in effect for any portion of such year of Ceding

Company's calculations of the net consideration under this Agreement for the preceding calendar year. This schedule of calculations shall be accompanied by a statement signed by an officer of Ceding Company stating that Ceding Company will report such net consideration in its federal income tax return for the preceding calendar year. Reinsurer may contest such calculation by providing an alternative calculation to Ceding Company in writing within thirty (30) days of Reinsurer's receipt of Ceding Company's calculation. If Reinsurer does not notify Ceding Company within such time that it contests the calculation, Reinsurer shall report the net consideration as determined by Ceding Company in Reinsurer's Tax Return for the previous calendar year.

(c) If Reinsurer contests Ceding Company's calculation of the net consideration, the Parties will act in good faith to reach an agreement as to the correct amount within thirty (30) days of the date Reinsurer submits its alternative calculation. If the Parties reach an agreement on an amount of net consideration, each Party will report the agreed upon amount in its federal income tax return for the previous calendar year. If during such period, Ceding Company and Reinsurer are unable to reach agreement, they shall within ten (10) days of the expiration of the thirty (30) day period set forth in this Section 5.2(c), cause a Third Party Accountant promptly to review (which review shall commence no later than five (5) days after the selection of the Third Party Accountant) this Agreement and the calculations of Ceding Company and Reinsurer for the purpose of calculating the net consideration under this Agreement. In making such calculation, the Third Party Accountant shall consider only those items or amounts in Ceding Company's calculation as to which Reinsurer has disagreed. The Third Party Accountant shall deliver to Ceding Company and Reinsurer, as promptly as practicable (but no later than thirty (30) days after the commencement of its review), a report setting forth such calculation, which calculation shall result in a net consideration between the amount thereof shown in Ceding Company's calculation delivered pursuant to Section 5.2(b) and the amount thereof in Reinsurer's calculation delivered pursuant to Section 5.2(b). Such report shall be final and binding upon Ceding Company and Reinsurer. The fees, costs and expenses of the Third Party Accountant shall be borne (x) by Ceding Company if the difference between the net consideration as calculated by the Third Party Accountant and Ceding Company's calculation is greater than the difference between the net consideration as calculated by the Third Party Accountant and Reinsurer's calculation; (y) by Reinsurer if the first such difference is less than the second such difference; and (z) otherwise equally by Ceding Company and Reinsurer.

ARTICLE VI

CLAIMS

Section 6.1 Notice of Claims. Claim amounts less than or equal to $250,000 (net of amounts recoverable under Third Party Reinsurance) will be reported by the Ceding Company to the Reinsurer on a bordereau basis, and all other Claims shall be reported on an individual basis, in each case in accordance with Section 8.1.

Section 6.2 Settlement Authority. The Ceding Company shall have full authority to determine liability on any Claim reinsured hereunder and may settle losses as it

deems appropriate, but in so doing it shall act with the skill and diligence commonly expected from qualified personnel performing such duties for U.S. life insurance companies and consistent with the Ceding Company's Then Current Practice.

Section 6.3 Claim Payments. Following receipt by the Reinsurer of the Monthly Report setting forth the Ceding Company's payment of any Covered Liabilities reinsured hereunder, the Reinsurer shall make payment of the Reinsurer's Quota Share of the Covered Liabilities in accordance with Article VIII.

Section 6.4 Misstatement of Age or Sex. In the event of an increase or reduction in the amount of the Ceding Company's insurance on any Reinsured Policy because of an overstatement or understatement of age or misstatement of sex, established during the life, or after the death, of the insured, the Reinsurer will share in such increase or reduction in proportion to the Reinsurer's Quota Share.

ARTICLE VII

REINSTATEMENTS

Section 7.1 Reinstatements. If a Reinsured Policy is reinstated in accordance with its terms and the Ceding Company's reinstatement rules as in effect on the Effective Date (a "**Reinstatement**"), the reinsurance of such Reinsured Policy will be restored as if no change had occurred. In such a case, the Ceding Company shall promptly pay the Reinsurer the Reinsurer's Quota Share of the Net Premiums attributable to such Reinstatement.

ARTICLE VIII

ACCOUNTING AND RESERVES

Section 8.1 Monthly Reports. Within twenty (20) Business Days after the end of each calendar month, the Ceding Company shall deliver to the Reinsurer the following monthly reports (each a "**Monthly Report**") substantially in the form set forth in Exhibit III hereto: (i) Monthly Settlement Report; (ii) Policy Exhibit; (iii) Reserve Report; (iv) Claim Reserve Report; (v) Bordereau Report; and (vi) Non-Bordereau Claims Report; it being understood that the initial Monthly Report shall be for the period from the Effective Date to the last day of the month in which this Agreement is executed.

Section 8.2 Monthly Account Balance Reports. No later than ten (10) Business Days after the end of each calendar month, the Ceding Company shall prepare and deliver to the Reinsurer a report in the form and containing the information set forth in Exhibit V (each a "**Monthly Account Balance Report**").

Section 8.3 Settlements.

(a) All monthly settlements shall be effected as follows: (i) if the Monthly Report shows that the Ceding Company owes the Reinsurer a positive amount, the Ceding Company will pay the amount owed simultaneously with the delivery to the Reinsurer of the Monthly Report and (ii) if the Monthly Report shows that the Reinsurer owes the Ceding Company a positive amount, the Reinsurer shall pay the amount owed within twenty (20) Business Days after receiving the Monthly Report, it being understood that, for purposes of this Section 8.3(a), appropriate adjustments shall be made for withdrawals and reimbursements made during the month by the Ceding Company pursuant to Sections 15.5 and 15.6.

(b) If the Reserve Report provided to the Reinsurer for the last month of a calendar quarter shows that the Security Balance is less than the Required Balance as of the end of the immediately preceding calendar quarter, the Ceding Company shall notify the Reinsurer of the amount of the deficiency (the "Top-Up Notice"). The Top-Up Notice shall be delivered to the Reinsurer at the same time as the copy of the Monthly Report for the same calendar quarter.

(c) All settlements of account between the Ceding Company and the Reinsurer shall be made in cash or its equivalent.

Section 8.4 Offset and Recoupment. Each Party, at its option, may offset or recoup any balance or balances, whether on account of premiums, Expense Allowances, claims and losses or amounts otherwise due from one Party to the other under this Agreement or other agreements between the Parties, or as a result of damages awarded to either Party pursuant to litigation or otherwise, which shall be deemed mutual debts or credits, as the case may be; provided, however, that the Party electing such right with respect to matters not reflected in the Monthly Reports shall notify the other Party in writing of its election to do so.

Section 8.5 Currency. All financial data required to be provided pursuant to the terms of this Agreement shall be expressed in United States dollars. All payments and all settlements of account between the Parties shall be in United States currency unless otherwise agreed by the Parties.

ARTICLE IX

EXPENSES IN CONNECTION WITH THE REINSURED POLICIES

Section 9.1 Expenses in Connection with the Reinsured Policies. The Ceding Company shall pay for all expenses and charges incurred in connection with the Reinsured Policies including medical examinations, inspection fees, and other fees. Except as provided in Section 4.2 and Section 4.3, such amounts shall not be reimbursed by the Reinsurer.

ARTICLE X

ERRORS AND OMISSIONS

Section 10.1 Errors and Omissions. Subject to the terms of this Agreement, neither Party hereto shall be prejudiced in any way by inadvertent errors or omissions made by such Party in connection with this Agreement provided such errors and omissions are corrected promptly following discovery thereof. Upon the discovery of an inadvertent error or omission by either Party hereto, appropriate adjustments shall be made as soon as practicable to restore the Parties to the fullest extent possible to the position they would have been in had no such inadvertent error or omission occurred.

ARTICLE XI

RECAPTURE

Section 11.1 Recapture. The Ceding Company may in accordance with the provisions of this Article XI recapture, in its sole discretion, all or a *pro rata* portion of all of the Reinsurer's Quota Share of the Reinsured Policies upon the occurrence of one of the following events:

(a) If the Reinsurer becomes insolvent or if the Commissioner has instituted a proceeding or entered a decree or order for the appointment of a rehabilitator or liquidator;

(b) If the Reinsurer fails to take steps reasonably satisfactory to the Ceding Company to assure the Ceding Company of full Statutory Financial Statement Credit for the Reinsured Policies within forty-five (45) calendar days of Reinsurer's receipt of written notice from the Ceding Company that the Ceding Company has been advised by any Governmental Authority that the Governmental Authority will deny or has denied Statutory Financial Statement Credit on any financial statement filed by the Ceding Company with such Governmental Authority;

(c) If the Reinsurer is in material breach of any other representation, warranty or covenant under this Agreement and the Reinsurer fails to cure any such material breach of any representation, warranty or covenant hereunder within sixty (60) calendar days of receipt of written notice of such breach by the Reinsurer, unless such breach constitutes a Capital Maintenance Failure, in which case the provision in Section 11.1(e) shall apply and this provision shall not apply;

(d) If the Reinsurer fails in any material respects to fund either of the Reinsurance Trust Accounts to the amount required after receipt of the Top-Up Notice under Section 15.3(c) within the time period specified therein, and the Reinsurer fails to cure any such

funding deficiency within twenty (20) Business Days of receipt of written notice of such funding deficiency by the Reinsurer; or

(e) If there is a Capital Maintenance Failure under the Capital Maintenance Agreement. For purposes of this Section 11.1(e), a "**Capital Maintenance Failure**" occurs at the end of any Approval Period when (i) the Reinsurer's Total Adjusted Capital is less than the Capital Threshold (as such terms are defined in the Capital Maintenance Agreement) and (ii) the Reinsurer fails to obtain a payment from the Obligor (as defined in the Capital Maintenance Agreement) in the amount of the deficiency within the Approval Period beginning on the date a demand is made by or on behalf of the Reinsurer for such payment in accordance with Section 2(a) of the Capital Maintenance Agreement (for the avoidance of doubt, including if any such failure is due to the failure on part of the Obligor to obtain any required prior consents from the Board of Governors of the Federal Reserve System as set forth in the Capital Maintenance Agreement within the Approval Period). The Reinsurer shall reimburse the Ceding Company for actual reasonable expenses incurred by the Ceding Company pursuant to this Section 11.1(e).

Section 11.2 Notice of Recapture. The Ceding Company shall notify the Reinsurer in writing of the reasons for, and the effective date of, the recapture ninety (90) calendar days prior to the effective date of recapture (the "**Recapture Notice**"); provided, however, that the recapture shall not be deemed to be consummated until the final accounting described in Section 11.4 of this Article XI has been completed and the Reinsurer has paid the Commutation Payment, if any.

Section 11.3 Recapture Fee. The Ceding Company shall pay a recapture fee (the "Recapture Fee") to the Reinsurer upon the occurrence of any recapture of the Reinsured Policies pursuant to Section 11.1(b) if such recapture was triggered by the inability of the Ceding Company to obtain full Statutory Financial Statement Credit for the Reinsured Policies due to actions taken by the Ceding Company or its Affiliates; provided, however, that if the Reinsurer is in material breach of any representation, warranty or covenant under this Agreement at the time a recapture is triggered under Section 11.1(b), no Recapture Fee will be due and payable by the Ceding Company. The Recapture Fee shall be equal to the sum of (i) an amount to be determined by an actuarial appraisal prepared by a nationally recognized independent actuarial firm in accordance with methodologies agreed upon by the Ceding Company and Reinsurer to determine the value of the Reinsured Policies at such time in a manner consistent with the valuation of the Reinsured Policies as set forth in the Milliman Report and consistent with the determination of the Initial Ceding Commission based on such valuation and (ii) the absolute value of any outstanding negative amounts carried forward pursuant to Section 4.3 hereof that have not been offset by Experience Refunds payable in future months.

Section 11.4 Renewal Recapture. The Ceding Company shall also have the right, upon prior written notice to the Reinsurer, to recapture, in its sole discretion, all or a *pro rata* portion of End of Term Renewals arising from Policies with an Original Initial Level Premium Period ending on or after January 1, 2017 (the "**Renewal Recapture Right**"). No Recapture Fee is payable in connection with the recapture of any End of Term Renewal.

Section 11.5 Commutation Accounting and Settlement. In the event of any recapture under this Article XI, the Reinsurer shall pay to the Ceding Company an amount equal to (i) the Reinsurer's Quota Share of the Statutory Reserves, Interest Maintenance Reserves (but only to the extent the Ceding Company's Interest Maintenance Reserves are increased) and advance premiums, if applicable, attributable to the Reinsured Policies being recaptured, calculated as of the effective date of the recapture set forth in the Recapture Notice; minus (ii) any amounts due to the Reinsurer but unpaid under this Agreement, including the Recapture Fee, if any, and net deferred premiums; plus (iii) any amounts due to the Ceding Company but unpaid under this Agreement (collectively, the "**Commutation Payment**"); provided, however, that, if the amount calculated pursuant to clause (ii) of this subsection exceeds the amounts calculated pursuant to clauses (i), (ii) and (iii) of this subsection, the Ceding Company shall pay to the Reinsurer the amount of such excess. Following recapture and payment to the appropriate Party of the net Commutation Payment required hereunder, neither Party shall have further liability to the other Party hereunder with respect to the recaptured business.

Section 11.6 Limitation on Partial Recaptures. Notwithstanding the provisions of Section 11.1, the Ceding Company shall not be permitted to effect a partial recapture pursuant to Section 11.1 if, after giving effect to the recapture, the Statutory Reserves would be less than U.S. $100,600,000.

ARTICLE XII

ACCESS TO BOOKS AND RECORDS

Section 12.1 Access to Books and Records.

(a) The Ceding Company shall, upon reasonable notice, provide to the Reinsurer and the counsel, financial advisors, accountants, actuaries and other representatives of the Reinsurer (the "**Representatives**") access, at the Reinsurer's sole cost and expense, to review, inspect, examine and reproduce the Ceding Company's books, records, accounts, policies, practices and procedures, including underwriting policy, claims administration guidelines and sales and Conversion practices, relating to the Reinsured Policies, including any audits and self assessments conducted by the Ceding Company as well as any unaudited information provided to Primerica in connection with Primerica's public company reporting requirements, at the place such records are located, and to discuss such matters with the employees, external auditors and external actuaries of the Ceding Company that are knowledgeable about such records, without undue disruption of the normal operations of the Ceding Company.

(b) The Reinsurer and its Representatives shall have the right, at its sole cost and expense, to conduct audits from time to time, upon reasonable notice to the Ceding Company, of the relevant books, records, accounts, policies, practices and procedures, including underwriting policy, claims administration guidelines and sales and Conversion practices of the Ceding Company relating to the Reinsured Policies.

(c) The Reinsurer shall reimburse the Ceding Company for any reasonable out-of-pocket costs that the Ceding Company incurs in providing assistance to the Reinsurer and its Representatives in connection with this Section 12.1.

(d) The Ceding Company shall use its reasonable best efforts to assist and cooperate with the Reinsurer, and its Representatives in providing access to the relevant in force files, experience data, books, records and accounts of the Ceding Company relating to the Reinsured Policies.

ARTICLE XIII

INSOLVENCY

Section 13.1 Insolvency. In the event of the insolvency of the Ceding Company, payments due the Ceding Company on all reinsurance made, ceded, renewed or otherwise becoming effective under this Agreement shall be payable by the Reinsurer on the basis of claims filed and allowed in the liquidation proceeding under the Reinsured Policies without diminution because of the insolvency of the Ceding Company, either directly to the Ceding Company or to its domiciliary liquidator or receiver, except where the Reinsurer, with the consent of the Policyholder and in conformity with Applicable Law, has assumed the Ceding Company's obligations as direct obligations of the Reinsurer to the payees under the Reinsured Policies and in substitution for the obligations of the Ceding Company to the payees. It is understood, however, that in the event of the insolvency of the Ceding Company, the liquidator or receiver or statutory successor of the Ceding Company shall give written notice to the Reinsurer of any impending Claim against the Ceding Company on a Reinsured Policy within a reasonable period of time after such Claim is filed in the insolvency proceedings and that during the pendency of such Claim the Reinsurer may, at its own expense, investigate such Claim and interpose, in the proceeding where such Claim is to be adjudicated any defense or defenses which it may deem available to the Ceding Company or its liquidator or receiver or statutory successor. It is further understood that the expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the Ceding Company as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the Ceding Company solely as a result of the defense undertaken by the Reinsurer.

ARTICLE XIV

DISPUTE RESOLUTION

Section 14.1 Consent to Jurisdiction. Each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the United States District Court for the District of Massachusetts or, if such court does not have jurisdiction, the appropriate district court of the Commonwealth of Massachusetts, for the purposes of enforcing this Agreement. The parties shall take such actions as are within their control to cause any disputes as described in the preceding sentence to be assigned to the complex litigation docket of the applicable court. In any action, suit or other proceeding, each of the parties hereto irrevocably and unconditionally

waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above courts, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding as contemplated in this Article XIV shall be conclusive and binding on such party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

Section 14.2 Waiver of Jury Trial. Each of the parties hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

Section 14.3 Specific Performance. The parties recognize and agree that if for any reason any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or injury would be caused for which money damages would not be an adequate remedy. Accordingly, each party agrees that, in addition to any other available remedies each other party shall be entitled to an injunction restraining any violation or threatened violation of any of the provisions of this Agreement without the necessity of posting a bond or other form of security. In the event that any action should be brought in equity to enforce any of the provisions of this Agreement, no party will allege, and each party hereby waives the defense, that there is an adequate remedy at law.

ARTICLE XV

REINSURANCE TRUST ACCOUNTS

Section 15.1 Reinsurance Trust Agreements. On the date hereof, in accordance with the Reinsurance Trust Agreements to be entered into between the Parties, in the form attached hereto as Exhibit VI (as such agreements may be amended from time to time in writing by mutual consent of the Ceding Company, the Reinsurer and the trustee (the "Trustee") thereunder, the "**Reinsurance Trust Agreements**"), the Reinsurer, as grantor, shall create (i) a trust account to support the Economic Reserves (the "**Economic Reserves Trust Account**") and (ii) a trust account to support the Excess Reserves (the "**Excess Reserves Trust Account,**" and together with the Economic Reserves Trust Account, the "**Reinsurance Trust Accounts**") and shall name the Ceding Company as sole beneficiary of each Reinsurance Trust Account. The Reinsurance Trust Accounts shall initially be funded with Trust Assets the Fair Value of which (as of the date hereof) is at least equal to the Reinsurer's Quota Share of the Statutory Reserves as of the Effective Date.

Section 15.2 Investment and Valuation of Trust Assets. The assets held in the Reinsurance Trust Accounts (the "**Trust Assets**") shall consist of Eligible Assets.

Section 15.3 Adjustment of Trust Assets and Withdrawals.

(a) The amount of assets to be maintained in each of the Reinsurance Trust Accounts shall be adjusted following the end of each calendar quarter in accordance with the Reserve Report for the last calendar month of such calendar quarter provided to the Reinsurer pursuant to the terms of Section 8.1. Such report shall set forth the amount by which the Security Balance equals or exceeds the Required Balance, in each case as of the end of the immediately preceding calendar quarter.

(b) If the Economic Security Balance exceeds 102% of the Economic Reserves Trust Account Required Balance, in each case as of the end of the immediately preceding calendar quarter, then the Reinsurer shall have the right to seek approval (which shall not be unreasonably or arbitrarily withheld, conditioned or delayed) from the Ceding Company to withdraw the excess from the Economic Reserves Trust Account; provided, however, that the Reinsurer may not withdraw any amounts from the Economic Reserves Trust Account unless the Excess Reserves Trust Account contains at least 100% of the Excess Reserves Trust Account Required Balance.

(c) If the Excess Security Balance exceeds 102% of the Excess Reserves Trust Account Required Balance, in each case as of the end of the immediately preceding calendar quarter, then the Reinsurer shall have the right to seek approval (which shall not be unreasonably or arbitrarily withheld, conditioned or delayed) from the Ceding Company to withdraw the excess from the Excess Reserves Trust Account; provided, however, that the Reinsurer may not withdraw any amounts from the Excess Reserves Trust Account unless the Economic Reserves Trust Account contains at least 100% of the Economic Reserves Trust Account Required Balance.

(d) The Reinsurer shall, no later than twenty (20) Business Days following receipt of a Top-Up Notice, place additional Trust Assets into either the Economic Reserves Trust Account or the Excess Reserves Trust Account, as applicable, so that the Security Balance, as of the date such additional Trust Assets are so placed, is no less than the Required Balance as of the end of the immediately preceding calendar quarter.

(e) Without limitation of the other provisions of this Section 15.3, subject to obtaining the Ceding Company's prior written consent (which shall not be unreasonably or arbitrarily withheld, conditioned or delayed), the Reinsurer may remove assets from the Reinsurance Trust Accounts; provided, however, that the Reinsurer, at the time of such withdrawal, replaces the withdrawn assets with Trust Assets permitted under the terms of the Reinsurance Trust Agreements and having a Fair Value equal to or greater than the Fair Value of the assets withdrawn so that the Economic Security Balance or the Excess Security Balance, as the case may be, as of the date of such withdrawal, is no less than the Economic Required Balance or the Excess Security Balance, as the case may be, as of the end of the immediately preceding calendar quarter.

Section 15.4 Negotiability of Trust Assets. Prior to depositing Trust Assets with the Trustee, the Reinsurer shall execute all assignments or endorsements in blank, or transfer legal title to the Trustee of all shares, obligations or any other assets requiring assignments, in order that the Ceding Company, or the Trustee upon direction of the Ceding Company, may whenever necessary negotiate any such assets without consent or signature from the Reinsurer or any other entity.

Section 15.5 Ceding Company's Withdrawals. The Ceding Company (or any successor by operation of law of the Ceding Company, including, but not limited to, any liquidator, rehabilitator, receiver or conservator of the Ceding Company) may only withdraw Trust Assets for one or more of the following purposes, without diminution because of insolvency on the part of the Ceding Company or the Reinsurer:

(a) to pay, or reimburse the Ceding Company for payment of, the Reinsurer's Quota Share of premiums to be returned, but not yet recovered from the Reinsurer, to Policyholders because of cancellations of Reinsured Policies;

(b) to pay, or reimburse the Ceding Company for payment of, the Reinsurer's Quota Share of Covered Liabilities payable pursuant to the provisions of the Reinsured Policies, but not yet recovered from the Reinsurer;

(c) to pay to the Ceding Company any Commutation Payment due the Ceding Company but not yet paid by the Reinsurer;

(d) in the event that the Ceding Company has received notification from the Reinsurer or Trustee of termination of the Reinsurance Trust Account and where the Reinsurer's Quota Share of obligations under this Agreement remain unliquidated and undischarged ten (10) days prior to the scheduled termination date, the Ceding Company may withdraw all the assets in the Reinsurance Trust Account and deposit such amounts, in the name of the Ceding Company, in any United States bank or trust accompany, apart from its general assets, in trust for such uses and purposes specified in (a) and (b) above as may remain executory after such withdrawal and for any period after such termination date; or

(e) to pay to the Reinsurer amounts held in the Reinsurance Trust Account in excess of the amount necessary to secure the credit or reduction from liability for reinsurance taken by the Ceding Company.

Any assets deposited into an account of the Ceding Company pursuant to clause (d) of this Section 15.5 or withdrawn by the Ceding Company pursuant to clause (e) of this Section 15.5 and any interest or other earnings thereon shall be held by the Ceding Company in trust and separate and apart from any assets of the Ceding Company, for the sole purpose of funding the payments and reimbursements described in clauses (a) through (e), inclusive, of this Section 15.5.

Section 15.6 Return of Excess Withdrawals. The Ceding Company shall return to the Reinsurer, within five (5) Business Days, assets withdrawn in excess of all amounts due under Sections 15.3(a), (b) and (e), or, in the case of Section 15.5(d) above, assets that are subsequently determined not to be due. Any assets subsequently returned in the case of Section 15.5(d) shall include interest at the Prime Rate applied on a daily basis for the amounts returned.

Section 15.7 Costs of Trust. The cost of maintaining the Reinsurance Trust Accounts shall be borne by the Reinsurer.

ARTICLE XVI

THIRD PARTY BENEFICIARY

Section 16.1 Third Party Beneficiary. Nothing in this Agreement or the Reinsurance Trust Agreements is intended to give any person, other than the parties to such agreements, their successors and permitted assigns, any legal or equitable right remedy or claim under or in respect of this Agreement or the Reinsurance Trust Agreements or any provision contained therein.

ARTICLE XVII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 17.1 Representations and Warranties of the Ceding Company.

(a) Organization, Standing and Authority of the Ceding Company. The Ceding Company is a life insurance company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and has all requisite corporate power and authority to carry on the operations of its business as they are now being conducted. The Ceding Company has obtained all authorizations and approvals required under Applicable Law to enter into and perform the obligations contemplated of the Ceding Company under this Agreement.

(b) Authorization. The Ceding Company has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Ceding Company of this Agreement, and the performance by the Ceding Company of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Ceding Company. This Agreement, when duly executed and delivered by the Ceding Company, subject to the due execution and delivery by the Reinsurer, will be a valid and binding obligation of the Ceding Company, enforceable against the Ceding Company in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(c) No Conflict or Violation. Except as set forth in Schedule B, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby in accordance with the respective terms and conditions hereof will not (a) violate any provision of the Articles of Incorporation or Bylaws of the Ceding Company, (b) violate, conflict with or result in the breach of any of the terms of, result in any modification of, give any counterparty the right to terminate, or constitute a default under, any contract or other agreement to which the Ceding Company is a party, or (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Ceding Company.

(d) Absence of Litigation. There is no action, suit, proceeding or investigation pending or threatened that questions the legality of the transactions contemplated by this Agreement or that would prevent consummation of the transactions contemplated by this Agreement or the performance by the Ceding Company of its obligations hereunder.

(e) Milliman Information True and Complete.

(i) To the best of the Ceding Company's knowledge, all information and data supplied to Milliman Inc. ("**Milliman**") identified on Exhibit VII-A hereto (the "**Milliman Information**") was true, accurate and complete in all material respects as of the date the document containing such Milliman Information was provided to Milliman by the Ceding Company; provided, however, the Parties acknowledge that no representation or warranty has been made to the Reinsurer or any of its Affiliates or Representatives with respect to the truth, accuracy and completeness of any assumptions, projections, or estimates either provided by the Ceding Company or underlying any of the studies prepared by the Ceding Company in connection with the Milliman Information except that the Ceding Company represents and warrants that such assumptions, projections or estimates were the ones actually utilized by the Ceding Company for the purposes stated in Exhibit VII. The Milliman Information was complied in a commercially reasonable manner given the intended purpose.

(ii) The financial data supplied to Milliman identified on Exhibit VII-B hereto presents fairly, in all material respects, the financial condition and results of operations of the Ceding Company as of and for the periods specified therein in accordance with Massachusetts SAP, consistently applied.

(f) Coverage Information. The Reinsured Policies information identified in Exhibit I is true, accurate and complete in all material respects.

(g) Good and Marketable Title to Eligible Assets. The Ceding Company will have good and marketable title, free and clear of all liens, to all Eligible Assets immediately prior to the payment thereof to the Reinsurer in accordance with Section 4.1.

Section 17.2 Covenants of the Ceding Company.

(a) Administration and Claims Practices.

(i) In the administration and claims practices relating to the Reinsured Policies (the "**Administrative Practices**"), the Ceding Company shall (A) use the skill and diligence commonly expected from qualified personnel performing such duties for U.S. life insurance companies; (B) act in accordance with the Ceding Company's internal company guidelines as in effect on the Effective Date; (C) be in conformance with Applicable Law in all material respects; and (D) act in a manner consistent with its existing administrative and claims practices in effect on the Effective Date and in any case with no less skill, diligence and expertise as the Ceding Company applies to servicing its other business, including those claims practices in existence for Third Party Reinsurance (each, an "**Existing Practice**"); notwithstanding the foregoing, the Ceding Company shall not be in breach of this Section 17.2(a)(i) unless either (Y) the Reinsurer shall have notified the Ceding Company in writing of the Ceding Company's failure to perform its obligations under this Section 17.2(a)(i) (which written notice shall describe such failure with reasonable particularity) or (Z) an officer of the Ceding Company with direct responsibility for its administrative services, or any senior officer of the Ceding Company, has actual knowledge that the Ceding Company has failed to perform its obligations under this Section 17.2(a)(i), and in either case the Ceding Company shall have failed to cure such breach within thirty (30) days following receipt of such notice or such actual knowledge.

(ii) An Existing Practice may be reasonably modified from time to time, except that, to the extent the Ceding Company modifies an Existing Practice from time to time following the Effective Date (an Existing Practice, as modified from time to time, a "**Then Current Practice**"), the Ceding Company shall act in accordance and consistent with the Then Current Practice; provided, that, if a Then Current Practice would materially adversely affect the rights, remedies and position of the Reinsurer, the Ceding Company shall obtain the consent of the Reinsurer (which consent shall not be unreasonably withheld or delayed) prior to applying the Then Current Practice to the Reinsured Policies.

(b) Reinsured Policies. In all instances as they relate to the Reinsured Policies:

(i) The Ceding Company shall not, and shall cause its Affiliates not to (A) change agent commission and compensation schedules, (B) adopt or implement any program that is expected to result in a material increase in lapses, exchanges, replacements or Conversions under the Reinsured Policies or (C) change coverage options or premiums (except as contemplated by Section 17.2(g) hereof), including coverage options for End of Term Conversions, in each case under (A), (B) and (C) without notifying the Reinsurer in advance of any such action and obtaining the Reinsurer's prior written consent (which shall not be unreasonably withheld or delayed).

(ii) The Ceding Company and the Reinsurer shall reasonably cooperate on any proposals for pricing or coverage changes proposed by either Party, including making any rate and form filings or other regulatory filings that impact pricing or premiums under the Reinsured Policies; provided, however, the Ceding Company shall have final approval authority in its discretion over any proposal brought by the Reinsurer pursuant to this Section 17.2(b)(ii).

(iii) The Ceding Company shall notify the Reinsurer of any information known to the Ceding Company, including any third party or regulatory actions and management decisions reasonably anticipated to adversely and materially impact the economics of the Reinsured Policies for the Reinsurer. Such notification shall be made within twenty (20) Business Days after the information becomes known to the Ceding Company.

(iv) The Parties agree and acknowledge that the Ceding Company's relationship with the Reinsurer shall in all respects be governed by a duty of utmost good faith. At all times during the term of this Agreement, the Ceding Company shall (i) administer, manage and oversee the Reinsured Policies and the Covered Liabilities, and (ii) perform all its obligations to the Reinsurer under this Agreement, in a manner consistent with its utmost good faith obligations.

(c) Third Party Reinsurance.

(i) The Ceding Company shall not, without the Reinsurer's prior approval (which approval shall not be unreasonably or arbitrarily withheld, conditioned or delayed), (A) terminate or materially modify any existing Third Party Reinsurance or (B) purchase new third party reinsurance for the Reinsured Policies.

(ii) The Ceding Company shall use commercially reasonable efforts to maintain its existing Third Party Reinsurance from and after the Effective Date, consistent with the existing practice of the Ceding Company in effect on the Effective Date.

(d) Reporting. To the extent not prohibited by Applicable Law, the Ceding Company will provide all reports it is required to deliver under this Agreement (including, without limitation, each Monthly Report and Quarterly Report) not later than the last date on which such report is required to be so delivered, except that the Ceding Company shall not be in breach of this Section 17.2(d) unless either (i) the Reinsurer shall have notified the Ceding Company in writing of its failure to timely deliver such report or (ii) a officer of the Ceding Company with direct responsibility for the preparation and delivery of such report has actual knowledge that the report was not delivered when due, and in either case the Ceding Company shall have failed to deliver such information within thirty (30) days following receipt of such notice or actual knowledge.

(e) Policy Data. Within six (6) months of the date hereof, the Ceding Company shall provide to the Reinsurer a schedule containing a list of Policies with Original Initial Level Premium Periods ending on or after January 1, 2017.

(f) Books and Records. The Ceding Company shall maintain and implement reasonable administrative and operating procedures with respect to records relating to the Reinsured Policies and shall keep and maintain all material documents, books, records and other information reasonably necessary for the maintenance of the Reinsured Policies, which documents, books, records and other information will be accurately maintained in all material respects throughout the term of this Agreement.

(g) Regulatory Filings. The Ceding Company has filed the appropriate regulatory filings to increase guaranteed premium provisions in Policies or coverages that may be issued upon the occurrence of a Conversion with each applicable state insurance regulator prior to the Effective Date. To the extent regulatory approval has not been obtained by the Effective Date, the Ceding Company shall use its reasonable best efforts to obtain regulatory approval for each filing as practicable. If regulatory approval is initially not granted by any state insurance regulator, the Ceding Company shall agree to work in consultation with the Reinsurer to determine the approach to future regulatory filings to increase guaranteed premium provisions. The Ceding Company shall notify its agents of such increases within thirty (30) days after the date hereof and shall thereafter implement such increases in the ordinary course of business, consistent with past practices.

Section 17.3 Representations and Warranties of the Reinsurer.

(a) Organization, Standing and Authority of the Reinsurer. The Reinsurer is a special purpose financial captive insurance company duly organized, validly

existing and in good standing under the laws of the State of Vermont and has all requisite corporate power and authority to carry on the operations of its business as they are proposed to be conducted. The Reinsurer has obtained all authorizations and approvals required under Applicable Law to enter into and perform the obligations contemplated of the Reinsurer under this Agreement and the Reinsurer shall maintain throughout the term of this Agreement all licenses, permits or other permissions of any Governmental Authority that shall be required in order to perform the obligations of the Reinsurer hereunder.

(b) Authorization. The Reinsurer has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Reinsurer of this Agreement, and the performance by the Reinsurer of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Reinsurer or its stockholder. This Agreement, when duly executed and delivered by the Reinsurer, subject to the due execution and delivery by the Ceding Company, will be a valid and binding obligation of the Reinsurer, enforceable against the Reinsurer in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(c) No Conflict or Violation. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (a) violate any provision of the Articles of Incorporation, Bylaws or other charter or organizational document of the Reinsurer, or (b) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Reinsurer, except when any such violation would not have a material adverse effect on this Agreement or the consummation of the transactions contemplated hereby.

(d) Absence of Litigation. There is no action, suit, proceeding or investigation pending or threatened that questions the legality of the transactions contemplated by this Agreement or that would prevent consummation of the transactions contemplated by this Agreement or the performance by the Reinsurer of its obligations hereunder.

(e) Good and Marketable Title to Trust Assets. The Reinsurer will have good and marketable title, free and clear of all liens, to all Trust Assets immediately prior to the deposit thereof in the Trust Account.

Section 17.4 Covenants of the Reinsurer.

(a) The Reinsurer shall comply with all covenants relating to this Agreement, the Reinsurance Trust Agreement and the Reinsured Policies that are memorialized in Section IV.C. "Other Agreements" in the Reinsurer's plan of operation as filed with the Commissioner prior to the date hereof.

(b) The Reinsurer shall not engage in any business, other than the business provided by or relating to this Agreement or the 80% Coinsurance Agreement. Other than the reinsurance provided hereunder and in the 80% Coinsurance Agreement, the Reinsurer shall not issue or reinsure any insurance policies.

ARTICLE XVIII

INDEMNIFICATION

Section 18.1 Indemnification.

(a) The Ceding Company shall indemnify, defend and hold harmless the Reinsurer and its directors, officers, employees, agents, representatives, successors, permitted assigns and Affiliates from and against any and all losses, liabilities, claims, expenses (including reasonable attorneys' fees and expenses) and damages reasonably and actually incurred by the Reinsurer (collectively, "**Indemnification Claims**") to the extent arising from:

(i) any breach or falsity of any representation, warranty or covenant of the Ceding Company; or

(ii) the breach of or failure to perform any of the duties, obligations, covenants or agreements of the Ceding Company contained in this Agreement.

(b) The Reinsurer agrees to indemnify and hold harmless the Ceding Company and its directors, officers, employees, agents, representatives, successors, permitted assigns and Affiliates from and against any and all Indemnification Claims to the extent arising from:

(i) any breach or falsity of any representation, warranty or covenant of the Reinsurer; or

(ii) the breach of or failure to perform any of the duties, obligations, covenants or agreements of the Reinsurer contained in this Agreement.

ARTICLE XIX

LICENSES; REGULATORY MATTERS

Section 19.1 Licenses.

(a) At all times during the term of this Agreement, each of the Reinsurer and the Ceding Company, respectively agrees that it shall hold and maintain all licenses and authorities required under Applicable Laws to perform its respective obligations hereunder unless otherwise mutually agreed by the parties.

(b) At all times during the term of this Agreement, the Reinsurer shall hold and maintain all licenses and authorizations required under Applicable Law or otherwise to take all action that may be necessary so that the Ceding Company shall receive Statutory Financial Statemont Credit.

Section 19.2 Regulatory Matters.

(a) If Ceding Company or Reinsurer receives notice of, or otherwise becomes aware of any inquiry, investigation, examination, audit or proceeding outside the ordinary course of business by Governmental Authorities, relating to the Reinsured Policies or the reinsurance provided hereunder, the Ceding Company or Reinsurer, as applicable, shall promptly notify the other party thereof.

(b) If Ceding Company or Reinsurer receives notice of, or otherwise becomes aware of any enforcement action by any Governmental Authority arising out of any inquiry, investigation, examination, audit or proceeding by such Governmental Authority, the Ceding Company or Reinsurer, as applicable, shall promptly notify the other party thereof, and the Parties shall cooperate to resolve such matter.

ARTICLE XX

DURATION OF AGREEMENT; TERMINATION

Section 20.1 Duration. This Agreement shall automatically terminate if, at such time, there are no Covered Liabilities.

Section 20.2 Termination. This Agreement shall be terminated only by the mutual written consent of the Reinsurer and the Ceding Company, which writing shall state the effective date and relevant terms of termination. For the avoidance of doubt, a Change of Control, sale or merger of the Reinsurer will not result in termination of this Agreement.

Section 20.3 Survival. Notwithstanding the other provisions of this Article XX, the terms and conditions of Articles I, IV, V, VIII, X, XI, XII, XIV, XV, XVI, XX and XXI shall remain in full force and effect after termination of this Agreement.

ARTICLE XXI

MISCELLANEOUS

Section 21.1 Entire Agreement. This Agreement represents the entire agreement between the Reinsurer and the Ceding Company concerning the business reinsured hereunder. There are no understandings between the Reinsurer and the Ceding Company other than as expressed in this Agreement and the Reinsurance Trust Agreements.

Section 21.2 Amendments.

(a) Any provision of this Agreement may be amended if, but only if, such amendment is in writing and is signed by each party to this Agreement. Any change or modification to this Agreement shall be null and void unless made by an amendment hereto signed by each party to this Agreement.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 21.3 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law or if determined by a court of competent jurisdiction to be unenforceable, and if the rights or obligations of the Ceding Company or the Reinsurer under this Agreement will not be materially and adversely affected thereby, such provision shall be fully severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

Section 21.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to the principles of conflicts of law thereof.

Section 21.5 Notices. Any notice and other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or, if mailed, on the date shown on the receipt therefore, as follows:

if to the Ceding Company:

Primerica Life Insurance Company
3120 Breckinridge Blvd.
Duluth, Georgia 30099
Attention: General Counsel

with copies to (which shall not constitute notice to the Ceding Company for purposes of this Section 21.5):

Donald B. Henderson, Jr., Esq.
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY 10019
(212) 259-8000

if to the Reinsurer:

Prime Reinsurance Company, Inc.
c/o Marsh Management Services Inc.
100 Bank Street, Suite 600,
Burlington, Vermont 05402

with copies to (which shall not constitute notice to the Reinsurer for purposes of this Section 21.5):

Robert Sullivan, Esq.
Susan Sutherland, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000

Either Party may change the names or addresses where notice is to be given by providing notice to the other Party of such change in accordance with this Section 21.5.

Section 21.6 Consent to Jurisdiction. Subject to the terms and conditions of Article XIV, the Reinsurer agrees that in the event of the failure of either Party to perform its obligations under the terms of this Agreement, the Party so failing to perform, at the request of the other Party, shall submit to the jurisdiction of any court of competent jurisdiction in any state of the United States shall comply with all requirements necessary to give such court jurisdiction, and shall abide by the final decision of such court or of any appellate court in the event of an appeal.

Section 21.7 Service of Process. The Reinsurer hereby designates Primmer Piper Eggleston & Cramer PC, 150 South Champlain Street, P.O. Box 1489, Burlington, VT 05402-1489 ("**Primmer Piper**") as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Ceding

Company. The Ceding Company hereby designates Primmer Piper, and the insurance commissioner in Reinsurer's state of domicile, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Reinsurer.

Section 21.8 Assignment and Retrocession. This Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Neither Party may assign any of its duties or obligations hereunder without the prior written consent of the other Party or without the prior written consent of the regulatory states. Notwithstanding any other provision in this Agreement to the contrary, the Reinsurer shall have the right to retrocede all or a portion of the Reinsured Policies under this Agreement.

Section 21.9 Captions. The captions contained in this Agreement are for reference only and are not part of the Agreement.

Section 21.10 Treatment of Confidential Information. The Parties agree that, other than as contemplated by this Agreement and to the extent permitted or required to implement the transactions contemplated hereby, the Parties will keep confidential and will not use or disclose the other Party's Confidential Information or the terms and conditions of this Agreement, including, without limitation, the exhibits and schedules hereto, except as otherwise required by Applicable Law or any order or ruling of any state insurance regulatory authority, the Securities and Exchange Commission or any other Governmental Authority; provided, however, that the Reinsurer may disclose Confidential Information to its Representatives in connection with the exercise of its rights under Article XII; provided, further, that either party may disclose, with the other party's written consent, Confidential Information to any person other than its Representatives who agrees to (i) hold such Confidential Information in strict confidence as if such person were a party to this Agreement and (ii) use such Confidential Information solely for the limited purpose of evaluating a potential purchase, merger or Change of Control of such Party. Without limiting the generality of the foregoing, neither the Reinsurer nor any Affiliates of the Reinsurer shall utilize any Confidential Information regarding Policyholders for the purpose of soliciting Policyholders for the sale of any insurance policies or other products or services. The parties agree that any violation or threatened violation of this Section 21.10 may cause irreparable injury to a party and that, in addition to any other remedies that may be available, each party shall be entitled to seek injunctive relief against the threatened breach of the provisions of this Section 21.10, or a continuation of any such breach by the other party or any person provided with Confidential Information, specific performance and other such relief to redress such breach together with damages and reasonable counsel fees and expenses to enforce its rights hereunder. For purposes of this Agreement, **"Confidential Information"** means all documents and information concerning one Party, any of its Affiliates, the Covered Liabilities or the Reinsured Policies, including any information relating to any person insured directly or indirectly under the Reinsured Policies, furnished to the other Party or such other Party's Affiliates or representatives in connection with this Agreement or the transactions contemplated hereby, except that Confidential Information shall not include information which: (a) at the time of disclosure or thereafter is generally available to and known by the public other than by way of a wrongful disclosure by a Party or by any representative of a Party; (b) was available on a nonconfidential basis from a source other than the Parties or their representatives, provided that such source is not and was not bound by a confidentiality agreement with a Party; or (c) was

independently developed without violating any obligations under this Agreement and without the use of any Confidential Information. For the purposes of this Agreement, "**Change of Control**" means the acquisition of ten percent (10%) or more of the voting securities of a Party or any parent of such Party, or any other acquisition that is deemed to be a Change of Control by applicable insurance regulatory authorities of the state of domicile of such Party.

Section 21.11 No Waiver; Preservation of Remedies. No consent or waiver, express or implied, by any Party to or of any breach or default by any other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such other Party hereunder. Failure on the part of any Party to complain of any act or failure to act of any other Party or to declare any other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first Party of any of its rights hereunder.

Section 21.12 Calendar Days. To the extent that any calendar day on which a deliverable pursuant to this Agreement is due is not a Business Day, such deliverable will be due the next Business Day.

Section 21.13 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument, and either of the Parties may execute this Agreement by signing such counterpart. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

Section 21.14 Incontestability. In consideration of the mutual covenants and agreements contained herein, each party hereto does hereby agree that this Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each party does hereby agree that it shall not contest the validity or enforceability hereof.

Section 21.15 Interpretation.

(a) When a reference is made in this Agreement to a Section, such reference shall be to a Section to this Agreement unless otherwise indicated. The Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments)

by waiver or consent and (in the case of statutes) by succession of comparable successor statutes. References to a person are also to its permitted successors and assigns.

(b) The parties have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

Section 21.16 Reasonableness. Each of the parties will act reasonably and in good faith on all matters within the terms of this Agreement.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed this 31st day of March, 2010.

Primerica Life Insurance Company

By: /s/ Dan Settle
Name: Daniel B. Settle
Title: Executive Vice President

Prime Reinsurance Company, Inc.

By: /s/ Reza Shah
Name: Reza Shah
Title: President

ATTACHMENT 11

EX-10.7 14 dex107.htm 80% COINSURANCE TRUST AGREEMENT

Exhibit 10.7

CONFIDENTIAL

80% COINSURANCE TRUST AGREEMENT

Dated as of March 29, 2010

among

PRIME REINSURANCE COMPANY, INC.

as Grantor,

PRIMERICA LIFE INSURANCE COMPANY

as Beneficiary

and

THE BANK OF NEW YORK MELLON

as Trustee

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80% COINSURANCE TRUST AGREEMENT

This **80% COINSURANCE TRUST AGREEMENT** (together with any and all exhibits, this "Agreement") dated March 29, 2010, made by and among Prime Reinsurance Company, Inc., a Vermont special purpose financial captive insurance company (the "Grantor"), Primerica Life Insurance Company, a Massachusetts-domiciled stock life insurance company (the "Beneficiary"), and The Bank of New York Mellon, a banking corporation organized under the laws of the State of New York, as trustee (in such capacity, the "Trustee") (the Grantor, the Beneficiary and the Trustee are hereinafter each sometimes referred to individually as a "Party" and collectively as the "Parties").

The Parties hereto agree as follows:

1. Deposit of Assets to the Trust Account.

   (a) The Grantor has established account number 390223 in the name of "PRIME RE CO - PRIMERICA 80%" with the Trustee (such account, the "Trust Account") and the Trustee shall administer the Trust Account in its name as Trustee for the sole use and benefit of the Beneficiary.

   (b) The Grantor shall transfer to the Trustee, for deposit to the Trust Account, or request the Beneficiary to transfer directly to the Trustee on the Grantor's behalf, such assets as it may from time to time desire (all such assets actually received in the Trust Account are herein referred to individually as an "Asset" and collectively as the "Assets"). The Assets shall consist only of Eligible Securities (as hereinafter defined).

   (c) The Grantor hereby represents and warrants that title to any Assets transferred by the Grantor to the Trustee for deposit to the Trust Account will be recorded in the name of the Trustee, and any such Assets will be in such form that the Beneficiary whenever necessary may, and the Trustee upon direction by the Beneficiary will, negotiate any such Assets without consent or signature from the Grantor or any person in accordance with the terms of this Agreement. Any out-of-pocket costs of transfer of title between the Grantor and the Trustee shall be borne by the Grantor.

2. Withdrawal of Assets from the Trust Account.

   (a) Without notice to or the consent of the Grantor, the Beneficiary shall have the right, at any time and from time to time, to withdraw from the Trust Account, upon providing written notice to the Trustee (the "Beneficiary Withdrawal Notice"), such Assets as are specified in such Beneficiary Withdrawal Notice. The Beneficiary need present no statement or document in addition to a Beneficiary Withdrawal Notice in order to withdraw any Assets. The Beneficiary Withdrawal Notice shall be substantially in the form attached as Exhibit A.

(b) Upon receipt of a Beneficiary Withdrawal Notice, the Trustee shall immediately take any and all steps necessary to transfer absolutely and unequivocably all right, title and interest in the Assets specified in such Beneficiary Withdrawal Notice, and shall deliver physical custody of such Assets to or for the account of the Beneficiary as specified in such Beneficiary Withdrawal Notice.

(c) With the prior written permission of the Beneficiary, the Grantor may withdraw from the Trust Account, upon providing written notice to the Trustee (the "Grantor Withdrawal Notice"), such Assets as are specified in such Grantor Withdrawal Notice. Such withdrawals shall be delivered to the Grantor. The form of the Grantor Withdrawal Notice shall be substantially in the form attached as Exhibit B.

(d) Upon receipt of a Grantor Withdrawal Notice, the Trustee shall immediately take any and all steps necessary to transfer all right, title and interest in the Assets specified in such Grantor Withdrawal Notice, and shall deliver such Assets to or for the account of the Grantor as specified in such Grantor Withdrawal Notice.

(e) Except as provided in Section 2 and Section 3 of this Agreement, in the absence of a Beneficiary Withdrawal Notice or Grantor Withdrawal Notice, the Trustee shall allow no substitution or withdrawal of any Asset from the Trust Account by the Grantor.

3. Redemption, Investment and Substitution of Assets.

(a) The Trustee shall surrender for payment all maturing Assets and all Assets called for redemption and deposit the principal amount of the proceeds of any such payment to the Trust Account.

(b) Grantor and Beneficiary agree that Conning Asset Management Company will be the investment manager ("Investment Manager") for all Assets which may be held in the Trust Account. The Investment Manager is the agent of, and is acting on behalf of, the Grantor. The Grantor shall be solely responsible for all fees charged by and all other obligations to the Investment Manager in connection with the Trust Account.

(c) From time to time, upon the written order and direction of the Investment Manager, the Trustee shall invest Assets as specified by the Investment Manager, who shall limit all investments to the categories of securities set forth in the definition of "Eligible Securities" in Section 12 of this Agreement. Any instruction or order concerning the investment of securities shall be referred to herein as an "Investment Order." The Trustee shall execute Investment Orders and settle securities transactions by itself or by means of an agent or broker. The Trustee shall not be responsible for any act or omission, or for the solvency, of any such agent or broker.

(d) The Investment Manager is hereby authorized to issue Investment Orders and direct the Trustee to invest the Assets in the Trust Account without obtaining the

consent of the Beneficiary prior to each investment; provided, however, all such investments are limited to Eligible Securities.

(e) From time to time, subject to the other provisions of this Agreement including the requirement that title to Assets shall be recorded in the name of the Trustee, the Trustee is authorized to accept substitutions from the Grantor or the Investment Manager of any Eligible Securities in the Trust Account for other Eligible Securities pursuant to a written notice (which shall also certify that such substitutions are Eligible Securities) (the "Substitution Notice") provided that either the Grantor or the Investment Manager certifies to the Trustee that the aggregate Fair Value of the Assets to be deposited or credited to the Trust Account pursuant to such substitution or exchange is at least equal to the aggregate Fair Value of the Assets being removed from the Trust Account.

(f) The Grantor hereby covenants that all investments and substitutions of securities requested by it or by the Investment Manager in accordance with this Section 3 shall be in compliance with the relevant provisions set forth in the definition of "Eligible Securities" in Section 12 of this Agreement.

(g) When the Trustee is directed to deliver Assets against payment, delivery will be made in accordance with generally accepted market practice.

(h) Any loss incurred from any investment pursuant to the terms of this Section 3 shall be borne exclusively by the Trust Account.

(i) For purposes of determining the fair market value of any Assets in the Trust Account pursuant to this Agreement, the parties hereby agree (without any liability being incurred on the part of the Trustee for any incorrect fair valuation of Assets, howsoever caused) to use prices published by a nationally recognized pricing service for Assets for which such prices are available and for Assets for which such prices are not available, to obtain at the expense of the Grantor and pursuant to its written recommendation, a major independent securities valuation firm to appraise the value of such Assets, which may use methodologies consistent with those which the Grantor uses for determining the fair market value of assets held in the Grantor's general account (other than the Assets) in the ordinary course of business (the "Fair Value"). If the Beneficiary shall dispute the Fair Value of any Asset, and the parties are unable to resolve such dispute within fourteen (14) days, the value of such Asset shall be determined by an independent appraisal firm which is mutually acceptable to the Grantor and the Beneficiary, and the parties shall be bound by such valuation. The Trustee shall not be a party to any dispute between the Grantor and the Beneficiary relating to the valuation of Assets.

4. Transfer of Income. All payments of interest and dividends (hereinafter referred to as "Income") in respect to Assets in the Trust Account shall be the property of the Grantor. To the extent that the Trustee shall collect and receive income from the Trust Account, it shall pay over the amount of such Income upon the written direction of the Grantor, and may deposit such

Income in a separate account established in the Grantor's individual name and capacity; provided, however, that the Trustee shall have no duties or obligations as Trustee with respect to the payment of Income by the issuer of the Assets or the deposit of such Income as provided herein. Any Income automatically posted and credited on the payment date to the Income Account which is not subsequently received by the Trustee shall be reimbursed by the Grantor to the Trustee and the Trustee may debit the Income Account for this purpose. Income shall be paid to the Grantor or credited to an account of the Grantor in accordance with written instructions provided from time to time by the Grantor to the Trustee.

5. Right to Vote Assets. The Trustee shall forward all annual and interim stockholder reports and all proxies and proxy materials relating to the Assets in the Trust Account to the Grantor. Subject to other provisions of this Agreement and the requirement that title to Assets be recorded in the name of the Trustee, the Grantor shall have the full and unqualified right to vote any Assets in the Trust Account. Whenever there are voluntary rights that may be exercised or alternate courses of action that may be taken by reason of the Grantor's ownership of Eligible Securities, the Grantor shall be responsible for making any decisions relating thereto and for directing the Trustee to act. The Trustee shall notify the Grantor of rights or discretionary actions with respect to Eligible Securities as promptly as practicable under the circumstances, provided that the Trustee has actually received notice of such right or discretionary corporate action from the relevant depository, etc. Absent actual receipt of such applicable third-party notice, the Trustee shall have no liability for failing to so notify the Grantor of any rights or discretionary corporate actions with respect to Eligible Securities. Absent the Trustee's timely receipt of instructions from the Grantor, the Trustee shall not be liable for failure to take any action relating to or to exercise any rights conferred by such Eligible Securities.

6. Additional Rights and Duties of the Trustee.

   (a) The Trustee shall notify the Grantor and the Beneficiary in writing within five (5) days following each deposit to, or withdrawal from, the Trust Account; provided, however, the Trustee shall notify the Grantor and the Beneficiary in writing within three (3) business days following (i) each withdrawal from the Trust Account that totals an amount equal to or in excess of $20,000,000 or (ii) any number of withdrawals that results in an amount equal to or in excess of $20,000,000 if such withdrawals occur within a two day period of each other. The Trustee will be deemed to have delivered such notice of deposit, withdrawal and receipt of Grantor Withdrawal Notice or Beneficiary Withdrawal Notice, as applicable, if each such notice is available on one or more of the Trustee's systems for the delivery of electronic media to which system(s) Grantor and Beneficiary have access.

   (b) The Trustee shall not accept any Assets (other than cash) for deposit into the Trust Account unless the Trustee determines that it is or will be the registered owner of and holder of legal title to the Assets or that such Assets are in such form that the Trustee may, if applicable to such asset class, negotiate any such Assets, without consent or signature from the Grantor or any other person or entity. Any Assets received by the Trustee which, if applicable to such asset class, are not in such proper negotiable form or for which title has not been transferred to the Trustee

shall not be accepted by the Trustee and shall be returned to the Grantor as unacceptable.

(c) The Trustee shall have no responsibility whatsoever to determine that any Assets (other than cash) in the Trust Account are or continue to be Eligible Securities.

(d) All Assets shall be held in a safe place by the Trustee at the Trustee's office in the United States, except that the Trustee may deposit any Assets in the Trust Account in a book entry account maintained at the Federal Reserve Bank of New York or in depositories such as the Depository Trust Company and the Participants Trust Company. Assets may be held in the name of a nominee maintained by the Trustee or by any such depository.

(e) The Trustee shall accept and open all mail directed to the Grantor or the Beneficiary in care of the Trustee and shall forward such mail to the party to whom it is directed.

(f) The Trustee shall furnish to the Grantor and the Beneficiary a statement of all Assets in the Trust Account at the inception of the Trust Account and at the end of each calendar month.

(g) Upon the request of the Grantor or the Beneficiary, the Trustee shall promptly permit the Grantor or the Beneficiary, their respective agents, employees or independent auditors to examine, audit, excerpt, transcribe and copy, during the Trustee's normal business hours, any books, documents, papers and records relating to the Trust Account or the Assets.

(h) Unless otherwise provided in this Agreement, the Trustee is authorized to follow and rely upon all instructions given by officers and by attorneys in fact acting under written authority furnished to the Trustee by the Grantor or the Beneficiary, including, without limitation, instructions given by letter, facsimile transmission, telegram, teletype, cablegram or electronic media, if the Trustee believes such instructions to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustee shall not incur any liability to anyone resulting from actions taken by the Trustee in reliance in good faith on such instructions. The Trustee shall not incur any liability in executing instructions (i) from any attorney in fact or Investment Manager prior to receipt by it of notice of the revocation of the written authority of the attorney in fact or Investment Manager, or (ii) from any officer of the Grantor or the Beneficiary.

(i) The duties and obligations of the Trustee shall only be such as are specifically set forth in this Agreement, as it may from time to time be amended, and no implied duties or obligations shall be read into this Agreement against the Trustee. The Trustee shall not be liable except for its own negligence, willful misconduct or lack of good faith, and in no event shall the Trustee be liable for special, punitive, or consequential losses or damages arising in connection with this Agreement.

(j) No provision of this Agreement shall require the Trustee to take any action which, in the Trustee's reasonable judgment, would result in any violation of this Agreement or any provision of law. If any third party asserts a lien against any of the Assets, the Trustee shall, upon becoming aware of such assertion, promptly notify both the Grantor and the Beneficiary of such claim.

(k) The Trustee shall not be responsible for the existence, genuineness or value of any of the Assets or for the validity, perfection, priority or enforceability of the liens in any of the Assets, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes negligence, bad faith or willful misconduct on the part of the Trustee, for the validity of title to the Assets, for insuring the Assets or for the payment of taxes, charges, assessments or liens upon the Assets.

(l) The Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of Trustee such as to any act or provision of any present or future law or regulation or governmental authority, terrorism, any act of God or war, or the unavailability of the Federal Reserve Bank wire or telex.

(m) The Trustee is not required to make advances of cash, securities or any other property on behalf of the Trust Account, or permit overdrafts in the Trust Account in connection with the acquisition or disposition of Assets in the Trust Account.

(n) At any time in connection with the performance of its services under this Agreement, the Trustee may consult with counsel selected by it who may be counsel for Grantor or Beneficiary. The opinion of said counsel will be full and complete authority and protection for the Trustee with respect to any action taken, suffered or omitted by it in good faith and in accordance with the opinion of said counsel other than with respect to the withdrawal of Assets by Beneficiary.

7. The Trustee's Compensation, Expenses, etc.

(a) The Grantor shall pay the Trustee, as compensation for its services under this Agreement, a fee which shall be mutually agreed upon in writing by the Trustee and Grantor, which shall be updated no more frequently than annually. The Grantor shall pay or reimburse the Trustee for all of the Trustee's appropriate expenses and disbursements in connection with its duties under this Agreement (including any reasonable attorney's fees and expenses), except any such expense or disbursement as may arise from the Trustee's negligence, willful misconduct, or lack of good faith. The Trustee shall notify the Grantor of all expenses and disbursements on a quarterly basis ("Trustee Invoice"). The Trustee Invoice shall state the nature and amount of such expenses and disbursements and such other information as the Grantor may reasonably request to make such payment to the Trustee. The Grantor shall pay such expenses and disbursements within a reasonable period of time after its receipt and review of such Trustee Invoice, unless the Trustee and Grantor agree otherwise in writing.

to the benefits of the indemnities provided herein for the Trustee as well as responsible for its obligations, acts and omissions taken while acting as Trustee.

9. Termination of the Trust Account.

(a) The Trust Account and this Agreement, except for the indemnities provided herein, may be terminated only after (i) the Grantor, with the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld, has given the Trustee written notice of its intention to terminate the Trust Account (the "Notice of Intention"), and (ii) the Trustee has given the Grantor and the Beneficiary the written notice specified in paragraph (b) of this Section 9. The Notice of Intention shall specify the date on which the notifying Party intends the Trust Account to terminate (the "Proposed Date").

(b) Within three (3) days following receipt by the Trustee of the Notice of Intention, the Trustee shall give written notification (the "Termination Notice") to the Beneficiary and the Grantor of the date (the "Termination Date") on which the Trust Account shall terminate. The Termination Date shall be (a) the Proposed Date if the Proposed Date is at least 30 days but no more than 45 days subsequent to the date the Termination Notice is given; (b) 30 days subsequent to the date the Termination Notice is given, if the Proposed Date is fewer than 30 days subsequent to the date the Termination Notice is given; or (c) 45 days subsequent to the date the Termination Notice is given, if the Proposed Date is more than 45 days subsequent to the date the Termination Notice is given.

(c) On the Termination Date, upon receipt of written approval of the Beneficiary, the Trustee shall transfer to the Grantor any Assets remaining in the Trust Account, at which time all liability of the Trustee with respect to such Assets shall cease.

10. Representations and Warranties

(a) The Trustee represents and warrants that the Trustee is a banking corporation, duly organized and validly existing and in good standing under the laws of the State of New York and has the requisite power and authority to carry on its respective business as now being conducted. The Trustee is duly qualified and authorized to do business and is in good standing in each jurisdiction where the Assets are maintained.

(b) The Trustee represents and warrants that the Trustee has all requisite corporate power and authority to execute and deliver this Agreement and to perform its respective obligations under this Agreement. The execution, delivery and performance of this Agreement by the Trustee and the consummation of the transactions contemplated by this Agreement by the Trustee have been duly and validly authorized by all necessary corporate action on the part of the Trustee. This Agreement constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as such enforceability may be limited by applicable laws relating to bankruptcy,

insolvency, reorganization, or affecting creditors' rights generally and except to the extent that injunctive or other equitable relief is within the discretion of a court.

(c) The Trustee represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement do not and will not (1) violate or conflict with the Trustee's corporate charter or by-laws; or (2) violate or conflict with any law or governmental regulation, or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to the Trustee.

(d) The Grantor represents and warrants that the Grantor is a special purpose financial captive insurance company duly organized, validly existing and in good standing under the laws of the State of Vermont and has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on the operations of its business as they are proposed to be conducted.

(e) The Grantor represents and warrants that the Grantor has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Grantor of this Agreement, and the performance by the Grantor of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Grantor or its stockholder. This Agreement, when duly executed and delivered by the Grantor, subject to the due execution and delivery by the Parties hereto, will be a valid and binding obligation of the Grantor, enforceable against the Grantor in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(f) The Grantor represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (a) violate any provision of the Articles of Incorporation, Bylaws or other charter or organizational document of the Grantor, or (b) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Grantor, except when any such violation would not have a material adverse effect on this Agreement or the consummation of the transactions contemplated hereby.

(g) The Beneficiary represents and warrants that the Beneficiary is a life insurance company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and has all requisite corporate power and authority to carry on the operations of its business as they are now being conducted.

(h) The Beneficiary represents and warrants that the Beneficiary has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Beneficiary of this Agreement, and the performance by the Beneficiary of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Beneficiary. This Agreement, when duly executed and delivered by the Beneficiary, subject to the due execution and delivery by the Parties hereto, will be a valid and binding obligation of the Beneficiary, enforceable against the Beneficiary in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(i) The Beneficiary represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby in accordance with the respective terms and conditions hereof will not (a) violate any provision of the Articles of Incorporation or Bylaws of the Beneficiary, (b) violate, conflict with or result in the breach of any of the terms of, result in any modification of, give any counterparty the right to terminate, or constitute a default under, any contract or other agreement to which the Beneficiary is a party, or (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Beneficiary.

11. Definitions.

Except as the context shall otherwise require, the following terms shall have the following meanings for all purposes of this Agreement (the definitions to be applicable to both the singular and the plural forms of each term defined if both forms of such term are used in this Agreement):

The term "Affiliate" with respect to any corporation shall mean a corporation which directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such corporation.

The term "Beneficiary" shall include any successor of the Beneficiary by operation of law including, without limitation, any liquidator, rehabilitator, receiver or conservator.

The term "Beneficiary Withdrawal Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit A.

The term "control" (including the related terms "controlled by" and "under common control with") shall mean the ownership, directly or indirectly, of more than 10% of the voting stock of a corporation.

The term "Eligible Securities" means cash in United States dollars, certificates of deposit issued by a United States bank and payable in United States dollars, and investments permitted by M.G.L. c. 175 or any combination of the above, provided investments in or issued by an entity

controlling, controlled by or under common control with either the Grantor or the Beneficiary shall not exceed 5% of total investments. Commercial paper and other obligations of institutions must be issued by a corporation (other than the Grantor or Beneficiary, or any Affiliate of either) which is organized and existing under the laws of the United States of America, unless otherwise allowed by M.G.L. o. 175. The Eligible Securities are further subject to and limited by, the investment guidelines set forth in the attached Schedule A to this Agreement.

The term "Governmental Authority" means any federal, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority or self-regulatory organization, board or body.

The term "Grantor Withdrawal Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit B.

The term "Parent" shall mean an institution that, directly or indirectly, controls another institution.

The term "person" shall mean and include an individual, a corporation, a partnership, an association, a trust, an unincorporated organization or a government or political subdivision thereof.

The term "Subsidiary" shall mean an institution controlled, directly or indirectly, by another institution.

The term "Substitution Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit C.

The term "Trust" shall mean the trust formed hereunder.

12. Governing Law.

This Agreement shall be subject to and governed by the laws of the State of Massachusetts. Each party hereto hereby waives trial by jury in any judicial proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract or otherwise) in any way arising out of or related to this agreement or the relationship established hereunder. This provision is a material inducement for the parties to enter into this Agreement. Each Party hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum. The establishment and maintenance of the Trust Account, and all interests, duties and obligations with respect thereto, shall be governed by the laws of the State of Massachusetts.

13. Successors and Assigns.

Except as expressly permitted by Section 8 of this Agreement, no Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of both the Grantor and the Beneficiary. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

14. Severability.

In the event that any provision of this Agreement shall be declared invalid or unenforceable by any regulatory body or court having jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining portions of this Agreement.

15. Entire Agreement.

This Agreement constitutes the entire agreement among the Parties, and there are no conditions or qualifications relative to this Agreement which are not fully expressed in this Agreement.

16. Amendments.

This Agreement may be modified or otherwise amended, and the observance of any term of this Agreement may be waived, if such modification, amendment or waiver is in writing and signed by the Parties.

17. Notices

Unless otherwise provided in this Agreement, any notice and other communication required or permitted hereunder shall be in writing and shall be (i) delivered personally, (ii) sent by electronic media (by SWIFT, emailed pdf or other similar and reliable means), or in the event that electronic transmission is unavailable for any reason, by facsimile transmission (and immediately after transmission confirmed by telephone), or (iii) sent by certified, registered or express mail, postage prepaid; provided, however, that any Party delivering a communication by facsimile transmission shall retain the electronically generated confirmation of delivery, showing the telephone number to which the transmission was sent and the date and time of the transmission. Any such notice shall be deemed given when so delivered personally, sent by electronic media or by facsimile transmission (and immediately after such facsimile transmission confirmed by telephone) or, if mailed, on the date shown on the receipt therefor, as follows:

if to the Grantor:

Prime Reinsurance Company, Inc.
c/o Marsh Management Services Inc.
100 Bank Street, Suite 600,
Burlington, Vermont 05402
Facsimile: (802) 864-0328

with copies to (which shall not constitute notice to the Grantor for purposes of this Section 17):

Robert Sullivan, Esq.
Susan Sutherland, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000

if to the Beneficiary:

Primerica Life Insurance Company
3120 Breckinridge Boulevard
Duluth, GA 30099-0001
Facsimile: (770) 564-6174

with copies to (which shall not constitute notice to the Beneficiary for purposes of this Section 17):

Donald B. Henderson, Jr., Esq.
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY 10019
(212) 259-8000

If to the Trustee:

The Bank of New York Mellon
101 Barclay Street
Mailstop: 101-0850
New York, New York 10286
Attention: Insurance Trust and Escrow Group/Patricia Scrivano
Facsimile: (732) 667-9536

Each Party may from time to time designate a different address for notices, directions, requests, demands, acknowledgments and other communications by giving written notice of such change to the other Parties.

18. Headings. The headings of the Sections and the Table of Contents have been inserted for convenience of reference only and shall not be deemed to constitute a part of this Agreement.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

PRIME REINSURANCE COMPANY, INC. as Grantor

By: /s/ Reza Shah
Name: Reza Shah
Title: President

PRIMERICA LIFE INSURANCE COMPANY, as Beneficiary

By: /s/ Dan Settle
Name: Daniel B. Settle
Title: Executive Vice President

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Sharon Bershaw
Name: Sharon Bershaw
Title: Vice President

ATTACHMENT 12

EX-10.8 15 dex108.htm 10% COINSURANCE ECONOMIC TRUST AGREEMENT

Exhibit 10.8

CONFIDENTIAL

10% COINSURANCE ECONOMIC TRUST AGREEMENT

Dated as of March 29, 2010

among

PRIME REINSURANCE COMPANY, INC.

as Grantor,

PRIMERICA LIFE INSURANCE COMPANY, INC.

as Beneficiary

and

THE BANK OF NEW YORK MELLON

as Trustee

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10% COINSURANCE ECONOMIC TRUST AGREEMENT

This **10% COINSURANCE ECONOMIC TRUST AGREEMENT** (together with any and all exhibits, this "Agreement") dated March 29, 2010, made by and among Prime Reinsurance Company, Inc., a Vermont special purpose financial captive insurance company (the "Grantor"), Primerica Life Insurance Company, a Massachusetts-domiciled stock life insurance company (the "Beneficiary"), and The Bank of New York Mellon, a banking corporation organized under the laws of the State of New York, as trustee (in such capacity, the "Trustee") (the Grantor, the Beneficiary and the Trustee are hereinafter each sometimes referred to individually as a "Party" and collectively as the "Parties").

The Parties hereto agree as follows:

1. Deposit of Assets to the Trust Account.

   (a) The Grantor has established account number 390222 in the name of "PRIME RE CO - PRIMERICA 10% ECONOMI" with the Trustee (such account, the "Trust Account") and the Trustee shall administer the Trust Account in its name as Trustee for the sole use and benefit of the Beneficiary.

   (b) The Grantor shall transfer to the Trustee, for deposit to the Trust Account, or request the Beneficiary to transfer directly to the Trustee on the Grantor's behalf, such assets as it may from time to time desire (all such assets actually received in the Trust Account are herein referred to individually as an "Asset" and collectively as the "Assets"). The Assets shall consist only of Eligible Securities (as hereinafter defined).

   (c) The Grantor hereby represents and warrants that title to any Assets transferred by the Grantor to the Trustee for deposit to the Trust Account will be recorded in the name of the Trustee, and any such Assets will be in such form that the Beneficiary whenever necessary may, and the Trustee upon direction by the Beneficiary will, negotiate any such Assets without consent or signature from the Grantor or any person in accordance with the terms of this Agreement. Any out-of-pocket costs of transfer of title between the Grantor and the Trustee shall be borne by the Grantor.

2. Withdrawal of Assets from the Trust Account.

   (a) Without notice to or the consent of the Grantor, the Beneficiary shall have the right, at any time and from time to time, to withdraw from the Trust Account, upon providing written notice to the Trustee (the "Beneficiary Withdrawal Notice"), such Assets as are specified in such Beneficiary Withdrawal Notice. The Beneficiary need present no statement or document in addition to a Beneficiary Withdrawal Notice in order to withdraw any Assets. The Beneficiary Withdrawal Notice shall be substantially in the form attached as Exhibit A.

(b) Upon receipt of a Beneficiary Withdrawal Notice, the Trustee shall immediately take any and all steps necessary to transfer absolutely and unequivocably all right, title and interest in the Assets specified in such Beneficiary Withdrawal Notice, and shall deliver physical custody of such Assets to or for the account of the Beneficiary as specified in such Beneficiary Withdrawal Notice.

(c) With the prior written permission of the Beneficiary, the Grantor may withdraw from the Trust Account, upon providing written notice to the Trustee (the "Grantor Withdrawal Notice"), such Assets as are specified in such Grantor Withdrawal Notice. Such withdrawals shall be delivered to the Grantor. The form of the Grantor Withdrawal Notice shall be substantially in the form attached as Exhibit B.

(d) Upon receipt of a Grantor Withdrawal Notice, the Trustee shall immediately take any and all steps necessary to transfer all right, title and interest in the Assets specified in such Grantor Withdrawal Notice, and shall deliver such Assets to or for the account of the Grantor as specified in such Grantor Withdrawal Notice.

(e) Except as provided in Section 2 and Section 3 of this Agreement, in the absence of a Beneficiary Withdrawal Notice or Grantor Withdrawal Notice, the Trustee shall allow no substitution or withdrawal of any Asset from the Trust Account by the Grantor.

3. Redemption, Investment and Substitution of Assets.

(a) The Trustee shall surrender for payment all maturing Assets and all Assets called for redemption and deposit the principal amount of the proceeds of any such payment to the Trust Account.

(b) Grantor and Beneficiary agree that Conning Asset Management Company will be the investment manager ("Investment Manager") for all Assets which may be held in the Trust Account. The Investment Manager is the agent of, and is acting on behalf of, the Grantor. The Grantor shall be solely responsible for all fees charged by and all other obligations to the Investment Manager in connection with the Trust Account.

(c) From time to time, upon the written order and direction of the Investment Manager, the Trustee shall invest Assets as specified by the Investment Manager, who shall limit all investments to the categories of securities set forth in the definition of "Eligible Securities" in Section 12 of this Agreement. Any instruction or order concerning the investment of securities shall be referred to herein as an "Investment Order." The Trustee shall execute Investment Orders and settle securities transactions by itself or by means of an agent or broker. The Trustee shall not be responsible for any act or omission, or for the solvency, of any such agent or broker.

(d) The Investment Manager is hereby authorized to issue Investment Orders and direct the Trustee to invest the Assets in the Trust Account without obtaining the

consent of the Beneficiary prior to each investment; provided, however, all such investments are limited to Eligible Securities.

(e) From time to time, subject to the other provisions of this Agreement including the requirement that title to Assets shall be recorded in the name of the Trustee, the Trustee is authorized to accept substitutions from the Grantor or the Investment Manager of any Eligible Securities in the Trust Account for other Eligible Securities pursuant to a written notice (which shall also certify that such substitutions are Eligible Securities) (the "Substitution Notice") provided that either the Grantor or the Investment Manager certifies to the Trustee that the aggregate Fair Value of the Assets to be deposited or credited to the Trust Account pursuant to such substitution or exchange is at least equal to the aggregate Fair Value of the Assets being removed from the Trust Account.

(f) The Grantor hereby covenants that all investments and substitutions of securities requested by it or by the Investment Manager in accordance with this Section 3 shall be in compliance with the relevant provisions set forth in the definition of "Eligible Securities" in Section 12 of this Agreement.

(g) When the Trustee is directed to deliver Assets against payment, delivery will be made in accordance with generally accepted market practice.

(h) Any loss incurred from any investment pursuant to the terms of this Section 3 shall be borne exclusively by the Trust Account.

(i) For purposes of determining the fair market value of any Assets in the Trust Account pursuant to this Agreement, the parties hereby agree (without any liability being incurred on the part of the Trustee for any incorrect fair valuation of Assets, howsoever caused) to use prices published by a nationally recognized pricing service for Assets for which such prices are available and for Assets for which such prices are not available, to obtain at the expense of the Grantor and pursuant to its written recommendation, a major independent securities valuation firm to appraise the value of such Assets, which may use methodologies consistent with those which the Grantor uses for determining the fair market value of assets held in the Grantor's general account (other than the Assets) in the ordinary course of business (the "Fair Value"). If the Beneficiary shall dispute the Fair Value of any Asset, and the parties are unable to resolve such dispute within fourteen (14) days, the value of such Asset shall be determined by an independent appraisal firm which is mutually acceptable to the Grantor and the Beneficiary, and the parties shall be bound by such valuation. The Trustee shall not be a party to any dispute between the Grantor and the Beneficiary relating to the valuation of Assets.

4. Income. All payments of interest and dividends (hereinafter referred to as "Income") in respect to Assets in the Trust Account shall be deposited directly into the Trust Account. To the extent the Trustee shall collect and receive Income from the Trust Account, it shall deposit the amount of such Income directly into the Trust Account. The Trustee shall have no duties or

obligations as Trustee with respect to the payment of Income by the issuer of the Assets. Any Income automatically posted and credited on the payment date to the Income Account which is not subsequently received by the Trustee shall be reimbursed by the Grantor to the Trustee and the Trustee may debit the Income Account for this purpose. Income shall be paid to the Grantor or credited to an account of the Grantor in accordance with written instructions provided from time to time by the Grantor to the Trustee.

5. Right to Vote Assets. The Trustee shall forward all annual and interim stockholder reports and all proxies and proxy materials relating to the Assets in the Trust Account to the Grantor. Subject to other provisions of this Agreement and the requirement that title to Assets be recorded in the name of the Trustee, the Grantor shall have the full and unqualified right to vote any Assets in the Trust Account. Whenever there are voluntary rights that may be exercised or alternate courses of action that may be taken by reason of the Grantor's ownership of Eligible Securities, the Grantor shall be responsible for making any decisions relating thereto and for directing the Trustee to act. The Trustee shall notify the Grantor of rights or discretionary actions with respect to Eligible Securities as promptly as practicable under the circumstances, provided that the Trustee has actually received notice of such right or discretionary corporate action from the relevant depository, etc. Absent actual receipt of such applicable third-party notice, the Trustee shall have no liability for failing to so notify the Grantor of any rights or discretionary corporate actions with respect to Eligible Securities. Absent the Trustee's timely receipt of instructions from the Grantor, the Trustee shall not be liable for failure to take any action relating to or to exercise any rights conferred by such Eligible Securities.

6. Additional Rights and Duties of the Trustee.

(a) The Trustee shall notify the Grantor and the Beneficiary in writing within five (5) days following each deposit to, or withdrawal from, the Trust Account; provided, however, the Trustee shall notify the Grantor and the Beneficiary in writing within three (3) business days following (i) each withdrawal from the Trust Account that totals an amount equal to or in excess of $20,000,000 or (ii) any number of withdrawals that results in an amount equal to or in excess of $20,000,000 if such withdrawals occur within a two day period of each other. The Trustee will be deemed to have delivered such notice of deposit, withdrawal and receipt of Grantor Withdrawal Notice or Beneficiary Withdrawal Notice, as applicable, if each such notice is available on one or more of the Trustee's systems for the delivery of electronic media to which system(s) Grantor and Beneficiary have access.

(b) The Trustee shall not accept any Assets (other than cash) for deposit into the Trust Account unless the Trustee determines that it is or will be the registered owner of and holder of legal title to the Assets or that such Assets are in such form that the Trustee may, if applicable to such asset class, negotiate any such Assets, without consent or signature from the Grantor or any other person or entity. Any Assets received by the Trustee which, if applicable to such asset class, are not in such proper negotiable form or for which title has not been transferred to the Trustee shall not be accepted by the Trustee and shall be returned to the Grantor as unacceptable.

(c) The Trustee shall have no responsibility whatsoever to determine that any Assets (other than cash) in the Trust Account are or continue to be Eligible Securities.

(d) All Assets shall be held in a safe place by the Trustee at the Trustee's office in the United States, except that the Trustee may deposit any Assets in the Trust Account in a book entry account maintained at the Federal Reserve Bank of New York or in depositories such as the Depository Trust Company and the Participants Trust Company. Assets may be held in the name of a nominee maintained by the Trustee or by any such depository.

(e) The Trustee shall accept and open all mail directed to the Grantor or the Beneficiary in care of the Trustee and shall forward such mail to the party to whom it is directed.

(f) The Trustee shall furnish to the Grantor and the Beneficiary a statement of all Assets in the Trust Account at the inception of the Trust Account and at the end of each calendar month.

(g) Upon the request of the Grantor or the Beneficiary, the Trustee shall promptly permit the Grantor or the Beneficiary, their respective agents, employees or independent auditors to examine, audit, excerpt, transcribe and copy, during the Trustee's normal business hours, any books, documents, papers and records relating to the Trust Account or the Assets.

(h) Unless otherwise provided in this Agreement, the Trustee is authorized to follow and rely upon all instructions given by officers and by attorneys in fact acting under written authority furnished to the Trustee by the Grantor or the Beneficiary, including, without limitation, instructions given by letter, facsimile transmission, telegram, teletype, cablegram or electronic media, if the Trustee believes such instructions to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustee shall not incur any liability to anyone resulting from actions taken by the Trustee in reliance in good faith on such instructions. The Trustee shall not incur any liability in executing instructions (i) from any attorney in fact or Investment Manager prior to receipt by it of notice of the revocation of the written authority of the attorney in fact or Investment Manager, or (ii) from any officer of the Grantor or the Beneficiary.

(i) The duties and obligations of the Trustee shall only be such as are specifically set forth in this Agreement, as it may from time to time be amended, and no implied duties or obligations shall be read into this Agreement against the Trustee. The Trustee shall not be liable except for its own negligence, willful misconduct or lack of good faith, and in no event shall the Trustee be liable for special, punitive, or consequential losses or damages arising in connection with this Agreement.

(j) No provision of this Agreement shall require the Trustee to take any action which, in the Trustee's reasonable judgment, would result in any violation of this Agreement or any provision of law. If any third party asserts a lien against any of

the Assets, the Trustee shall, upon becoming aware of such assertion, promptly notify both the Grantor and the Beneficiary of such claim.

(k) The Trustee shall not be responsible for the existence, genuineness or value of any of the Assets or for the validity, perfection, priority or enforceability of the liens in any of the Assets, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes negligence, bad faith or willful misconduct on the part of the Trustee, for the validity of title to the Assets, for insuring the Assets or for the payment of taxes, charges, assessments or liens upon the Assets.

(l) The Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of Trustee such as to any act or provision of any present or future law or regulation or governmental authority, terrorism, any act of God or war, or the unavailability of the Federal Reserve Bank wire or telex.

(m) The Trustee is not required to make advances of cash, securities or any other property on behalf of the Trust Account, or permit overdrafts in the Trust Account in connection with the acquisition or disposition of Assets in the Trust Account.

(n) At any time in connection with the performance of its services under this Agreement, the Trustee may consult with counsel selected by it who may be counsel for Grantor or Beneficiary. The opinion of said counsel will be full and complete authority and protection for the Trustee with respect to any action taken, suffered or omitted by it in good faith and in accordance with the opinion of said counsel other than with respect to the withdrawal of Assets by Beneficiary.

7. The Trustee's Compensation, Expenses, etc.

(a) The Grantor shall pay the Trustee, as compensation for its services under this Agreement, a fee which shall be mutually agreed upon in writing by the Trustee and Grantor, which shall be updated no more frequently than annually. The Grantor shall pay or reimburse the Trustee for all of the Trustee's appropriate expenses and disbursements in connection with its duties under this Agreement (including any reasonable attorney's fees and expenses), except any such expense or disbursement as may arise from the Trustee's negligence, willful misconduct, or lack of good faith. The Trustee shall notify the Grantor of all expenses and disbursements on a quarterly basis ("Trustee Invoice"). The Trustee Invoice shall state the nature and amount of such expenses and disbursements and such other information as the Grantor may reasonably request to make such payment to the Trustee. The Grantor shall pay such expenses and disbursements within a reasonable period of time after its receipt and review of such Trustee Invoice, unless the Trustee and Grantor agree otherwise in writing.

(b) The Trustee may not invade the Trust Account Assets for the purpose of paying compensation to or reimbursing expenses of the Trustee, but the Trustee shall be

entitled to deduct its compensation and expenses, which have been billed to the Grantor but have not been paid by the Grantor to the Trustee in accordance with Section 7(a) hereof, from payments of Income in respect of the Assets held in the Trust Account and deposited into the Income Account as provided in Section 4 of this Agreement. The Grantor hereby grants the Trustee a lien, right of set off and security interest in such funds and in such Income Account for the payment of any claim for compensation, reimbursement or indemnity hereunder, which has been billed but has not been paid to the Trustee within a reasonable period of time. The Grantor and the Beneficiary, jointly and severally, hereby indemnify the Trustee for, and hold it harmless against, any loss, liability, costs or expenses (including attorney's fees and expenses) incurred or made without negligence, willful misconduct or lack of good faith on the part of the Trustee, arising out of or in connection with the performance of its obligations in accordance with the provisions of this Agreement, including any loss, liability, costs or expenses arising out of or in connection with the status of the Trustee and its nominee as the holder of record of the Assets. The Grantor hereby acknowledges that the foregoing indemnities shall survive the resignation or discharge of the Trustee or the termination of this Agreement.

(c) Except as specifically provided for in paragraph (b) above, no Assets shall be withdrawn from the Trust Account or used in any manner for paying compensation to, or reimbursement or indemnification of, the Trustee.

8. Resignation or Removal of the Trustee.

(a) The Trustee may resign at any time by giving not less than 90 days written notice thereof to the Beneficiary and to the Grantor. The Trustee may be removed by the Grantor's delivery of not less than 90 days written notice of removal to the Trustee and the Beneficiary. Such resignation or removal shall become effective on the acceptance of appointment by a successor Trustee and the transfer to such successor Trustee of all Assets in the Trust Account in accordance with paragraph (b) of this Section 8.

(b) Upon receipt by the proper Parties of the Trustee's notice of resignation or the Grantor's notice of removal, the Grantor, with the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld, shall appoint a successor Trustee. Any successor Trustee shall be a bank that is a member of the Federal Reserve System or chartered in the State of Massachusetts. Upon the acceptance of the appointment as Trustee hereunder by a successor Trustee and the transfer to such successor Trustee of all Assets in the Trust Account, the resignation or removal of the Trustee shall become effective. Thereupon, such successor Trustee shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Trustee, and the resigning or removed Trustee shall be discharged from any future duties and obligations under this Agreement, but the resigning or removed Trustee shall continue to be entitled to the benefits of the indemnities provided herein for the Trustee as well as responsible for its obligations, acts and omissions taken while acting as Trustee.

9. Termination of the Trust Account.

(a) The Trust Account and this Agreement, except for the indemnities provided herein, may be terminated only after (i) the Grantor, with the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld, has given the Trustee written notice of its intention to terminate the Trust Account (the "Notice of Intention"), and (ii) the Trustee has given the Grantor and the Beneficiary the written notice specified in paragraph (b) of this Section 9. The Notice of Intention shall specify the date on which the notifying Party intends the Trust Account to terminate (the "Proposed Date").

(b) Within three (3) days following receipt by the Trustee of the Notice of Intention, the Trustee shall give written notification (the "Termination Notice") to the Beneficiary and the Grantor of the date (the "Termination Date") on which the Trust Account shall terminate. The Termination Date shall be (a) the Proposed Date if the Proposed Date is at least 30 days but no more than 45 days subsequent to the date the Termination Notice is given; (b) 30 days subsequent to the date the Termination Notice is given, if the Proposed Date is fewer than 30 days subsequent to the date the Termination Notice is given; or (c) 45 days subsequent to the date the Termination Notice is given, if the Proposed Date is more than 45 days subsequent to the date the Termination Notice is given.

(c) On the Termination Date, upon receipt of written approval of the Beneficiary, the Trustee shall transfer to the Grantor any Assets remaining in the Trust Account, at which time all liability of the Trustee with respect to such Assets shall cease.

10. Representations and Warranties

(a) The Trustee represents and warrants that the Trustee is a banking corporation, duly organized and validly existing and in good standing under the laws of the State of New York and has the requisite power and authority to carry on its respective business as now being conducted. The Trustee is duly qualified and authorized to do business and is in good standing in each jurisdiction where the Assets are maintained.

(b) The Trustee represents and warrants that the Trustee has all requisite corporate power and authority to execute and deliver this Agreement and to perform its respective obligations under this Agreement. The execution, delivery and performance of this Agreement by the Trustee and the consummation of the transactions contemplated by this Agreement by the Trustee have been duly and validly authorized by all necessary corporate action on the part of the Trustee. This Agreement constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as such enforceability may be limited by applicable laws relating to bankruptcy, insolvency, reorganization, or affecting creditors' rights generally and except to the extent that injunctive or other equitable relief is within the discretion of a court.

(c) The Trustee represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement do not and will not (1) violate or conflict with the Trustee's corporate charter or by-laws; or (2) violate or conflict with any law or governmental regulation, or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to the Trustee.

(d) The Grantor represents and warrants that the Grantor is a special purpose financial captive insurance company duly organized, validly existing and in good standing under the laws of the State of Vermont and has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on the operations of its business as they are proposed to be conducted.

(e) The Grantor represents and warrants that the Grantor has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Grantor of this Agreement, and the performance by the Grantor of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Grantor or its stockholder. This Agreement, when duly executed and delivered by the Grantor, subject to the due execution and delivery by the Parties hereto, will be a valid and binding obligation of the Grantor, enforceable against the Grantor in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(f) The Grantor represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (a) violate any provision of the Articles of Incorporation, Bylaws or other charter or organizational document of the Grantor, or (b) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Grantor, except when any such violation would not have a material adverse effect on this Agreement or the consummation of the transactions contemplated hereby.

(g) The Beneficiary represents and warrants that the Beneficiary is a life insurance company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and has all requisite corporate power and authority to carry on the operations of its business as they are now being conducted.

(h) The Beneficiary represents and warrants that the Beneficiary has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Beneficiary of this Agreement, and the performance by the Beneficiary of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do

not require any further authorization, action or consent of the Beneficiary. This Agreement, when duly executed and delivered by the Beneficiary, subject to the due execution and delivery by the Parties hereto, will be a valid and binding obligation of the Beneficiary, enforceable against the Beneficiary in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(i) The Beneficiary represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby in accordance with the respective terms and conditions hereof will not (a) violate any provision of the Articles of Incorporation or Bylaws of the Beneficiary, (b) violate, conflict with or result in the breach of any of the terms of, result in any modification of, give any counterparty the right to terminate, or constitute a default under, any contract or other agreement to which the Beneficiary is a party, or (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Beneficiary.

11. Definitions.

Except as the context shall otherwise require, the following terms shall have the following meanings for all purposes of this Agreement (the definitions to be applicable to both the singular and the plural forms of each term defined if both forms of such term are used in this Agreement):

The term "Affiliate" with respect to any corporation shall mean a corporation which directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such corporation.

The term "Beneficiary" shall include any successor of the Beneficiary by operation of law including, without limitation, any liquidator, rehabilitator, receiver or conservator.

The term "Beneficiary Withdrawal Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit A.

The term "control" (including the related terms "controlled by" and "under common control with") shall mean the ownership, directly or indirectly, of more than 10% of the voting stock of a corporation.

The term "Eligible Securities" means cash in United States dollars, certificates of deposit issued by a United States bank and payable in United States dollars, and investments permitted by M.G.L. c. 175 or any combination of the above, provided investments in or issued by an entity controlling, controlled by or under common control with either the Grantor or the Beneficiary shall not exceed 5% of total investments. Commercial paper and other obligations of institutions must be issued by a corporation (other than the Grantor or Beneficiary, or any Affiliate of either) which is organized and existing under the laws of the United States of America, unless otherwise

allowed by M.G.L. c. 175. The Eligible Securities are further subject to and limited by, the investment guidelines set forth in the attached Schedule A to this Agreement.

The term "Governmental Authority" means any federal, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority or self-regulatory organization, board or body.

The term "Grantor Withdrawal Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit B.

The term "Parent" shall mean an institution that, directly or indirectly, controls another institution.

The term "person" shall mean and include an individual, a corporation, a partnership, an association, a trust, an unincorporated organization or a government or political subdivision thereof.

The term "Subsidiary" shall mean an institution controlled, directly or indirectly, by another institution.

The term "Substitution Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit C.

The term "Trust" shall mean the trust formed hereunder.

12. Governing Law.

This Agreement shall be subject to and governed by the laws of the State of Massachusetts. Each party hereto hereby waives trial by jury in any judicial proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract or otherwise) in any way arising out of or related to this agreement or the relationship established hereunder. This provision is a material inducement for the parties to enter into this Agreement. Each Party hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum. The establishment and maintenance of the Trust Account, and all interests, duties and obligations with respect thereto, shall be governed by the laws of the State of Massachusetts.

13. Successors and Assigns.

Except as expressly permitted by Section 8 of this Agreement, no Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of both the Grantor and the Beneficiary. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

14. Severability.

In the event that any provision of this Agreement shall be declared invalid or unenforceable by any regulatory body or court having jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining portions of this Agreement.

15. Entire Agreement.

This Agreement constitutes the entire agreement among the Parties, and there are no conditions or qualifications relative to this Agreement which are not fully expressed in this Agreement.

16. Amendments.

This Agreement may be modified or otherwise amended, and the observance of any term of this Agreement may be waived, if such modification, amendment or waiver is in writing and signed by the Parties.

17. Notices

Unless otherwise provided in this Agreement, any notice and other communication required or permitted hereunder shall be in writing and shall be (i) delivered personally, (ii) sent by electronic media (by SWIFT, emailed pdf or other similar and reliable means), or in the event that electronic transmission is unavailable for any reason, by facsimile transmission (and immediately after transmission confirmed by telephone), or (iii) sent by certified, registered or express mail, postage prepaid; provided, however, that any Party delivering a communication by facsimile transmission shall retain the electronically generated confirmation of delivery, showing the telephone number to which the transmission was sent and the date and time of the transmission. Any such notice shall be deemed given when so delivered personally, sent by electronic media or by facsimile transmission (and immediately after such facsimile transmission confirmed by telephone) or, if mailed, on the date shown on the receipt therefor, as follows:

if to the Grantor:

Prime Reinsurance Company, Inc.
c/o Marsh Management Services Inc.
100 Bank Street, Suite 600,
Burlington, Vermont 05402
Facsimile: (802) 864-0328

with copies to (which shall not constitute notice to the Grantor for purposes of this Section 17):

Robert Sullivan, Esq.
Susan Sutherland, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000

if to the Beneficiary:

Primerica Life Insurance Company
3120 Breckinridge Boulevard
Duluth, GA 30099-0001
Facsimile: (770) 564-6174

with copies to (which shall not constitute notice to the Beneficiary for purposes of this Section 17):

Donald B. Henderson, Jr., Esq.
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY 10019
(212) 259-8000

If to the Trustee:

The Bank of New York Mellon
101 Barclay Street
Mailstop: 101-0850
New York, New York 10286
Attention: Insurance Trust and Escrow Group/Patricia Scrivano
Facsimile: (732) 667-9536

Each Party may from time to time designate a different address for notices, directions, requests, demands, acknowledgments and other communications by giving written notice of such change to the other Parties.

18. Headings. The headings of the Sections and the Table of Contents have been inserted for convenience of reference only and shall not be deemed to constitute a part of this Agreement.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

PRIME REINSURANCE COMPANY, INC. as Grantor

By: /s/ Reza Shah
Name: Reza Shah
Title: President

PRIMERICA LIFE INSURANCE COMPANY, as Beneficiary

By: /s/ Dan Settle
Name: Daniel B. Settle
Title: Executive Vice President

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Sharon Bershaw
Name: Sharon Bershaw
Title: Vice President

ATTACHMENT 13

EX-10.9 16 dex109.htm 10% COINSURANCE EXCESS TRUST AGREEMENT

Exhibit 10.9

CONFIDENTIAL

10% COINSURANCE EXCESS TRUST AGREEMENT

Dated as of March 29, 2010

among

PRIME REINSURANCE COMPANY, INC.

as Grantor,

PRIMERICA LIFE INSURANCE COMPANY

as Beneficiary

and

THE BANK OF NEW YORK MELLON

as Trustee

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10% EXCESS TRUST AGREEMENT

This **10% COINSURANCE EXCESS TRUST AGREEMENT** (together with any and all exhibits, this "Agreement") dated March 29, 2010, made by and among Prisma Reinsurance Company, Inc., a Vermont special purpose financial captive insurance company (the "Grantor"), Primerica Life Insurance Company, a Massachusetts-domiciled stock life insurance company (the "Beneficiary"), and The Bank of New York Mellon, a banking corporation organized under the laws of the State of New York, as trustee (in such capacity, the "Trustee") (the Grantor, the Beneficiary and the Trustee are hereinafter each sometimes referred to individually as a "Party" and collectively as the "Parties").

The Parties hereto agree as follows:

1. Deposit of Assets to the Trust Account.

   (a) The Grantor has established account number 390221 in the name of "PRIME RE CO - PRIMERICA 10% EXCESS" with the Trustee (such account, the "Trust Account") and the Trustee shall administer the Trust Account in its name as Trustee for the sole use and benefit of the Beneficiary.

   (b) The Grantor shall transfer to the Trustee, for deposit to the Trust Account, or request the Beneficiary to transfer directly to the Trustee on the Grantor's behalf, such assets as it may from time to time desire (all such assets actually received in the Trust Account are herein referred to individually as an "Asset" and collectively as the "Assets"). The Assets shall consist only of Eligible Securities (as hereinafter defined).

   (c) The Grantor hereby represents and warrants that title to any Assets transferred by the Grantor to the Trustee for deposit to the Trust Account will be recorded in the name of the Trustee, and any such Assets will be in such form that the Beneficiary whenever necessary may, and the Trustee upon direction by the Beneficiary will, negotiate any such Assets without consent or signature from the Grantor or any person in accordance with the terms of this Agreement. Any out-of-pocket costs of transfer of title between the Grantor and the Trustee shall be borne by the Grantor.

2. Withdrawal of Assets from the Trust Account.

   (a) Without notice to or the consent of the Grantor, the Beneficiary shall have the right, at any time and from time to time, to withdraw from the Trust Account, upon providing written notice to the Trustee (the "Beneficiary Withdrawal Notice"), such Assets as are specified in such Beneficiary Withdrawal Notice. The Beneficiary need present no statement or document in addition to a Beneficiary Withdrawal Notice in order to withdraw any Assets. The Beneficiary Withdrawal Notice shall be substantially in the form attached as Exhibit A.

(b) Upon receipt of a Beneficiary Withdrawal Notice, the Trustee shall immediately take any and all steps necessary to transfer absolutely and unequivocably all right, title and interest in the Assets specified in such Beneficiary Withdrawal Notice, and shall deliver physical custody of such Assets to or for the account of the Beneficiary as specified in such Beneficiary Withdrawal Notice.

(c) With the prior written permission of the Beneficiary, the Grantor may withdraw from the Trust Account, upon providing written notice to the Trustee (the "Grantor Withdrawal Notice"), such Assets as are specified in such Grantor Withdrawal Notice. Such withdrawals shall be delivered to the Grantor. The form of the Grantor Withdrawal Notice shall be substantially in the form attached as Exhibit B.

(d) Upon receipt of a Grantor Withdrawal Notice, the Trustee shall immediately take any and all steps necessary to transfer all right, title and interest in the Assets specified in such Grantor Withdrawal Notice, and shall deliver such Assets to or for the account of the Grantor as specified in such Grantor Withdrawal Notice.

(e) Except as provided in Section 2 and Section 3 of this Agreement, in the absence of a Beneficiary Withdrawal Notice or Grantor Withdrawal Notice, the Trustee shall allow no substitution or withdrawal of any Asset from the Trust Account by the Grantor.

3. Redemption, Investment and Substitution of Assets.

(a) The Trustee shall surrender for payment all maturing Assets and all Assets called for redemption and deposit the principal amount of the proceeds of any such payment to the Trust Account.

(b) Grantor and Beneficiary agree that Conning Asset Management Company will be the investment manager ("Investment Manager") for all Assets which may be held in the Trust Account. The Investment Manager is the agent of, and is acting on behalf of, the Grantor. The Grantor shall be solely responsible for all fees charged by and all other obligations to the Investment Manager in connection with the Trust Account.

(c) From time to time, upon the written order and direction of the Investment Manager, the Trustee shall invest Assets as specified by the Investment Manager, who shall limit all investments to the categories of securities set forth in the definition of "Eligible Securities" in Section 12 of this Agreement. Any instruction or order concerning the investment of securities shall be referred to herein as an "Investment Order." The Trustee shall execute Investment Orders and settle securities transactions by itself or by means of an agent or broker. The Trustee shall not be responsible for any act or omission, or for the solvency, of any such agent or broker.

(d) The Investment Manager is hereby authorized to issue Investment Orders and direct the Trustee to invest the Assets in the Trust Account without obtaining the

consent of the Beneficiary prior to each investment; provided, however, all such investments are limited to Eligible Securities.

(e) From time to time, subject to the other provisions of this Agreement including the requirement that title to Assets shall be recorded in the name of the Trustee, the Trustee is authorized to accept substitutions from the Grantor or the Investment Manager of any Eligible Securities in the Trust Account for other Eligible Securities pursuant to a written notice (which shall also certify that such substitutions are Eligible Securities) (the "Substitution Notice") provided that either the Grantor or the Investment Manager certifies to the Trustee that the aggregate Fair Value of the Assets to be deposited or credited to the Trust Account pursuant to such substitution or exchange is at least equal to the aggregate Fair Value of the Assets being removed from the Trust Account.

(f) The Grantor hereby covenants that all investments and substitutions of securities requested by it or by the Investment Manager in accordance with this Section 3 shall be in compliance with the relevant provisions set forth in the definition of "Eligible Securities" in Section 12 of this Agreement.

(g) When the Trustee is directed to deliver Assets against payment, delivery will be made in accordance with generally accepted market practice.

(h) Any loss incurred from any investment pursuant to the terms of this Section 3 shall be borne exclusively by the Trust Account.

(i) (i) For purposes of determining the fair market value of any Assets in the Trust Account pursuant to this Agreement, the parties hereby agree (without any liability being incurred on the part of the Trustee for any incorrect fair valuation of Assets, howsoever caused) to use prices published by a nationally recognized pricing service for Assets for which such prices are available and for Assets for which such prices are not available, to obtain at the expense of the Grantor and pursuant to its written recommendation, a major independent securities valuation firm to appraise the value of such Assets, which may use methodologies consistent with those which the Grantor uses for determining the fair market value of assets held in the Grantor's general account (other than the Assets) in the ordinary course of business (the "Fair Value"). If the Beneficiary shall dispute the Fair Value of any Asset, and the parties are unable to resolve such dispute within fourteen (14) days, the value of such Asset shall be determined by an independent appraisal firm which is mutually acceptable to the Grantor and the Beneficiary, and the parties shall be bound by such valuation. The Trustee shall not be a party to any dispute between the Grantor and the Beneficiary relating to the valuation of Assets.

4. Transfer of Income. All payments of interest and dividends (hereinafter referred to as "Income") in respect to Assets in the Trust Account shall be the property of the Grantor. To the extent that the Trustee shall collect and receive Income from the Trust Account, it shall pay over the amount of such Income upon the written direction of the Grantor, and may deposit such

Income in a separate account established in the Grantor's individual name and capacity; provided, however, that the Trustee shall have no duties or obligations as Trustee with respect to the payment of Income by the issuer of the Assets or the deposit of such Income as provided herein. Any Income automatically posted and credited on the payment date to the Income Account which is not subsequently received by the Trustee shall be reimbursed by the Grantor to the Trustee and the Trustee may debit the Income Account for this purpose. Income shall be paid to the Grantor or credited to an account of the Grantor in accordance with written instructions provided from time to time by the Grantor to the Trustee.

5. Right to Vote Assets. The Trustee shall forward all annual and interim stockholder reports and all proxies and proxy materials relating to the Assets in the Trust Account to the Grantor. Subject to other provisions of this Agreement and the requirement that title to Assets be recorded in the name of the Trustee, the Grantor shall have the full and unqualified right to vote any Assets in the Trust Account. Whenever there are voluntary rights that may be exercised or alternate courses of action that may be taken by reason of the Grantor's ownership of Eligible Securities, the Grantor shall be responsible for making any decisions relating thereto and for directing the Trustee to act. The Trustee shall notify the Grantor of rights or discretionary actions with respect to Eligible Securities as promptly as practicable under the circumstances, provided that the Trustee has actually received notice of such right or discretionary corporate action from the relevant depository, etc. Absent actual receipt of such applicable third-party notice, the Trustee shall have no liability for failing to so notify the Grantor of any rights or discretionary corporate actions with respect to Eligible Securities. Absent the Trustee's timely receipt of instructions from the Grantor, the Trustee shall not be liable for failure to take any action relating to or to exercise any rights conferred by such Eligible Securities.

6. Additional Rights and Duties of the Trustee.

   (a) The Trustee shall notify the Grantor and the Beneficiary in writing within five (5) days following each deposit to, or withdrawal from, the Trust Account; provided, however, the Trustee shall notify the Grantor and the Beneficiary in writing within three (3) business days following (i) each withdrawal from the Trust Account that totals an amount equal to or in excess of $20,000,000 or (ii) any number of withdrawals that results in an amount equal to or in excess of $20,000,000 if such withdrawals occur within a two day period of each other. The Trustee will be deemed to have delivered such notice of deposit, withdrawal and receipt of Grantor Withdrawal Notice or Beneficiary Withdrawal Notice, as applicable, if each such notice is available on one or more of the Trustee's systems for the delivery of electronic media to which system(s) Grantor and Beneficiary have access.

   (b) The Trustee shall not accept any Assets (other than cash) for deposit into the Trust Account unless the Trustee determines that it is or will be the registered owner of and holder of legal title to the Assets or that such Assets are in such form that the Trustee may, if applicable to such asset class, negotiate any such Assets, without consent or signature from the Grantor or any other person or entity. Any Assets received by the Trustee which, if applicable to such asset class, are not in such proper negotiable form or for which title has not been transferred to the Trustee

shall not be accepted by the Trustee and shall be returned to the Grantor as unacceptable.

(c) The Trustee shall have no responsibility whatsoever to determine that any Assets (other than cash) in the Trust Account are or continue to be Eligible Securities.

(d) All Assets shall be held in a safe place by the Trustee at the Trustee's office in the United States, except that the Trustee may deposit any Assets in the Trust Account in a book entry account maintained at the Federal Reserve Bank of New York or in depositories such as the Depository Trust Company and the Participants Trust Company. Assets may be held in the name of a nominee maintained by the Trustee or by any such depository.

(e) The Trustee shall accept and open all mail directed to the Grantor or the Beneficiary in care of the Trustee and shall forward such mail to the party to whom it is directed.

(f) The Trustee shall furnish to the Grantor and the Beneficiary a statement of all Assets in the Trust Account at the inception of the Trust Account and at the end of each calendar month.

(g) Upon the request of the Grantor or the Beneficiary, the Trustee shall promptly permit the Grantor or the Beneficiary, their respective agents, employees or independent auditors to examine, audit, excerpt, transcribe and copy, during the Trustee's normal business hours, any books, documents, papers and records relating to the Trust Account or the Assets.

(h) Unless otherwise provided in this Agreement, the Trustee is authorized to follow and rely upon all instructions given by officers and by attorneys in fact acting under written authority furnished to the Trustee by the Grantor or the Beneficiary, including, without limitation, instructions given by letter, facsimile transmission, telegram, teletype, cablegram or electronic media, if the Trustee believes such instructions to be genuine and to have been signed, sent or presented by the proper party or parties. The Trustee shall not incur any liability to anyone resulting from actions taken by the Trustee in reliance in good faith on such instructions. The Trustee shall not incur any liability in executing instructions (i) from any attorney in fact or Investment Manager prior to receipt by it of notice of the revocation of the written authority of the attorney in fact or Investment Manager, or (ii) from any officer of the Grantor or the Beneficiary.

(i) The duties and obligations of the Trustee shall only be such as are specifically set forth in this Agreement, as it may from time to time be amended, and no implied duties or obligations shall be read into this Agreement against the Trustee. The Trustee shall not be liable except for its own negligence, willful misconduct or lack of good faith, and in no event shall the Trustee be liable for special, punitive, or consequential losses or damages arising in connection with this Agreement.

(j) No provision of this Agreement shall require the Trustee to take any action which, in the Trustee's reasonable judgment, would result in any violation of this Agreement or any provision of law. If any third party asserts a lien against any of the Assets, the Trustee shall, upon becoming aware of such assertion, promptly notify both the Grantor and the Beneficiary of such claim.

(k) The Trustee shall not be responsible for the existence, genuineness or value of any of the Assets or for the validity, perfection, priority or enforceability of the liens in any of the Assets, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes negligence, bad faith or willful misconduct on the part of the Trustee, for the validity of title to the Assets, for insuring the Assets or for the payment of taxes, charges, assessments or liens upon the Assets.

(l) The Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of Trustee such as to any act or provision of any present or future law or regulation or governmental authority, terrorism, any act of God or war, or the unavailability of the Federal Reserve Bank wire or telex.

(m) The Trustee is not required to make advances of cash, securities or any other property on behalf of the Trust Account, or permit overdrafts in the Trust Account in connection with the acquisition or disposition of Assets in the Trust Account.

(n) At any time in connection with the performance of its services under this Agreement, the Trustee may consult with counsel selected by it who may be counsel for Grantor or Beneficiary. The opinion of said counsel will be full and complete authority and protection for the Trustee with respect to any action taken, suffered or omitted by it in good faith and in accordance with the opinion of said counsel other than with respect to the withdrawal of Assets by Beneficiary.

7. The Trustee's Compensation, Expenses, etc.

(a) The Grantor shall pay the Trustee, as compensation for its services under this Agreement, a fee which shall be mutually agreed upon in writing by the Trustee and Grantor, which shall be updated no more frequently than annually. The Grantor shall pay or reimburse the Trustee for all of the Trustee's appropriate expenses and disbursements in connection with its duties under this Agreement (including any reasonable attorney's fees and expenses), except any such expense or disbursement as may arise from the Trustee's negligence, willful misconduct, or lack of good faith. The Trustee shall notify the Grantor of all expenses and disbursements on a quarterly basis ("Trustee Invoice"). The Trustee Invoice shall state the nature and amount of such expenses and disbursements and such other information as the Grantor may reasonably request to make such payment to the Trustee. The Grantor shall pay such expenses and disbursements within a reasonable period of time after its receipt and review of such Trustee Invoice, unless the Trustee and Grantor agree otherwise in writing.

(b) The Trustee may not invade the Trust Account Assets for the purpose of paying compensation to or reimbursing expenses of the Trustee, but the Trustee shall be entitled to deduct its compensation and expenses, which have been billed to the Grantor but have not been paid by the Grantor to the Trustee in accordance with Section 7(a) hereof, from payments of income in respect of the Assets held in the Trust Account and deposited into the Income Account as provided in Section 4 of this Agreement. The Grantor hereby grants the Trustee a lien, right of set off and security interest in such funds and in such Income Account for the payment of any claim for compensation, reimbursement or indemnity hereunder, which has been billed but has not been paid to the Trustee within a reasonable period of time. The Grantor and the Beneficiary, jointly and severally, hereby indemnify the Trustee for, and hold it harmless against, any loss, liability, costs or expenses (including attorney's fees and expenses) incurred or made without negligence, willful misconduct or lack of good faith on the part of the Trustee, arising out of or in connection with the performance of its obligations in accordance with the provisions of this Agreement, including any loss, liability, costs or expenses arising out of or in connection with the status of the Trustee and its nominee as the holder of record of the Assets. The Grantor hereby acknowledges that the foregoing indemnities shall survive the resignation or discharge of the Trustee or the termination of this Agreement.

(c) Except as specifically provided for in paragraph (b) above, no Assets shall be withdrawn from the Trust Account or used in any manner for paying compensation to, or reimbursement or indemnification of, the Trustee.

8. Resignation or Removal of the Trustee.

(a) The Trustee may resign at any time by giving not less than 90 days written notice thereof to the Beneficiary and to the Grantor. The Trustee may be removed by the Grantor's delivery of not less than 90 days written notice of removal to the Trustee and the Beneficiary. Such resignation or removal shall become effective on the acceptance of appointment by a successor Trustee and the transfer to such successor Trustee of all Assets in the Trust Account in accordance with paragraph (b) of this Section 8.

(b) Upon receipt by the proper Parties of the Trustee's notice of resignation or the Grantor's notice of removal, the Grantor, with the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld, shall appoint a successor Trustee. Any successor Trustee shall be a bank that is a member of the Federal Reserve System or chartered in the State of Massachusetts. Upon the acceptance of the appointment as Trustee hereunder by a successor Trustee and the transfer to such successor Trustee of all Assets in the Trust Account, the resignation or removal of the Trustee shall become effective. Thereupon, such successor Trustee shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Trustee, and the resigning or removed Trustee shall be discharged from any future duties and obligations under this Agreement, but the resigning or removed Trustee shall continue to be entitled

to the benefits of the indemnities provided herein for the Trustee as well as responsible for its obligations, acts and omissions taken while acting as Trustee.

9. Termination of the Trust Account.

(a) The Trust Account and this Agreement, except for the indemnities provided herein, may be terminated only after (i) the Grantor, with the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld, has given the Trustee written notice of its intention to terminate the Trust Account (the "Notice of Intention"), and (ii) the Trustee has given the Grantor and the Beneficiary the written notice specified in paragraph (b) of this Section 9. The Notice of Intention shall specify the date on which the notifying Party intends the Trust Account to terminate (the "Proposed Date").

(b) Within three (3) days following receipt by the Trustee of the Notice of Intention, the Trustee shall give written notification (the "Termination Notice") to the Beneficiary and the Grantor of the date (the "Termination Date") on which the Trust Account shall terminate. The Termination Date shall be (a) the Proposed Date if the Proposed Date is at least 30 days but no more than 45 days subsequent to the date the Termination Notice is given; (b) 30 days subsequent to the date the Termination Notice is given, if the Proposed Date is fewer than 30 days subsequent to the date the Termination Notice is given; or (c) 45 days subsequent to the date the Termination Notice is given, if the Proposed Date is more than 45 days subsequent to the date the Termination Notice is given.

(c) On the Termination Date, upon receipt of written approval of the Beneficiary, the Trustee shall transfer to the Grantor any Assets remaining in the Trust Account, at which time all liability of the Trustee with respect to such Assets shall cease.

10. Representations and Warranties

(a) The Trustee represents and warrants that the Trustee is a banking corporation, duly organized and validly existing and in good standing under the laws of the State of New York and has the requisite power and authority to carry on its respective business as now being conducted. The Trustee is duly qualified and authorized to do business and is in good standing in each jurisdiction where the Assets are maintained.

(b) The Trustee represents and warrants that the Trustee has all requisite corporate power and authority to execute and deliver this Agreement and to perform its respective obligations under this Agreement. The execution, delivery and performance of this Agreement by the Trustee and the consummation of the transactions contemplated by this Agreement by the Trustee have been duly and validly authorized by all necessary corporate action on the part of the Trustee. This Agreement constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as such enforceability may be limited by applicable laws relating to bankruptcy,

insolvency, reorganization, or affecting creditors' rights generally and except to the extent that injunctive or other equitable relief is within the discretion of a court.

(c) The Trustee represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement do not and will not (1) violate or conflict with the Trustee's corporate charter or by-laws; or (2) violate or conflict with any law or governmental regulation, or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to the Trustee.

(d) The Grantor represents and warrants that the Grantor is a special purpose financial captive insurance company duly organized, validly existing and in good standing under the laws of the State of Vermont and has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on the operations of its business as they are proposed to be conducted.

(e) The Grantor represents and warrants that the Grantor has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Grantor of this Agreement, and the performance by the Grantor of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Grantor or its stockholder. This Agreement, when duly executed and delivered by the Grantor, subject to the due execution and delivery by the Parties hereto, will be a valid and binding obligation of the Grantor, enforceable against the Grantor in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(f) The Grantor represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (a) violate any provision of the Articles of Incorporation, Bylaws or other charter or organizational document of the Grantor, or (b) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Grantor, except when any such violation would not have a material adverse effect on this Agreement or the consummation of the transactions contemplated hereby.

(g) The Beneficiary represents and warrants that the Beneficiary is a life insurance company duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and has all requisite corporate power and authority to carry on the operations of its business as they are now being conducted.

(h) The Beneficiary represents and warrants that the Beneficiary has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Beneficiary of this Agreement, and the performance by the Beneficiary of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Beneficiary. This Agreement, when duly executed and delivered by the Beneficiary, subject to the due execution and delivery by the Parties hereto, will be a valid and binding obligation of the Beneficiary, enforceable against the Beneficiary in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(i) The Beneficiary represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby in accordance with the respective terms and conditions hereof will not (a) violate any provision of the Articles of Incorporation or Bylaws of the Beneficiary, (b) violate, conflict with or result in the breach of any of the terms of, result in any modification of, give any counterparty the right to terminate, or constitute a default under, any contract or other agreement to which the Beneficiary is a party, or (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Beneficiary.

11. Definitions.

Except as the context shall otherwise require, the following terms shall have the following meanings for all purposes of this Agreement (the definitions to be applicable to both the singular and the plural forms of each term defined if both forms of such term are used in this Agreement):

The term "Affiliate" with respect to any corporation shall mean a corporation which directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such corporation.

The term "Beneficiary" shall include any successor of the Beneficiary by operation of law including, without limitation, any liquidator, rehabilitator, receiver or conservator.

The term "Beneficiary Withdrawal Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit A.

The term "control" (including the related terms "controlled by" and "under common control with") shall mean the ownership, directly or indirectly, of more than 10% of the voting stock of a corporation.

The term "Eligible Securities" means cash in United States dollars, certificates of deposit issued by a United States bank and payable in United States dollars, and investments permitted by M.G.L. c. 175 or any combination of the above, provided investments in or issued by an entity

controlling, controlled by or under common control with either the Grantor or the Beneficiary shall not exceed 5% of total investments. Commercial paper and other obligations of institutions must be issued by a corporation (other than the Grantor or Beneficiary, or any Affiliate of either) which is organized and existing under the laws of the United States of America, unless otherwise allowed by M.G.L. c. 175. The Eligible Securities are further subject to and limited by, the investment guidelines set forth in the attached Schedule A to this Agreement.

The term "Governmental Authority" means any federal, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority or self-regulatory organization, board or body.

The term "Grantor Withdrawal Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit B.

The term "Parent" shall mean an institution that, directly or indirectly, controls another institution.

The term "person" shall mean and include an individual, a corporation, a partnership, an association, a trust, an unincorporated organization or a government or political subdivision thereof.

The term "Subsidiary" shall mean an institution controlled, directly or indirectly, by another institution.

The term "Substitution Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit C.

The term "Trust" shall mean the trust formed hereunder.

12. Governing Law.

This Agreement shall be subject to and governed by the laws of the State of Massachusetts. Each party hereto hereby waives trial by jury in any judicial proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract or otherwise) in any way arising out of or related to this agreement or the relationship established hereunder. This provision is a material inducement for the parties to enter into this Agreement. Each Party hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum. The establishment and maintenance of the Trust Account, and all interests, duties and obligations with respect thereto, shall be governed by the laws of the State of Massachusetts.

13. Successors and Assigns.

Except as expressly permitted by Section 0 of this Agreement, no Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of both the Grantor and the Beneficiary. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

14. Severability.

In the event that any provision of this Agreement shall be declared invalid or unenforceable by any regulatory body or court having jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining portions of this Agreement.

15. Entire Agreement.

This Agreement constitutes the entire agreement among the Parties, and there are no conditions or qualifications relative to this Agreement which are not fully expressed in this Agreement.

16. Amendments.

This Agreement may be modified or otherwise amended, and the observance of any term of this Agreement may be waived, if such modification, amendment or waiver is in writing and signed by the Parties.

17. Notices

Unless otherwise provided in this Agreement, any notice and other communication required or permitted hereunder shall be in writing and shall be (i) delivered personally, (ii) sent by electronic media (by SWIFT, emailed pdf or other similar and reliable means), or in the event that electronic transmission is unavailable for any reason, by facsimile transmission (and immediately after transmission confirmed by telephone), or (iii) sent by certified, registered or express mail, postage prepaid; provided, however, that any Party delivering a communication by facsimile transmission shall retain the electronically generated confirmation of delivery, showing the telephone number to which the transmission was sent and the date and time of the transmission. Any such notice shall be deemed given when so delivered personally, sent by electronic media or by facsimile transmission (and immediately after such facsimile transmission confirmed by telephone) or, if mailed, on the date shown on the receipt therefor, as follows:

if to the Grantor:

Prime Reinsurance Company, Inc.
c/o Marsh Management Services Inc.
100 Bank Street, Suite 600,
Burlington, Vermont 05402
Facsimile: (802) 864-0328

with copies to (which shall not constitute notice to the Grantor for purposes of this Section 17):

Robert Sullivan, Esq.
Susan Sutherland, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000

if to the Beneficiary:

Primerica Life Insurance Company
3120 Breckinridge Boulevard
Duluth, GA 30099-0001
Facsimile: (770) 564-6174

with copies to (which shall not constitute notice to the Beneficiary for purposes of this Section 17):

Donald B. Henderson, Jr., Esq.
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY 10019
(212) 259-8000

If to the Trustee:

The Bank of New York Mellon
101 Barclay Street
Mailstop: 101-0850
New York, New York 10286
Attention: Insurance Trust and Escrow Group/Patricia Scrivano
Facsimile: (732) 667-9536

Each Party may from time to time designate a different address for notices, directions, requests, demands, acknowledgments and other communications by giving written notice of such change to the other Parties.

18. Headings. The headings of the Sections and the Table of Contents have been inserted for convenience of reference only and shall not be deemed to constitute a part of this Agreement.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

PRIME REINSURANCE COMPANY, INC. as Grantor

By: /s/ Reza Shah
Name: Reza Shah
Title: President

PRIMERICA LIFE INSURANCE COMPANY, as Beneficiary

By: /s/ Dan Settle
Name: Daniel B. Settle
Title: Executive Vice President

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Sharon Bershaw
Name: Sharon Bershaw
Title: Vice President

ATTACHMENT 14

EX-10.11 18 dex1011.htm 90% COINSURANCE AGREEMENT, NATIONAL BENEFIT AND AMERICAN

Exhibit 10.11

CONFIDENTIAL

90% COINSURANCE AGREEMENT

by and between

NATIONAL BENEFIT LIFE INSURANCE COMPANY

(the "Ceding Company")

and

AMERICAN HEALTH AND LIFE INSURANCE COMPANY

(the "Reinsurer")

Dated March 31, 2010

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90% COINSURANCE AGREEMENT

This 90% COINSURANCE AGREEMENT (together with the Exhibits hereto, this "**Agreement**") is made on this the 31st day of March, 2010 by and between NATIONAL BENEFIT LIFE INSURANCE COMPANY, a stock life insurance company domiciled in the State of New York (together with its successors and permitted assigns, the "**Ceding Company**") and AMERICAN HEALTH AND LIFE INSURANCE COMPANY, a stock life insurance company domiciled in the State of Texas (together with its successors and permitted assigns, the "**Reinsurer**").

WHEREAS, the Ceding Company is engaged in the business of issuing certain life insurance policies and certain related riders;

WHEREAS, the Ceding Company desires to cede to the Reinsurer on an indemnity reinsurance basis certain liabilities with respect to the Reinsured Policies (as defined herein); and

WHEREAS, the Reinsurer is willing to reinsure on an indemnity reinsurance basis the liabilities that the Ceding Company desires to cede hereunder on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual and several promises and undertakings herein contained, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Ceding Company and the Reinsurer (individually, a "**Party**" and collectively, the "**Parties**") hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following terms, when used in this Agreement, shall have the meanings set forth in this Article I.

(a) "**Administrative Practices**" shall have the meaning specified in Section 17.2(a).

(b) "**Affiliate**" means, with respect to a Party, any entity that controls, is controlled by or is under common control with such Party.

(c) "**Agreement**" shall have the meaning specified in the Preamble.

(d) "**Applicable Law**" means any domestic or foreign, federal, state or local statute, law, ordinance or code, or any written rules, regulations or administrative interpretations issued by any Governmental Authority pursuant to any of the foregoing, in each case applicable to any Party, and any order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the Parties.

(e) "**Business Day**" means any day other than a day on which banks in the State of New York or the State of Texas are permitted or required to be closed.

(f) "**Ceding Company**" shall have the meaning specified in the Preamble.

(g) "**Change of Control**" shall have the meaning specified in Section 21.10.

(h) "**Claims**" means any and all claims, requests, demands or notices made under a Reinsured Policy for payment of benefits or other obligations, including death benefits, waived premiums, returned premium or any other payments alleged to be due in accordance with the terms and conditions of such Reinsured Policy.

(i) "**Code**" shall have the meaning specified in Section 5.2.

(j) "**Commissioner**" means the Commissioner of Insurance of the State of Texas.

(k) "**Commissions**" means the contractual amounts earned by and the bonuses paid to the Ceding Company's sales representatives in connection with the Reinsured Policies on and after the Effective Date.

(l) "**Commutation Payment**" shall have the meaning specified in Section 11.5.

(m) "**Confidential Information**" shall have the meaning specified in Section 21.10.

(n) **"Conversion"** means the issuance by the Ceding Company of a new Coverage in replacement of a Coverage under a Reinsured Policy pursuant to an option granted under the terms of such Reinsured Policy; provided, however, in no event shall Conversions include any Renewal.

(o) **"Coverage"** means, with respect to any Policy, one or more life insurance coverages issued by the Ceding Company. A single Policy may have multiple Coverages issued to multiple individuals and such multiple Coverages, in turn, may have different Original Initial Level Premium Periods, all within a single Policy.

(p) **"Covered Liabilities"** means all liabilities incurred by the Ceding Company under the express terms of the Reinsured Policies (including End of Term Renewals) and all Reinsured ECOs; provided, however, in no event shall Covered Liabilities include any Excluded Liabilities.

(q) **"Direct Premiums"** means all premiums actually received from the Policyholders attributable to the Reinsured Policies from and after the Effective Date and waived premiums on such Policies.

(r) **"Effective Date"** means January 1, 2010.

(s) **"Eligible Assets"** means cash in United States dollars, certificates of deposit issued by a United States bank and payable in United States dollars, and investments permitted by paragraphs (1), (2), (3), (8), and (10) of subsection (a) of section 1404 of the New York Insurance Law, or any combination of the above. Commercial paper and other obligations of institutions must be issued by a corporation (other than the Ceding Company or the Reinsurer, or any Affiliate of either) which is organized and existing under the laws of the United States of America, unless otherwise permitted under 1404 of the New York Insurance Law.

(t) **"End of Term Conversion"** means, with respect to a Coverage under a Reinsured Policy, a Conversion that occurs (i) at any time during the two year period ending on the last day of the Original Initial Level Premium Period of a Coverage or (ii) after the last day of such period.

(u) **"End of Term Renewal"** means a Renewal that occurs at the end of the Original Initial Level Premium Period.

(v) **"Excluded Liabilities"** shall have the meaning specified in Section 2.2.

(w) **"Existing Practice"** shall have the meaning specified in Section 17.2(a).

(x) **"Expense Allowance"** means an annualized per base policy expense allowance equal to the Reinsurer's Quota Share multiplied by $42.50 for each Reinsured Policy payable on a monthly basis, which amount shall be increased (i) by 3% on the first anniversary date of the Effective Date and (ii) thereafter, by a compounded rate equal to the percentage increase, if any, in the employment cost index published by the United States Bureau of Labor Statistics at http//www.bls.gov on each subsequent anniversary date of the Effective Date.

(y) **"Extra-Contractual Obligations"** means all liabilities, obligations and expenses not arising under the express terms and conditions of any Reinsured Policy, whether such liabilities, obligations or expenses are owing to an insured, a Governmental Authority or any other Person in connection with such Reinsured Policy, including (a) any liability for punitive, exemplary, consequential, special, treble, tort, bad faith or any other form of extra-contractual damages, (b) damages or claims in excess of the applicable policy limits of the Reinsured Policies, (c) statutory or regulatory damages, fines, penalties, forfeitures and similar charges of a penal or disciplinary nature, and (d) liabilities and obligations arising out of any act, error or omission, whether or not intentional, in bad faith or otherwise, including any act, error or omission relating to (i) the form, marketing, production, issuance, sale, cancellation or administration of Reinsured Policies or (ii) the failure to pay or the delay in payment of claims, benefits, disbursements or any other amounts due or alleged to be due under or in connection with Reinsured Policies (exclusive of interest on payments to Policyholders, as determined in accordance with the laws of the jurisdiction applicable to such Reinsured Policy). For avoidance of doubt, any liabilities, obligations and expenses relating to any change in the Reinsured Policies arising out of or resulting from litigation, arbitration or settlements will be deemed Extra-Contractual Obligations.

(z) **"Fair Value"** has the meaning set forth in the Reinsurance Trust Agreement.

(aa) **"Governmental Authority"** means any federal, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority or self-regulatory organization, board or body.

(bb) **"Indemnification Claims"** shall have the meaning specified in Section 18.1.

(cc) **"Initial Ceding Commission"** shall have the meaning specified in Section 4.1.

(dd) "**Insurance Division**" means the Insurance Division of the State of New York.

(ee) "**Interest Maintenance Reserves**" means the reserves required to be established under SAP as liabilities on a life insurer's statutory financial statements applicable to all types of fixed income investments.

(ff) "**Milliman**" shall have the meaning specified in Section 17.1(e).

(gg) "**Milliman Information**" shall have the meaning specified in Section 17.1(e).

(hh) "**Milliman Report**" shall mean the report attached hereto as Exhibit VII.

(ii) "**Monthly Account Balance Report**" shall have the meaning specified in Section 8.2.

(jj) "**Monthly Report**" shall have the meaning specified in Section 8.1.

(kk) "**Net Premium**" shall have the meaning specified in Section 4.1(b).

(ll) "**New York SAP**" means the statutory accounting and actuarial principles and practices prescribed or permitted by the Insurance Division for New York life insurance companies.

(mm) "**Original Initial Level Premium Period**" means, with respect to each Reinsured Policy, the period beginning with the original issue date of a Coverage and ending with the first premium increase date identified within such Reinsured Policy on which premiums for such Coverage will increase without a corresponding increase in the terms or limits of such Coverage.

(nn) "**Parties**" shall have the meaning specified in the Preamble.

(oo) "**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

(pp) **"Policies"** means term life insurance base policies and riders thereto issued by the Ceding Company.

(qq) **"Policyholders"** means the owners or holders of one or more of the Reinsured Policies.

(rr) **"Premium Taxes"** means any Taxes imposed on premiums relating to the Reinsured Policies.

(ss) **"Prime Rate"** means, as of any day, a fluctuating interest rate per annum equal to the average (rounded upward to the nearest 1/16 of 1%) of the "prime" rate of interest announced publicly by Bank of America, N.T. & S.A., The Chase Manhattan Bank, N.A., Citibank N.A. and Morgan Guaranty Trust Company of New York. If any of these banks does not publicly announce a prime rate, the Ceding Company and the Reinsurer (or its designee) shall jointly select another bank that publicly announces a prime rate and the prime rate publicly announced by that bank shall be used.

(tt) **"Primerica"** means Primerica, Inc., a Delaware corporation.

(uu) **"Recapture Fee"** shall have the meaning specified in Section 11.3.

(vv) **"Recapture Notice"** shall have the meaning specified in Section 11.2.

(ww) **"Reinstatement"** shall have the meaning specified in Section 7.1.

(xx) **"Reinsurance Consideration"** shall have the meaning specified in Section 4.1(a).

(yy) **"Reinsurance Trust Account"** shall have the meaning specified in Section 15.1.

(zz) **"Reinsurance Trust Agreement"** shall have the meaning specified in Section 15.1.

(aaa) **"Reinsured ECOs"** means (i) Extra-Contractual Obligations paid by the Ceding Company to a single (or joint) policyholder or beneficiary in the ordinary course of business, consistent with prudent business practices and (ii) Extra-Contractual Obligations

arising in circumstances where the Reinsurer is an active party and directs or consents to the act, omission or course of conduct occurring after the date hereof that resulted in such Extra-Contractual Obligation; provided, however, that Reinsured ECOs shall not include any liabilities: (x) relating to class actions of any kind; (y) relating to sales, marketing or distribution practices of the Ceding Company or its sales representatives directed or applied to any specific class of policyholders as indicated on the underwriting records of the Ceding Company; or (z) relating to or based on violations of, or noncompliance with, Applicable Law by the Ceding Company.

(bbb) **"Reinsured Policies"** means Policies issued (i) on the policy forms identified in Exhibit I and riders thereto in force as of 11:59 p.m. (EST) on December 18, 2009 and (ii) as a result of any Conversions thereto, but not including any End of Term Conversions arising from Coverages with an Original Initial Level Premium Period ending on or after January 1, 2017.

(ccc) **"Reinsurer"** shall have the meaning specified in the Preamble.

(ddd) **"Reinsurer's Quota Share"** means ninety percent (90%) or such other percentage as modified to reflect a partial recapture of the Reinsurer's Quota Share of the Reinsured Policies pursuant to the terms and conditions specified in Article XI.

(eee) **"Renewal"** means the continuation of coverage under a Reinsured Policy after the end of the Original Initial Level Premium Period of such coverage in accordance with the terms of the Reinsured Policy.

(fff) **"Renewal Recapture Right"** shall have the meaning specified in Section 11.4.

(ggg) **"Representatives"** shall have the meaning specified in Section 12.1.

(hhh) **"Required Balance"** means, as of any date, the amount equal to the Reinsurer's Quota Share of the Statutory Reserves plus 15% with respect to the Reinsured Policies.

(iii) **"Retained Asset Account"** means the Responsive Asset Account identified in the financial statements of the Ceding Company, reflecting death benefit proceeds retained by the Company on behalf of beneficiaries and available to such beneficiaries on demand.

(jjj) **"SAP"** means statutory accounting principles.

(kkk) **"Security"** means the Reinsurance Trust Account to be established by the Reinsurer for the purpose of securing its obligations to the Ceding Company with respect to the Covered Liabilities.

(lll) **"Security Balance"** means, as of the last day of each calendar quarter following the date hereof, the aggregate Fair Value as of such date of the sum of (i) the Eligible Assets maintained in the Reinsurance Trust Account and (ii) the Eligible Assets maintained in the Segregated Account.

(mmm) **"Statutory Financial Statement Credit"** means credit for reinsurance permitted by Section 1308 of the New York Insurance Code on the Ceding Company's statutory financial statements filed in the State of New York with respect to the Reinsured Policies.

(nnn) **"Statutory Reserves"** means, as of any date, all reserves set forth on Schedule A as of such date corresponding to liabilities of a type or kind identified as Covered Liabilities, related to the Reinsured Policies, such amount as determined by the Ceding Company in accordance with the methodologies used by the Ceding Company to calculate such amounts for purposes of its statutory financial statements prepared in accordance with New York SAP and generally consistent with past practices as of all dates without giving effect to this Agreement.

(ooo) **"Tax Authority"** means the Internal Revenue Service and any other domestic or foreign Governmental Entity responsible for the administration of any Taxes.

(ppp) **"Taxes"** means all forms of taxation, whether of the United States or elsewhere and whether imposed by a local, municipal, state, federal, foreign or other body or instrumentality, and shall include, without limitation, income, excise, sales, use, gross receipts, value added and premium taxes, together with any related interest, penalties and additional amounts imposed by any taxing authority.

(qqq) **"Tax Return"** means any and all returns, reports, information returns or documents with respect to any Tax which is supplied to or required to be supplied to any Tax Authority, including any attachments, amendments and supplements thereto.

(rrr) **"Then Current Practice"** shall have the meaning specified in Section 17.2(a).

(sss) **"Third Party Accountant"** means an independent accounting firm which is mutually acceptable to Ceding Company and Reinsurer, or, if Ceding Company and Reinsurer cannot agree on such an accounting firm, an independent accounting firm mutually acceptable to Ceding Company's and Reinsurer's respective independent accountants.

(ttt) **"Third Party Reinsurance"** means reinsurance of the Reinsured Policies placed with third party reinsurers as identified and summarized in Exhibit II (as such Exhibit II may be amended from time to time).

(uuu) **"Third Party Reinsurance Premiums"** means all premiums paid by the Ceding Company on or after the Effective Date for coverage under Third Party Reinsurance, net of refunds of unearned premiums on lapse (except that the refund of unearned premiums shall only apply for premiums payable under Third Party Reinsurance on or after the Effective Date).

(vvv) **"Top-Up Notice"** shall have the meaning specified in Section 8.3.

(www) **"Trust Assets"** shall have the meaning specified in Section 15.2.

(xxx) **"Trustee"** shall have the meaning specified in Section 15.1.

ARTICLE II

REINSURANCE

Section 2.1 Reinsurance. Subject to the terms and conditions of this Agreement, the Ceding Company hereby cedes on an indemnity basis to the Reinsurer, and the Reinsurer hereby accepts and agrees to reinsure on an indemnity basis, the Reinsurer's Quota Share of the Covered Liabilities, provided, however, in the event of a recapture involving a pro rata portion of the Reinsurer's Quota Share of the Reinsured Policies pursuant to Article XI hereof, the Reinsurer's Quota Share of the Covered Liabilities will be proportionately reduced. The Reinsurer's Quota Share of Coverod Liabilities shall be reduced, but not below zero, by the Reinsurer's Quota Share of Third Party Reinsurance for Covered Liabilities in accordance with the respective terms thereof, to the extent such Third Party Reinsurance is actually collected.

Section 2.2 Exclusions. Notwithstanding any provision of this Agreement to the contrary, the Reinsurer shall not be liable for any liabilities or obligations of the Ceding Company that are not Covered Liabilities, including:

(a) liabilities relating to benefits, including, but not limited to, terminal illness benefits, other than life insurance death benefits, any related waiver of premium coverages and write-offs of terminal illness policy loan balances;

(b) any liabilities resulting from any coverage added after the Effective Date to a Reinsured Policy that is not a Conversion or Renewal or otherwise required or permitted by the terms of such Reinsured Policy in effect on the Effective Date, unless (and to

the extent) such additional coverage is required by applicable law or has been approved in writing in advance by the Reinsurer;

(c) any liabilities relating to deaths occurring prior to the Effective Date;

(d) Extra-Contractual Obligations, other than Reinsured ECOs;

(e) any loss or liabilities relating to or arising from the Ceding Company's Retained Asset Account for the Reinsured Policies;

(f) any loss or liabilities arising under any End of Term Conversion occurring on or after January 1, 2017;

(g) any loss or liabilities relating to or arising from actions taken by the Ceding Company without the consent of the Reinsurer as required by Section 17.2(b) hereof;

(h) any loss or liabilities relating to or arising from claims made, or lawsuits brought, by agents of the Ceding Company; and

(i) all liabilities or obligations of any kind or nature whatsoever that do not relate to the Reinsured Policies (collectively, (a)-(i) constitute the **"Excluded Liabilities"**).

Section 2.3 Territory. The reinsurance provided under this Agreement shall apply to the Covered Liabilities covering lives and risks wherever resident or situated.

ARTICLE III

COMMENCEMENT OF THE REINSURER'S LIABILITY

Section 3.1 Commencement of the Reinsurer's Liability. Except as otherwise set forth in this Agreement, the Reinsurer's liability under this Agreement shall attach simultaneously with that of the Ceding Company, and all reinsurance with respect to which the Reinsurer shall be liable by virtue of this Agreement shall be subject in all respects to the same risks, terms, rates, conditions, interpretations, and to the same modifications, alterations, cancellations and receivables under Third Party Reinsurance, as the respective Reinsured Policies to which liability under this Agreement attaches, the true intent of this Agreement being that the Reinsurer shall, in every case to which liability under this Agreement attaches and always subject to the Excluded Liabilities, follow the fortunes of the Ceding Company.

ARTICLE IV

REINSURANCE PREMIUMS, ALLOWANCES AND OTHER OBLIGATIONS

Section 4.1 Reinsurance Premiums.

(a) On the date hereof, as consideration for the reinsurance provided hereunder, the Ceding Company shall transfer to the Reinsurance Trust Account on behalf of the Reinsurer an amount equal to (i) the Reinsurer's Quota Share of the Statutory Reserves, Interest Maintenance Reserves (but only to the extent the Ceding Company's Interest Maintenance Reserves are reduced) and advance premiums attributable to the Reinsured Policies as of the Effective Date, less (ii) the sum of one hundred thirty eight million dollars ($138,000,000) (the "**Initial Ceding Commission**") and net deferred premiums (such amount, the "**Reinsurance Consideration**"). The Reinsurance Consideration shall be payable in Eligible Assets valued at Fair Value. Any Eligible Assets shall be free of all liens, charges or encumbrances, and assigned or endorsed in blank by the Ceding Company to the Reinsurer in order to transfer absolutely and unequivocally all right, title and interest in such assets.

(b) As additional consideration for the reinsurance provided herein, on a monthly basis during the term of this Agreement, the Ceding Company shall pay to the Reinsurer the Reinsurer's Quota Share of Direct Premiums net of the Reinsurer's Quota Share of Third Party Reinsurance Premiums (the "**Net Premium**"). The Net Premium shall be paid in accordance with Article VIII.

Section 4.2 Allowances. At each month end following the date hereof, the Reinsurer shall pay the Ceding Company the Expense Allowance calculated on the basis of the number of Reinsured Policies in force on such date. The number of Reinsured Policies in force for each calendar month shall be determined by adding the number of Reinsured Policies in force on the last day of the prior calendar month (or December 18, 2009 for the initial calculation) and the number of Reinsured Policies in force on the last day of the current calendar month and dividing that total by two (2); provided, however, if there are any End of Term Renewals, the Expense Allowance for the Reinsured Policies associated with such End of Term Renewals that start after December 31, 2016 will be zero. The Expense Allowance shall be payable in accordance with Article VIII.

Section 4.3 Other Obligations. On a monthly basis during the term of this Agreement, the Reinsurer shall pay the Ceding Company the Reinsurer's Quota Share of the following amounts: (i) 1.85% of premiums collected for such month in connection with the Reinsured Policies as a provision for Premium Taxes incurred by the Ceding Company; (ii) $50 for each new Conversion which results in the issuance of a Reinsured Policy (including the issuance of one or more riders to a base Policy); (iii) Commissions for each Reinsured Policy; (iv) Commissions payable after the date hereof for each Reinsured Policy by Primerica Financial Services Agency of New York, Inc. (NY), net of any Commission payments after the date hereof by the Ceding Company to Primerica Financial Services Agency of New York, Inc. (NY); and (v) any out-of-pocket underwriting fees associated with Reinstatements.

Section 4.4 Third Party Reinsurance. The Ceding Company shall pay to the Reinsurer the Reinsurer's Quota Share of all ceding commissions and any Premium Tax or other expense allowances collected by the Ceding Company from the reinsurers under Third Party Reinsurance.

ARTICLE V

TAXES

Section 5.1 Guaranty Fund Assessments. Except as provided in Section 4.2, the Reinsurer shall not reimburse the Ceding Company for any guaranty fund assessments arising on account of premiums on the Reinsured Policies.

Section 5.2 Premium Taxes. The Ceding Company shall be liable for all Premium Taxes. The Reinsurer shall pay to the Ceding Company a provision for Premium Taxes incurred in connection with premiums received under the Reinsured Policies in accordance with Section 4.3.

Section 5.3 DAC Tax Election. All uncapitalized terms used in this Section 5.2 shall have the meanings set forth in the Treasury regulations under section 848 of the Internal Revenue Code of 1986, as amended ("**Code**").

(a) The Parties will elect, pursuant to Treasury regulations section 1.848-2(g)(8), to determine specified policy acquisition expenses with respect to this Agreement without regard to the general deductions limitation of section 848(c)(1) of the Code. This election shall be effective for the calendar year ending on or after the Effective Date and for all subsequent taxable years for which any reinsurance agreement is deemed to exist due to an election made pursuant to Section 5.2 of this Agreement. Each Party agrees to attach to its Tax Return filed for the first taxable year ending after this election becomes effective a schedule that identifies this Agreement as the subject of this election. The Party with the net positive consideration under this Agreement for each taxable year shall capitalize specified policy acquisition expenses with respect to this Agreement without regard to the general deductions limitation of section 848(c)(1) of the Code.

(b) To ensure consistency, the Parties agree to exchange information pertaining to the amount of net consideration deemed to be paid pursuant to any reinsurance agreement deemed to exist due to an election made pursuant to Section 5.2 of this Agreement. Ceding Company shall submit a schedule to Reinsurer by March 1 of each year that follows a year during which this Agreement was in effect for any portion of such year of Ceding Company's calculation of the net consideration under this Agreement for the preceding calendar year. This schedule of calculations shall be accompanied by a statement signed by an officer of Ceding Company stating that Ceding Company will report such net consideration in its federal income tax return for the preceding calendar year. Reinsurer may contest such calculation by providing an alternative calculation to Ceding Company in writing within thirty (30) days of Reinsurer's receipt of Ceding Company's calculation. If Reinsurer does not notify Ceding

Company within such time that it contests the calculation, Reinsurer shall report the net consideration as determined by Ceding Company in Reinsurer's Tax Return for the previous calendar year.

(c) If Reinsurer contests Ceding Company's calculation of the net consideration, the Parties will act in good faith to reach an agreement as to the correct amount within thirty (30) days of the date Reinsurer submits its alternative calculation. If the Parties reach an agreement on an amount of net consideration, each Party will report the agreed upon amount in its federal income tax return for the previous calendar year. If during such period, Ceding Company and Reinsurer are unable to reach agreement, they shall within ten (10) days of the expiration of the thirty (30) day period set forth in this Section 5.2(c), cause a Third Party Accountant promptly to review (which review shall commence no later than five (5) days after the selection of the Third Party Accountant) this Agreement and the calculations of Ceding Company and Reinsurer for the purpose of calculating the net consideration under this Agreement. In making such calculation, the Third Party Accountant shall consider only those items or amounts in Ceding Company's calculation as to which Reinsurer has disagreed. The Third Party Accountant shall deliver to Ceding Company and Reinsurer, as promptly as practicable (but no later than thirty (30) days after the commencement of its review), a report setting forth such calculation, which calculation shall result in a net consideration between the amount thereof shown in Ceding Company's calculation delivered pursuant to Section 5.2(b) and the amount thereof in Reinsurer's calculation delivered pursuant to Section 5.2(b). Such report shall be final and binding upon Ceding Company and Reinsurer. The fees, costs and expenses of the Third Party Accountant shall be borne (x) by Ceding Company if the difference between the net consideration as calculated by the Third Party Accountant and Ceding Company's calculation is greater than the difference between the net consideration as calculated by the Third Party Accountant and Reinsurer's calculation; (y) by Reinsurer if the first such difference is less than the second such difference; and (z) otherwise equally by Ceding Company and Reinsurer.

ARTICLE VI

CLAIMS

Section 6.1 Notice of Claims. Claim amounts less than or equal to $250,000 (net of amounts recoverable under Third Party Reinsurance) will be reported by the Ceding Company to the Reinsurer on a bordereau basis, and all other Claims shall be reported on an individual basis, in each case in accordance with Section 8.1.

Section 6.2 Settlement Authority. The Ceding Company shall have full authority to determine liability on any Claim reinsured hereunder and may settle losses as it deems appropriate, but in so doing it shall act with the skill and diligence commonly expected from qualified personnel performing such duties for U.S. life insurance companies and consistent with the Ceding Company's Then Current Practice.

Section 6.3 Claim Payments. Following receipt by the Reinsurer of the Monthly Report setting forth the Ceding Company's payment of any Covered Liabilities

reinsured hereunder, the Reinsurer shall make payment of the Reinsurer's Quota Share of the Covered Liabilities in accordance with Article VIII.

Section 6.4 Misstatement of Age or Sex. In the event of an increase or reduction in the amount of the Ceding Company's Coverage on any Reinsured Policy because of an overstatement or understatement of age or misstatement of sex, established during the life, or after the death, of the insured, the Reinsurer will share in such increase or reduction in proportion to the Reinsurer's Quota Share.

ARTICLE VII

REINSTATEMENTS

Section 7.1 Reinstatements. If a Reinsured Policy is reinstated in accordance with its terms and the Ceding Company's reinstatement rules as in effect on the Effective Date (a "**Reinstatement**"), the reinsurance of such Reinsured Policy will be restored as if no change had occurred. In such a case, the Ceding Company shall promptly pay the Reinsurer the Reinsurer's Quota Share of the Net Premiums attributable to such Reinstatement.

ARTICLE VIII

ACCOUNTING AND RESERVES

Section 8.1 Monthly Reports. Within twenty (20) Business Days after the end of each calendar month during which this Agreement remains effective, the Ceding Company shall deliver to the Reinsurer the following monthly reports (each a "**Monthly Report**") substantially in the form set forth in Exhibit III hereto: (i) Monthly Settlement Report; (ii) Policy Exhibit; (iii) Reserve Report; (iv) Claim Reserve Report; (v) Bordereau Report; and (vi) Non-Bordereau Claims Report; it being understood that the initial Monthly Report shall be for the period from the Effective Date to the last day of the month in which this Agreement is executed.

Section 8.2 Monthly Account Balance Reports. No later than ten (10) Business Days after the end of each calendar month, the Ceding Company shall prepare and deliver to the Reinsurer a report in the form and containing the information set forth in Exhibit IV (each a "**Monthly Account Balance Report**").

Section 8.3 Settlements.

(a) All monthly settlements shall be effected as follows: (i) if the Monthly Report shows that the Ceding Company owes the Reinsurer a positive amount, the Ceding Company will pay the amount owed simultaneously with the delivery to the Reinsurer of the Monthly Report and (ii) if the Monthly Report shows that the Reinsurer owes the Ceding Company a positive amount, the Reinsurer shall pay the amount owed within twenty (20) Business Days after receiving the Monthly Report, it being understood that, for purposes of this

Section 8.3(a), appropriate adjustments shall be made for withdrawals and reimbursements made during the month by the Ceding Company pursuant to Sections 15.5 and 15.6.

(b) If the Reserve Report provided to the Reinsurer for the last month of a calendar quarter shows that the Security Balance is less than the Required Balance as of the end of the immediately preceding calendar quarter, the Ceding Company shall notify the Reinsurer of the amount of the deficiency (the "**Top-Up Notice**"). The Top-Up Notice shall be delivered to the Reinsurer at the same time as the copy of the Monthly Report for the same calendar quarter.

(c) All settlements of account between the Ceding Company and the Reinsurer shall be made in cash or its equivalent.

Section 8.4 Offset and Recoupment. Each Party, at its option, may offset or recoup any balance or balances, whether on account of premiums, Expense Allowances, claims and losses or amounts otherwise due from one Party to the other under this Agreement which shall be deemed mutual debts or credits, as the case may be; provided, however, that the Party electing such right with respect to matters not reflected in the Monthly Reports shall notify the other Party in writing of its election to do so. This Section 8.4 shall not be modified or reconstrued due to the insolvency, liquidation, rehabilitation, conservatorship or receivership of either Party.

Section 8.5 Currency. All financial data required to be provided pursuant to the terms of this Agreement shall be expressed in United States dollars. All payments and all settlements of account between the Parties shall be in United States currency unless otherwise agreed by the Parties.

ARTICLE IX

EXPENSES IN CONNECTION WITH THE REINSURED POLICIES

Section 9.1 Expenses in Connection with the Reinsured Policies. The Ceding Company shall pay for all expenses and charges incurred in connection with the Reinsured Policies including medical examinations, inspection fees, and other fees. Except as provided in Section 4.2 and Section 4.3, such amounts shall not be reimbursed by the Reinsurer.

ARTICLE X

ERRORS AND OMISSIONS

Section 10.1 Errors and Omissions. Subject to the terms of this Agreement, neither Party hereto shall be prejudiced in any way by inadvertent errors or omissions made by such Party in connection with this Agreement provided such errors and omissions are corrected promptly following discovery thereof. Upon the discovery of an inadvertent error or omission

by either Party hereto, appropriate adjustments shall be made as soon as practicable to restore the Parties to the fullest extent possible to the position they would have been in had no such inadvertent error or omission occurred.

ARTICLE XI

RECAPTURE

Section 11.1 Recapture. The Ceding Company may in accordance with the provisions of this Article XI recapture, in its sole discretion, all or a *pro rata* portion of all of the Reinsurer's Quota Share of the Reinsured Policies upon the occurrence of one of the following events:

(a) If the Reinsurer becomes insolvent or if the Commissioner has instituted a proceeding or entered a decree or order for the appointment of a rehabilitator or liquidator;

(b) If the Reinsurer fails to take steps reasonably satisfactory to the Ceding Company to assure the Ceding Company of full Statutory Financial Statement Credit for the Reinsured Policies within forty-five (45) calendar days of Reinsurer's receipt of written notice from the Ceding Company that the Ceding Company has been advised by any Governmental Authority that the Governmental Authority will deny or has denied Statutory Financial Statement Credit on any financial statement filed by the Ceding Company with such Governmental Authority;

(c) If the Reinsurer is in material breach of any other representation, warranty or covenant under this Agreement and the Reinsurer fails to cure any such material breach of any representation, warranty or covenant hereunder within sixty (60) calendar days of receipt of written notice of such breach by the Reinsurer;

(d) If the Reinsurer fails in any material respects to fund the Reinsurance Trust Account to the amount required after receipt of the Top-Up Notice under Section 15.3(c) within the time period specified therein, and the Reinsurer fails to cure any such funding deficiency within twenty (20) Business Days of receipt of written notice of such funding deficiency by the Reinsurer; or

(e) If the Reinsurer terminates this Agreement pursuant to Section 20.3(a).

Section 11.2 Notice of Recapture. The Ceding Company shall notify the Reinsurer in writing of the reasons for, and the effective date of, the recapture ninety (90) calendar days prior to the effective date of recapture (the "**Recapture Notice**"); provided,

however, that the recapture shall not be deemed to be consummated until the final accounting described in Section 11.5 of this Article XI has been completed and the Reinsurer has paid the Commutation Payment, if any.

Section 11.3 Recapture Fee. The Ceding Company shall pay a recapture fee (the "**Recapture Fee**") to the Reinsurer upon (i) the occurrence of any recapture of the Reinsured Policies pursuant to Section 11.1(b) if such recapture was triggered by the inability of the Ceding Company to obtain full Statutory Financial Statement Credit for the Reinsured Policies due to actions taken by the Ceding Company or its Affiliates; provided, however, that if the Reinsurer is in material breach of any representation, warranty or covenant under this Agreement at the time a recapture is triggered under Section 11.1(b), no Recapture Fee will be due and payable by the Ceding Company or (ii) termination of this Agreement under Section 20.3(a). The Recapture Fee shall be equal to an amount to be determined by an actuarial appraisal prepared by a nationally recognized independent actuarial firm in accordance with methodologies agreed upon by the Ceding Company and Reinsurer to determine the value of the Reinsured Policies at such time in a manner consistent with the valuation of the Reinsured Policies as set forth in the Milliman Report and consistent with the determination of the Initial Ceding Commission based on such valuation.

Section 11.4 Renewal Recapture. The Ceding Company shall also have the right, upon prior written notice to the Reinsurer, to recapture, in its sole discretion, all or a *pro rata* portion of End of Term Renewals arising from Policies with an Original Initial Level Premium Period ending on or after January 1, 2017 (the "**Renewal Recapture Right**"). No Recapture Fee is payable in connection with the recapture of any End of Term Renewal.

Section 11.5 Commutation Accounting and Settlement. In the event of any recapture under this Article XI, the Reinsurer shall pay to the Ceding Company an amount equal to (i) the Reinsurer's Quota Share of the Statutory Reserves, Interest Maintenance Reserves (but only to the extent the Ceding Company's Interest Maintenance Reserves are increased) and advance premiums, if applicable, attributable to the Reinsured Policies being recaptured, calculated as of the effective date of the recapture set forth in the Recapture Notice; minus (ii) any amounts due to the Reinsurer but unpaid under this Agreement, including the Recapture Fee, if any, and net deferred premiums; plus (iii) any amounts due to the Ceding Company but unpaid under this Agreement (collectively, the "**Commutation Payment**"); provided, however, that, if the amount calculated pursuant to clause (ii) of this subsection exceeds the amounts calculated pursuant to clauses (i), (ii) and (iii) of this subsection, the Ceding Company shall pay to the Reinsurer the amount of such excess. Following recapture and payment to the appropriate Party of the net Commutation Payment required hereunder, neither Party shall have further liability to the other Party hereunder with respect to the recaptured business.

Section 11.6 Limitation on Partial Recaptures. Notwithstanding the provisions of Section 11.1, the Ceding Company shall not be permitted to effect a partial recapture pursuant to Section 11.1 if, after giving effect to the recapture, the Statutory Reserves would be less than U.S. $100,000,000.

ARTICLE XII

ACCESS TO BOOKS AND RECORDS

Section 12.1 Access to Books and Records.

(a) The Ceding Company shall, upon reasonable notice, provide to the Reinsurer and the counsel, financial advisors, accountants, actuaries and other representatives of the Reinsurer (the "**Representatives**") access, at the Reinsurer's sole cost and expense, to review, inspect, examine and reproduce the Ceding Company's books, records, accounts, policies, practices and procedures, including underwriting policy, claims administration guidelines and sales and Conversion practices, relating to the Reinsured Policies, including any audits and self assessments conducted by the Ceding Company as well as any unaudited information provided to Primerica in connection with Primerica's public company reporting requirements, at the place such records are located, and to discuss such matters with the employees, external auditors and external actuaries of the Ceding Company that are knowledgeable about such records, without undue disruption of the normal operations of the Ceding Company.

(b) The Reinsurer and its Representatives shall have the right, at its sole cost and expense, to conduct audits from time to time, upon reasonable notice to the Ceding Company, of the relevant books, records, accounts, policies, practices and procedures, including underwriting policy, claims administration guidelines and sales and Conversion practices of the Ceding Company relating to the Reinsured Policies. Reinsurer shall also have the right, at any time it deems necessary, to request that the Ceding Company provide a copy of specific Claim files for the Reinsurer's review. The Reinsurer's requests will be limited to paid or settled Claims with a Claim amount greater than $250,000.

(c) The Reinsurer shall reimburse the Ceding Company for any reasonable non-Affiliate, third party expenses that the Ceding Company incurs in providing assistance to the Reinsurer and its Representatives in connection with this Section 12.1.

(d) The Ceding Company shall use its reasonable best efforts to assist and cooperate with the Reinsurer, and its Representatives in providing access to the relevant in force files, experience data, books, records and accounts of the Ceding Company relating to the Reinsured Policies.

ARTICLE XIII

INSOLVENCY

Section 13.1 Insolvency. In the event of the insolvency of the Ceding Company, all reinsurance payments due under this Agreement shall be payable by the Reinsurer directly to the Ceding Company or to its liquidator, receiver or statutory successor on the basis of the

liability of the Ceding Company under the contract or contracts reinsured without diminution because of the insolvency of the Ceding Company. It is understood, however, that in the event of the insolvency of the Ceding Company, the liquidator or receiver or statutory successor of the Ceding Company shall give written notice to the Reinsurer of any impending Claim against the Ceding Company on a Reinsured Policy within a reasonable period of time after such Claim is filed in the insolvency proceedings and that during the pendency of such Claim the Reinsurer may, at its own expense, investigate such Claim and interpose, in the proceeding where such Claim is to be adjudicated any defense or defenses which it may deem available to the Ceding Company or its liquidator or receiver or statutory successor. It is further understood that the expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the Ceding Company as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the Ceding Company solely as a result of the defense undertaken by the Reinsurer.

ARTICLE XIV

DISPUTE RESOLUTION

Section 14.1 Consent to Jurisdiction. Each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the United States District Court for the District of New York or, if such court does not have jurisdiction, the appropriate district court of the State of New York, for the purposes of enforcing this Agreement. The parties shall take such actions as are within their control to cause any disputes as described in the preceding sentence to be assigned to the complex litigation docket of the applicable court. In any action, suit or other proceeding, each of the parties hereto irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above courts, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other proceeding is improper. Each of the parties hereto also agrees that any final and unappealable judgment against a party hereto in connection with any action, suit or other proceeding as contemplated in this Article XIV shall be conclusive and binding on such party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

Section 14.2 Waiver of Jury Trial. Each of the parties hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

Section 14.3 Specific Performance. The parties recognize and agree that if for any reason any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or injury would be caused for which money damages would not be an adequate remedy. Accordingly, each party agrees that, in addition to any other available remedies each other party shall be entitled to an injunction restraining any violation or threatened violation of any of the provisions of this Agreement without the necessity of posting a bond or other form of security. In the event that

any action should be brought in equity to enforce any of the provisions of this Agreement, no party will allege, and each party hereby waives the defense, that there is an adequate remedy at law.

ARTICLE XV

REINSURANCE TRUST ACCOUNT

Section 15.1 Reinsurance Trust Agreement. On the date hereof, in accordance with the Reinsurance Trust Agreement to be entered into between the Parties, in the form attached hereto as Exhibit V (as such agreement may be amended from time to time in writing by mutual consent of the Ceding Company, the Reinsurer and the trustee (the "**Trustee**") thereunder, the "**Reinsurance Trust Agreement**"), the Reinsurer, as grantor, shall create a trust account (the "**Reinsurance Trust Account**") naming the Ceding Company as sole beneficiary thereof. The Reinsurance Trust Account shall initially be funded with Trust Assets the Fair Value of which (as of the date hereof) is at least equal to the Reinsurer's Quota Share of the Statutory Reserves as of the Effective Date.

Section 15.2 Investment and Valuation of Trust Assets. The assets held in the Reinsurance Trust Account (the "**Trust Assets**") shall consist of Eligible Assets.

Section 15.3 Adjustment of Trust Assets and Withdrawals.

(a) The amount of assets to be maintained in the Reinsurance Trust Account shall be adjusted following the end of each calendar quarter in accordance with the Reserve Report for the last calendar month of each calendar quarter provided to the Reinsurer pursuant to the terms of Section 8.1. Such report shall set forth the amount by which the Security Balance equals or exceeds the Required Balance, in each case as of the end of the immediately preceding calendar quarter.

(b) If the Security Balance exceeds 102% of the Required Balance, in each case as of the end of the immediately preceding calendar quarter, then the Reinsurer shall have the right to seek approval (which shall not be unreasonably or arbitrarily withheld, conditioned or delayed) from the Ceding Company to withdraw the excess.

(c) The Reinsurer shall, no later than twenty (20) Business Days following receipt of a Top-Up Notice, place additional Trust Assets into the Reinsurance Trust Account so that the Security Balance, as of the date such additional Trust Assets are so placed, is no less than the Required Balance as of the end of the immediately preceding calendar quarter.

(d) Without limitation of the other provisions of this Section 15.3, subject to obtaining the Ceding Company's prior consent (which shall not be unreasonably or arbitrarily withheld, conditioned or delayed), the Reinsurer may remove assets from the

Reinsurance Trust Account; provided, however, that the Reinsurer, at the time of such withdrawal, replaces the withdrawn assets with Trust Assets permitted under the terms of the Reinsurance Trust Agreement and having a Fair Value equal to or greater than the Fair Value of the assets withdrawn so that the Security Balance, as of the date of such withdrawal, is no less than the Required Balance as of the end of the immediately preceding calendar quarter.

Section 15.4 Negotiability of Trust Assets. Prior to depositing Trust Assets with the Trustee, the Reinsurer shall execute all assignments or endorsements in blank, or transfer legal title to the Trustee of all shares, obligations or any other assets requiring assignments, in order that the Ceding Company, or the Trustee upon direction of the Ceding Company, may whenever necessary negotiate any such assets without consent or signature from the Reinsurer or any other entity.

Section 15.5 Ceding Company's Withdrawals. The Ceding Company (or any successor by operation of law of the Ceding Company, including, but not limited to, any liquidator, rehabilitator, receiver or conservator of the Ceding Company) may only withdraw Trust Assets for one or more of the following purposes:

(a) to pay, or reimburse the Ceding Company for payment of, the Reinsurer's Quota Share of premiums to be returned to Policyholders because of cancellations of Reinsured Policies;

(b) to pay, or reimburse the Ceding Company for payment of, the Reinsurer's Quota Share of Covered Liabilities payable pursuant to the provisions of the Reinsured Policies;

(c) to fund an account with the Ceding Company in an amount at least equal to the deduction, for the Reinsurer's Quota Share, from the Ceding Company's Covered Liabilities; and

(d) to pay any other amounts the Ceding Company claims are due hereunder.

Section 15.6 Return of Excess Withdrawals. The Ceding Company shall return to the Reinsurer, within five (5) Business Days, assets withdrawn in excess of all amounts due under Sections 15.5(a), (b) and (c), or, in the case of Section 15.5(d) above, assets that are subsequently determined not to be due. Any assets subsequently returned in the case of Section 15.5(c) shall include interest at the Prime Rate applied on a daily basis for the amounts returned.

Section 15.7 Costs of Trust. The cost of maintaining the Reinsurance Trust Account shall be borne by the Reinsurer.

ARTICLE XVI

THIRD PARTY BENEFICIARY

Section 16.1 Third Party Beneficiary. Nothing in this Agreement or the Reinsurance Trust Agreement is intended to give any person, other than the parties to such agreements, their successors and permitted assigns, any legal or equitable right remedy or claim under or in respect of this Agreement or the Reinsurance Trust Agreement or any provision contained therein.

ARTICLE XVII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 17.1 Representations and Warranties of the Ceding Company.

(a) Organization, Standing and Authority of the Ceding Company. The Ceding Company is a life insurance company duly organized, validly existing and in good standing under the laws of the State of New York, and has all requisite corporate power and authority to carry on the operations of its business as they are now being conducted. The Ceding Company has obtained all authorizations and approvals required under Applicable Law to enter into and perform the obligations contemplated of the Ceding Company under this Agreement.

(b) Authorization. The Ceding Company has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Ceding Company of this Agreement, and the performance by the Ceding Company of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Ceding Company. This Agreement, when duly executed and delivered by the Ceding Company, subject to the due execution and delivery by the Reinsurer, will be a valid and binding obligation of the Ceding Company, enforceable against the Ceding Company in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(c) No Conflict or Violation. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby in accordance with the respective terms and conditions hereof will not (a) violate any provision of the Articles of Incorporation or Bylaws of the Ceding Company, (b) violate, conflict with or result in the breach of any of the terms of, result in any modification of, give any counterparty the right to terminate, or constitute a default under, any contract or other agreement to which the Ceding Company is a party, or (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or

condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Ceding Company.

(d) Absence of Litigation. There is no action, suit, proceeding or investigation pending or threatened that questions the legality of the transactions contemplated by this Agreement or that would prevent consummation of the transactions contemplated by this Agreement or the performance by the Ceding Company of its obligations hereunder.

(e) Milliman Information True and Complete.

(i) To the best of the Ceding Company's knowledge, all information and data supplied to Milliman Inc. ("**Milliman**") identified on Exhibit VI-A hereto (the "**Milliman Information**") was true, accurate and complete in all material respects as of the date the document containing such Milliman Information was provided to Milliman by the Ceding Company; provided, however, the Parties acknowledge that no representation or warranty has been made to the Reinsurer or any of its Affiliates or Representatives with respect to the truth, accuracy and completeness of any assumptions, projections, or estimates either provided by the Ceding Company or underlying any of the studies prepared by the Ceding Company in connection with the Milliman Information except that the Ceding Company represents and warrants that such assumptions, projections or estimates were the ones actually utilized by the Ceding Company for the purposes stated in Exhibit VI-A. The Milliman Information was compiled in a commercially reasonable manner given the intended purpose.

(ii) The financial data supplied to Milliman identified on Exhibit VI-B hereto presents fairly, in all material respects, the financial condition and results of operations of the Ceding Company as of and for the periods specified therein in accordance with New York SAP, consistently applied.

(f) Coverage Information. The Reinsured Policies information identified in Exhibit I is true, accurate and complete in all material respects.

(g) Good and Marketable Title to Eligible Assets. The Ceding Company will have good and marketable title, free and clear of all liens, to all Eligible Assets immediately prior to the payment thereof to the Reinsurer in accordance with Section 4.1.

Section 17.2 Covenants of the Ceding Company.

(a) Administration and Claims Practices.

(i) In the administration and claims practices relating to the Reinsured Policies (the "**Administrative Practices**"), the Ceding

Company shall (A) use the skill and diligence commonly expected from qualified personnel performing such duties for U.S. life insurance companies; (B) act in accordance with the Ceding Company's internal company guidelines as in effect on the Effective Date; (C) be in conformance with Applicable Law in all material respects; and (D) act in a manner consistent with its existing administrative and claims practices in effect on the Effective Date and in any case with no less skill, diligence and expertise as the Ceding Company applies to servicing its other business, including those claims practices in existence for Third Party Reinsurance (each, an "**Existing Practice**"); notwithstanding the foregoing, the Ceding Company shall not be in breach of this Section 17.2(a)(i) unless either (Y) the Reinsurer shall have notified the Ceding Company in writing of the Ceding Company's failure to perform its obligations under this Section 17.2(a)(i) (which written notice shall describe such failure with reasonable particularity) or (Z) an officer of the Ceding Company with direct responsibility for its administrative services, or any senior officer of the Ceding Company, has actual knowledge that the Ceding Company has failed to perform its obligations under this Section 17.2(a)(i), and in either case the Ceding Company shall have failed to cure such breach within thirty (30) days following receipt of such notice or such actual knowledge.

(ii) An Existing Practice may be reasonably modified from time to time, except that, to the extent the Ceding Company modifies an Existing Practice from time to time following the Effective Date (an Existing Practice, as modified from time to time, a "**Then Current Practice**"), the Ceding Company shall act in accordance and consistent with the Then Current Practice; provided, that, if a Then Current Practice would materially adversely affect the rights, remedies and position of the Reinsurer, the Ceding Company shall obtain the consent of the Reinsurer (which consent shall not be unreasonably withheld or delayed) prior to applying the Then Current Practice to the Reinsured Policies.

(b) Reinsured Policies. In all instances as they relate to the Reinsured Policies:

(i) The Ceding Company shall not, and shall cause its Affiliates not to (A) change agent commission and compensation schedules, (B) adopt or implement any program that is expected to result in a material increase in lapses, exchanges, replacements or Conversions under the Reinsured Policies or (C) change coverage options or premiums (except as contemplated by Section 17.2(g) hereof), including coverage options for End of Term Conversions, in each case under (A), (B) and (C) without notifying the Reinsurer in advance of any such action and obtaining the Reinsurer's prior written consent (which shall not be unreasonably withheld or delayed).

(ii) The Ceding Company and the Reinsurer shall reasonably cooperate on any proposals for pricing or coverage changes proposed by either Party, including making any rate and form filings or other regulatory filings that impact pricing or premiums under the Reinsured Policies; provided, however, the Ceding Company shall have final approval authority in its discretion over any proposal brought by the Reinsurer pursuant to this Section 17.2(b)(ii).

(iii) The Ceding Company shall notify the Reinsurer of any information known to the Ceding Company, including any third party or regulatory actions and management decisions reasonably anticipated to adversely and materially impact the economics of the Reinsured Policies for the Reinsurer. Such notification shall be made within five (5) Business Days after the information becomes known to the Ceding Company.

(iv) The Parties agree and acknowledge that the Ceding Company's relationship with the Reinsurer shall in all respects be governed by a duty of utmost good faith. At all times during the term of this Agreement, the Ceding Company shall (i) administer, manage and oversee the Reinsured Policies and the Covered Liabilities, and (ii) perform all its obligations to the Reinsurer under this Agreement, in a manner consistent with its utmost good faith obligations.

(c) Third Party Reinsurance.

(i) The Ceding Company shall not, without the Reinsurer's prior approval (which approval shall not be unreasonably or arbitrarily withheld, conditioned or delayed), (A) terminate or materially modify any existing Third Party Reinsurance or (B) purchase new third party reinsurance for the Reinsured Policies.

(ii) The Ceding Company shall use commercially reasonable efforts to maintain its existing Third Party Reinsurance from and after the Effective Date, consistent with the existing practice of the Ceding Company in effect on the Effective Date.

(d) Reporting. To the extent not prohibited by Applicable Law, the Ceding Company will provide all reports it is required to deliver under this Agreement (including, without limitation, each Monthly Report and Quarterly Report) not later than the last date on which such report is required to be so delivered, except that the Ceding Company shall not be in breach of this Section 17.2(d) unless either (i) the Reinsurer shall have notified the Ceding Company in writing of its failure to timely deliver such report or (ii) a officer of the Ceding Company with direct responsibility for the preparation and delivery of such report has

actual knowledge that the report was not delivered when due, and in either case the Ceding Company shall have failed to deliver such information within thirty (30) days following receipt of such notice or actual knowledge.

(e) Policy Data. Within six (6) months of the date hereof, the Ceding Company shall provide to the Reinsurer a schedule containing a list of Reinsured Policies with Original Initial Level Premium Periods ending on or after January 1, 2017.

(f) Books and Records. The Ceding Company shall maintain and implement reasonable administrative and operating procedures with respect to records relating to the Reinsured Policies and shall keep and maintain all material documents, books, records and other information reasonably necessary for the maintenance of the Reinsured Policies, which documents, books, records and other information will be accurately maintained in all material respects throughout the term of this Agreement.

Section 17.3 Representations and Warranties of the Reinsurer.

(a) Organization, Standing and Authority of the Reinsurer. The Reinsurer is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Texas and has all requisite corporate power to carry on the operations of its business as they are proposed to be conducted. The Reinsurer has obtained all authorizations and approvals required under Applicable Law to enter into and perform the obligations contemplated of the Reinsurer under this Agreement and the Reinsurer shall maintain throughout the term of this Agreement all licenses, permits or other permissions of any Governmental Authority that shall be required in order to perform the obligations of the Reinsurer hereunder.

(b) Authorization. The Reinsurer has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Reinsurer of this Agreement, and the performance by the Reinsurer of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Reinsurer or its stockholder. This Agreement, when duly executed and delivered by the Reinsurer, subject to the due execution and delivery by the Ceding Company, will be a valid and binding obligation of the Reinsurer, enforceable against the Reinsurer in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(c) No Conflict or Violation. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (a) violate any provision of the Articles of Incorporation, Bylaws or other charter or organizational document of the Reinsurer, or (b) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the

Reinsurer, except when any such violation would not have a material adverse effect on this Agreement or the consummation of the transactions contemplated hereby.

(d) Absence of Litigation. There is no action, suit, proceeding or investigation pending or threatened that questions the legality of the transactions contemplated by this Agreement or that would prevent consummation of the transactions contemplated by this Agreement or the performance by the Reinsuror of its obligations hereunder.

(e) Good and Marketable Title to Trust Assets. The Reinsurer will have good and marketable title, free and clear of all liens, to all Trust Assets immediately prior to the deposit thereof in the Trust Account.

ARTICLE XVIII

INDEMNIFICATION

Section 18.1 Indemnification.

(a) The Ceding Company shall indemnify, defend and hold harmless the Reinsurer and its directors, officers, employees, agents, representatives, successors, permitted assigns and Affiliates from and against any and all losses, liabilities, claims, expenses (including reasonable attorneys' fees and expenses) and damages reasonably and actually incurred by the Reinsurer (collectively, "**Indemnification Claims**") to the extent arising from:

(i) any breach or falsity of any representation, warranty or covenant of the Ceding Company; or

(ii) the breach of or failure to perform any of the duties, obligations, covenants or agreements of the Ceding Company contained in this Agreement.

(b) The Reinsurer agrees to indemnify and hold harmless the Ceding Company and its directors, officers, employees, agents, representatives, successors, permitted assigns and Affiliates from and against any and all Indemnification Claims to the extent arising from:

(i) any breach or falsity of any representation, warranty or covenant of the Reinsurer; or

(ii) the breach of or failure to perform any of the duties, obligations, covenants or agreements of the Reinsurer contained in this Agreement.

ARTICLE XIX

LICENSES; REGULATORY MATTERS

Section 19.1 Licenses.

(a) At all times during the term of this Agreement, each of the Reinsurer and the Ceding Company, respectively agrees that it shall hold and maintain all licenses and authorities required under Applicable Laws to perform its respective obligations hereunder unless otherwise mutually agreed by the parties.

(b) At all times during the term of this Agreement, the Reinsurer shall hold and maintain all licenses and authorizations required under Applicable Law or otherwise to take all action that may be necessary so that the Ceding Company shall receive Statutory Financial Statement Credit.

Section 19.2 Regulatory Matters.

(a) If Ceding Company or Reinsurer receives notice of, or otherwise becomes aware of any inquiry, investigation, examination, audit or proceeding outside the ordinary course of business by Governmental Authorities, relating to the Reinsured Policies or the reinsurance provided hereunder, the Ceding Company or Reinsurer, as applicable, shall promptly notify the other party thereof.

(b) If Ceding Company or Reinsurer receives notice of, or otherwise becomes aware of any enforcement action by any Governmental Authority arising out of any inquiry, investigation, examination, audit or proceeding by such Governmental Authority, the Ceding Company or Reinsurer, as applicable, shall promptly notify the other party thereof, and the Parties shall cooperate to resolve such matter.

ARTICLE XX

DURATION OF AGREEMENT; TERMINATION

Section 20.1 Duration. This Agreement shall automatically terminate if, at such time, there are no Covered Liabilities.

Section 20.2 Termination by Mutual Consent. This Agreement shall be terminated by the mutual written consent of the Reinsurer and the Ceding Company, which writing shall state the effective date and relevant terms of termination.

Section 20.3 Termination by the Reinsurer.

(a) From and after the third anniversary date of the Effective Date, the Reinsurer may terminate this Agreement in the event of Ceding Company's failure to pay to Reinsurer any undisputed amounts owed under this Agreement. Reinsurer must provide written notice to Ceding Company containing sufficient information to inform Ceding Company of the details relating to its failure to pay. Ceding Company shall have sixty (60) calendar days from the receipt of the notice to make payment of any such undisputed amounts owed or make arrangements for payment satisfactory to Reinsurer. Following the sixty (60) day cure period, if Ceding Company has not paid any such undisputed amounts owed or made arrangements for payment satisfactory to Reinsurer, Reinsurer may provide written notice to Ceding Company terminating this Agreement, effective upon the date that Reinsurer makes the Commutation Payment to Ceding Company. Notwithstanding the above, if Ceding Company disputes the amount owed, the sixty (60) day cure period referenced above will begin only after a final determination is made by a court of law, pursuant to Section 14, that the disputed amounts are owed to the Reinsurer.

(b) Upon termination of this Agreement under Section 20.3(a), no further risks shall be ceded or assumed under this Agreement and Reinsurer shall not be liable for any losses occurring on and after the termination effective date. In the event of notice of termination under Section 20.3(a), Ceding Company will be entitled to the Commutation Payment in the same manner as provided in Section 11.5 and Reinsurer will be entitled to the Recapture Fee in the same manner as provided in Section 11.3.

Section 20.4 No Termination Upon Change of Control. For the avoidance of doubt, a Change of Control, sale or merger of the Reinsurer shall not result in termination of this Agreement.

Section 20.5 Survival. Notwithstanding the other provisions of this Article XX, the terms and conditions of Articles I, IV, V, VIII, X, XI, XII, XIV, XV, XVI, XX and XXI shall remain in full force and effect after termination of this Agreement.

ARTICLE XXI

MISCELLANEOUS

Section 21.1 Entire Agreement. This Agreement represents the entire agreement between the Reinsurer and the Ceding Company concerning the business reinsured hereunder. There are no understandings between the Reinsurer and the Ceding Company other than as expressed in this Agreement and the Reinsurance Trust Agreement.

Section 21.2 Amendments.

(a) Any provision of this Agreement may be amended if, but only if, such amendment is in writing and is signed by each party to this Agreement. Any change or modification to this Agreement shall be null and void unless made by an amendment hereto signed by each party to this Agreement.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 21.3 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law or if determined by a court of competent jurisdiction to be unenforceable, and if the rights or obligations of the Ceding Company or the Reinsurer under this Agreement will not be materially and adversely affected thereby, such provision shall be fully severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

Section 21.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof.

Section 21.5 Notices. Any notice and other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or, if mailed, on the date shown on the receipt therefore, as follows:

if to the Ceding Company:

National Benefit Life Insurance Company
333 West 34th Street
New York, NY 10001-2402
Facsimile: (212) 615-7308

with copies to (which shall not constitute notice to the Ceding Company for purposes of this Section 21.5):

Donald B. Hendersen, Jr., Esq.
Dewey & LeBoeuf LLP
1301 Avenue of the Americas

New York, NY 10019
(212) 259-8000

if to the Reinsurer:

American Health and Life Insurance Company
3001 Meacham Boulevard, Suite 100
Fort Worth, TX 76137-4697
Facsimile: (817) 348-7570

with copies to (which shall not constitute notice to the Reinsurer for purposes of this Section 21.5):

Robert Sullivan, Esq.
Susan Sutherland, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000

Either Party may change the names or addresses where notice is to be given by providing notice to the other Party of such change in accordance with this Section 21.5.

Section 21.6 Consent to Jurisdiction. Subject to the terms and conditions of Article XIV, the Reinsurer agrees that in the event of the failure of either Party to perform its obligations under the terms of this Agreement, the Party so failing to perform, at the request of the other Party, shall submit to the jurisdiction of any court of competent jurisdiction in any state of the United States shall comply with all requirements necessary to give such court jurisdiction, and shall abide by the final decision of such court or of any appellate court in the event of an appeal.

Section 21.7 Service of Process. The Reinsurer hereby designates its General Counsel, at the address listed above in Section 21.5, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Ceding Company. The Ceding Company hereby designates its General Counsel, at the address listed above in Section 21.5, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Reinsurer.

Section 21.8 Assignment.

(a) This Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Neither Party may novate or assign any of its rights, remedies, interests, powers and privileges, or novate or delegate any of its duties or obligations hereunder, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Notwithstanding any other provision in this Agreement to the contrary, the Reinsurer shall have the right to retrocede all or a portion of the Reinsured Policies under this Agreement.

Section 21.9 Captions. The captions contained in this Agreement are for reference only and are not part of the Agreement.

Section 21.10 Treatment of Confidential Information. The Parties agree that, other than as contemplated by this Agreement and to the extent permitted or required to implement the transactions contemplated hereby, the Parties will keep confidential and will not use or disclose the other Party's Confidential Information or the terms and conditions of this Agreement, including, without limitation, the exhibits and schedules hereto, except as otherwise required by Applicable Law or any order or ruling of any state insurance regulatory authority, the Securities and Exchange Commission or any other Governmental Authority; provided, however, that the Reinsurer may disclose Confidential Information to its Representatives in connection with the exercise of its rights under Article XII; provided, further, that either party may disclose, with the other party's written consent, Confidential Information to any person other than its Representatives who agrees to (i) hold such Confidential Information in strict confidence as if such person were a party to this Agreement and (ii) use such Confidential Information solely for the limited purpose of evaluating a potential purchase, merger or Change of Control of such Party. Without limiting the generality of the foregoing, neither the Reinsurer nor any Affiliates of the Reinsurer shall utilize any Confidential Information regarding Policyholders for the purpose of soliciting Policyholders for the sale of any insurance policies or other products or services. The parties agree that any violation or threatened violation of this Section 21.10 may cause irreparable injury to a party and that, in addition to any other remedies that may be available, each party shall be entitled to seek injunctive relief against the threatened breach of the provisions of this Section 21.10, or a continuation of any such breach by the other party or any person provided with Confidential Information, specific performance and other such relief to redress such breach together with damages and reasonable counsel fees and expenses to enforce its rights hereunder. For purposes of this Agreement, **"Confidential Information"** means all documents and information concerning one Party, any of its Affiliates, the Covered Liabilities or the Reinsured Policies, including any information relating to any person insured directly or indirectly under the Reinsured Policies, furnished to the other Party or such other Party's Affiliates or representatives in connection with this Agreement or the transactions contemplated hereby, except that Confidential Information shall not include information which: (a) at the time of disclosure or thereafter is generally available to and known by the public other than by way of a wrongful disclosure by a Party or by any representative of a Party; (b) was available on a nonconfidential basis from a source other than the Parties or their representatives, provided that such source is not and was not bound by a confidentiality agreement with a Party; or (c) was independently developed without violating any obligations under this Agreement and without the use of any Confidential Information. For the purposes of this Agreement, **"Change of Control"** means the acquisition of ten percent (10%) or more of the voting securities of a Party or any parent of such Party, or any other acquisition that is deemed to be a Change of Control by applicable insurance regulatory authorities of the state of domicile of such Party.

Section 21.11 No Waiver; Preservation of Remedies. No consent or waiver, express or implied, by any Party to or of any breach or default by any other Party in the

performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such other Party hereunder. Failure on the part of any Party to complain of any act or failure to act of any other Party or to declare any other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first Party of any of its rights hereunder.

Section 21.12 Calendar Days. To the extent that any calendar day on which a deliverable pursuant to this Agreement is due is not a Business Day, such deliverable will be due the next Business Day.

Section 21.13 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument, and either of the Parties may execute this Agreement by signing such counterpart. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

Section 21.14 Incontestability. In consideration of the mutual covenants and agreements contained herein, each party hereto does hereby agree that this Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each party does hereby agree that it shall not contest the validity or enforceability hereof.

Section 21.15 Interpretation

(a) When a reference is made in this Agreement to a Section, such reference shall be to a Section to this Agreement unless otherwise indicated. The Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes. References to a person are also to its permitted successors and assigns.

(b) The parties have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

Section 21.16 Reasonableness. Each of the parties will act reasonably and in good faith on all matters within the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed this 31st day of March 31, 2010..

American Health and Life Insurance Company

By: /s/ Dava S. Carson
Name: Dava S. Carson
Title: EVP and CEO

National Benefit Life Insurance Company

By: /s/ Larry Warren
Name: Larry Warren
Title: Chief Actuary

ATTACHMENT 15

EX-10.13 20 dex1013.htm COINSURANCE AGREEMENT, PRIMERICA LIFE AND FINANCIAL REASSURANCE

Exhibit 10.13

PRIVILEGED AND CONFIDENTIAL

COINSURANCE AGREEMENT

by and between

PRIMERICA LIFE INSURANCE COMPANY OF CANADA

(the "Ceding Company")

FINANCIAL REASSURANCE COMPANY 2010, LTD

(the "Reinsurer")

DATED March 31, 2010

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COINSURANCE AGREEMENT

This COINSURANCE AGREEMENT (together with the Exhibits hereto, this "**Agreement**") is made by and between PRIMERICA LIFE INSURANCE COMPANY OF CANADA, a life insurance company incorporated under the *Insurance Companies Act* (Canada) (together with its successors and permitted assigns, the "**Ceding Company**") having its principal business office located at 2000 Argentia Road, Plaza V, Suite 300, Mississauga, Ontario L5N 2R7 and Financial Reassurance Company 2010, Ltd, a reinsurance company incorporated in Bermuda and registered as an insurer pursuant to the Insurance Act 1978 of Bermuda (together with its successors and permitted assigns, the "**Reinsurer**") having its registered office located at the Emporium Building, 69 Front Street, Hamilton HM 12, Bermuda.

WHEREAS, the Ceding Company is authorized to engage in the business of issuing certain life insurance policies and certain related riders;

WHEREAS, the Reinsurer is authorized and registered in Bermuda to conduct long term insurance business;

WHEREAS, the Ceding Company desires to cede to the Reinsurer on an indemnity reinsurance basis certain liabilities with respect to the Reinsured Policies (as defined herein); and

WHEREAS, the Reinsurer is willing to reinsure on an indemnity reinsurance basis the liabilities that the Ceding Company desires to cede hereunder on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual and several promises and undertakings herein contained, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Ceding Company and the Reinsurer (individually, a "**Party**" and collectively, the "**Parties**") hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following terms, when used in this Agreement, shall have the meanings set forth in this Article I.

(a) "**Administrative Practices**" shall have the meaning specified in Section 17.2(a).

(b) "**Affiliate**" means, with respect to a Party, any entity that controls, is controlled by or is under common control with such Party.

(c) "**Agreement**" shall have the meaning specified in the Preamble.

(d) "**Applicable Law**" means any domestic or foreign, federal, provincial, state or local statute, law, ordinance or code, or any written rules, regulations or administrative interpretations or guidelines issued by any Governmental Authority pursuant to any of the foregoing, in each case applicable to any Party, and any order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the Parties.

(e) "**Bermuda Monetary Authority**" means the regulatory authority in Bermuda that is responsible for the registration and on-going supervision of the Reinsurer.

(f) "**Business Day**" means any day other than a day on which banks in the Province of Ontario or Bermuda are permitted or required to be closed.

(g) "**Ceding Company**" shall have the meaning specified in the Preamble.

(h) "**CGAAP**" means applicable Canadian generally accepted accounting principles as modified by the requirements, if any, of OSFI.

(i) "**Change of Control**" shall have the meaning specified in Section 21.10.

(j) "**Claims**" means any and all claims, requests, demands or notices made under a Reinsured Policy for payment of benefits or other obligations, including death benefits, waived premiums, returned premium or any other payments alleged to be due in accordance with the terms and conditions of such Reinsured Policy.

(k) "**Commissions**" means the contractual amounts earned by and the bonuses paid to the Ceding Company's sales representatives in connection with the Reinsured Policies on and after the Effective Date.

(l) "**Commutation Payment**" shall have the meaning specified in Section 11.5.

(m) **"Confidential Information"** shall have the meaning specified in Section 21.10.

(n) **"Conversion"** means the issuance by the Ceding Company of a new Coverage in replacement of a Coverage under a Reinsured Policy pursuant to an option granted under the terms of such Reinsured Policy; provided, however, in no event shall Conversions include any Renewal.

(o) **"Coverage"** means, with respect to any Policy, one or more life insurance coverages issued by the Ceding Company. A single Policy may have multiple Coverages issued to multiple individuals and such multiple Coverages, in turn, may have different Original Initial Level Premium Periods, all within a single Policy.

(p) **"Covered Liabilities"** means all liabilities incurred by the Ceding Company under the express terms of the Reinsured Policies (including End of Term Renewals) and all Reinsured ECOs; provided, however, in no event shall Covered Liabilities include any Excluded Liabilities.

(q) **"Direct Premiums"** means all premiums actually received from the Policyholders attributable to the Reinsured Policies from and after the Effective Date and waived premiums on such Policies.

(r) **"Effective Date"** means January 1, 2010.

(s) **"Eligible Assets"** means assets permitted to be vested in trust pursuant to the Reinsurance Trust Agreement and the Investment Guidelines (**"Eligible Assets"**); provided, however, investments in or issued by an entity controlling, controlled by or under common control with either the Ceding Company or the Reinsurer shall not exceed 5% of total investments. The Eligible Assets are further subject to and limited by, the Investment Guidelines.

(t) **"End of Term Conversion"** means, with respect to a Coverage under a Reinsured Policy, a Conversion that occurs (i) at any time during the two year period ending on the last day of the Original Initial Level Premium Period of a Coverage or (ii) after the last day of such period.

(u) **"End of Term Renewal"** means a Renewal that occurs at the end of the Original Initial Level Premium Period.

(v) **"Excluded Liabilities"** shall have the meaning specified in Section 2.2.

(w) **"Existing Practice"** shall have the meaning specified in Section 17.2(a).

(x) **"Expense Allowance"** means an annualized per base policy expense allowance equal to the Reinsurer's Quota Share multiplied by C$42.50 for each Reinsured Policy payable on a monthly basis, which amount shall be increased (i) by 3% on the first anniversary date of the Effective Date and (ii) thereafter, by a compounded rate equal to the percentage increase, if any, in the labour cost index published by Statistics Canada on each subsequent anniversary date of the Effective Date.

(y) **"Extra-Contractual Obligations"** means all liabilities, obligations and expenses not arising under the express terms and conditions of any Reinsured Policy, whether such liabilities, obligations or expenses are owing to an insured, a Governmental Authority or any other Person in connection with such Reinsured Policy, including (a) any liability for punitive, exemplary, consequential, special, treble, tort, bad faith or any other form of extra-contractual damages, (b) damages or claims in excess of the applicable policy limits of the Reinsured Policies, (c) statutory or regulatory damages, fines, penalties, administrative monetary amounts, forfeitures and similar charges of a penal or disciplinary nature, and (d) liabilities and obligations arising out of any act, error or omission, whether or not intentional, in bad faith or otherwise, including any act, error or omission relating to (i) the form, marketing, production, issuance, sale, cancellation or administration of Reinsured Policies or (ii) the failure to pay or the delay in payment of claims, benefits, disbursements or any other amounts due or alleged to be due under or in connection with Reinsured Policies (exclusive of interest on payments to Policyholders, as determined in accordance with the laws of the jurisdiction applicable to such Reinsured Policy). For avoidance of doubt, any liabilities, obligations and expenses relating to any change in the Reinsured Policies arising out of or resulting from litigation, arbitration or settlements will be deemed Extra-Contractual Obligations.

(z) **"Financial Statement Credit"** means credit for reinsurance permitted by OSFI on the Ceding Company's financial statements and MCCSR calculations filed with OSFI with respect to the Reinsured Policies as though licensed reinsurance was provided.

(aa) **"Governmental Authority"** means any federal, provincial, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority or self-regulatory organization, board or body, including OSFI and other insurance regulatory authorities.

(bb) **"Indemnification Claims"** shall have the meaning specified in Section 18.1.

(cc) **"Investment Guidelines"** means the investment guidelines attached as Exhibit VIII.

(dd) **"Initial Ceding Commission"** means the sum of C$74,000,000 as determined in accordance with the actuarial report originally dated October 21, 2009 and revised as of November 25, 2009.

(ee) **"Market Value"** shall have the meaning specified in the Reinsurance Trust Agreement.

(ff) **"MCCSR"** means minimum continuing capital and surplus requirements determined in accordance with the MCCSR Guideline.

(gg) **"MCCSR Guideline"** means Guideline A - entitled "Minimum Continuing Capital and Surplus Requirements for Life Insurance Companies dated December 2009.

(hh) **"Milliman"** shall have the meaning specified in Section 17.1(e).

(ii) **"Milliman Information"** shall have the meaning specified in Section 17.1(e).

(jj) **"Milliman Report"** shall mean the report attached hereto as Exhibit VII.

(kk) **"Monthly Account Balance Report"** shall have the meaning specified in Section 8.2.

(ll) **"Monthly Report"** shall have the meaning specified in Section 8.1.

(mm) **"Net Premium"** shall have the meaning specified in Section 4.1(b).

(nn) **"Original Initial Level Premium Period"** means, with respect to each Reinsured Policy, the period beginning with the original issue date of a Coverage and ending with the first premium increase date identified within such Reinsured Policy on which premiums for such Coverage will increase without a corresponding increase in the terms or limits of such Coverage.

(oo) "**OSFI**" means the Office of the Superintendent of Financial Institutions, Canada.

(pp) "**Parties**" shall have the meaning specified in the Preamble.

(qq) "**Person**" means any natural person, corporation, limited liability company, unlimited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

(rr) "**Policies**" means term life insurance base policies and riders thereto issued by the Ceding Company.

(ss) "**Policyholders**" means the owners or holders of one or more of the Reinsured Policies.

(tt) "**Premium Taxes**" means any Taxes imposed on premiums relating to the Reinsured Policies.

(uu) "**Prime Rate**" means, as of any day, a fluctuating interest rate per annum equal to the "prime" rate of interest announced publicly by The Royal Bank of Canada. If the Royal Bank of Canada does not publicly announce a prime rate, the Ceding Company and the Reinsurer (or its designee) shall jointly select another bank that publicly announces a prime rate and the prime rate publicly announced by that bank shall be used.

(vv) "**Primerica**" means Primerica, Inc., a Delaware corporation.

(ww) "**Recapture Fee**" shall have the meaning specified in Section 11.3.

(xx) "**Recapture Notice**" shall have the meaning specified in Section 11.2.

(yy) "**Reinstatement**" shall have the meaning specified in Section 7.1.

(zz) "**Reinsurance Trust Account**" shall have the meaning specified in Section 15.1.

(aaa) **"Reinsurance Trust Account Balance"** means, as of the last day of each calendar quarter following the date hereof, the aggregate Market Value as of such date of the Eligible Assets maintained in the Reinsurance Trust Account.

(bbb) **"Reinsurance Trust Agreement"** shall have the meaning specified in Section 15.1.

(ccc) **"Reinsured ECOs"** means (i) Extra-Contractual Obligations paid by the Ceding Company to a single (or joint) policyholder or beneficiary in the ordinary course of business, consistent with prudent business practices and (ii) Extra-Contractual Obligations arising in circumstances where the Reinsurer is an active party and directs or consents to the act, omission or course of conduct occurring after the date hereof that resulted in such Extra-Contractual Obligation; provided, however, that Reinsured ECOs shall not include any liabilities: (x) relating to class actions of any kind; (y) relating to sales, marketing or distribution practices of the Ceding Company or its sales representatives directed or applied to any specific class of policyholders, as indicated on the underwriting records of the Ceding Company; or (z) relating to or based on violations of, or noncompliance with, Applicable Law by the Ceding Company.

(ddd) **"Reinsured Policies"** means Policies issued (i) on the policy forms identified in Exhibit I and riders thereto in force as of 11:59 p.m. (EST) on December 18, 2009; and (ii) as a result of any Conversions thereto, but not including any End of Term Conversions arising from Coverages with an Original Initial Level Premium Period ending on or after January 1, 2017. For greater certainty, the Reinsured Policies do not include any segregated fund business.

(eee) **"Reinsurer"** shall have the meaning specified in the Preamble.

(fff) **"Reinsurer's Quota Share"** means eighty percent (80%) or such other percentage as modified to reflect a partial recapture of the Reinsurer's Quota Share of the Reinsured Policies pursuant to the terms and conditions specified in Article XI.

(ggg) **"Renewal"** means the continuation of coverage under a Reinsured Policy after the end of the Original Initial Level Premium Period of such coverage in accordance with the terms of the Reinsured Policy.

(hhh) **"Renewal Recapture Right"** shall have the meaning specified in Section 11.4.

(iii) **"Representatives"** shall have the meaning specified in Section 12.1.

(jjj) **"Required Balance"** means, as of any date, the amount equal to the greater of (i) the Reinsurer's Quota Share of the Subject Reserves with respect to the Reinsured Policies, and (ii) the amount of assets held in trust necessary at any particular point in time under the MCCSR Guideline in order for the Ceding Company to take full Financial Statement Credit for the unlicensed reinsurance in the same manner as if licensed reinsurance was being provided that enables the Ceding Company to maintain its OSFI target capital ratio as well as to be able to meet all Dynamic Capital Adequacy Testing adverse scenarios that may be required by OSFI with respect to the Reinsurer's Quota Share of the Subject Reserves. For greater certainty, the amount of Trust Assets held in trust shall at no time be less than a minimum of an amount equal to 100% of the aggregate liability ceded (if greater than zero) plus 70% of the offsetting reserves ceded (MCCSR Guideline section 1.2.3.2) plus 150% of the Regulatory Required Capital for the Ceded Business as defined by the MCCSR Guideline, as calculated in Schedule C hereto as of December 31. 2009.

(kkk) **"Required Regulatory Capital"** means the amount of capital necessary to be maintained by the Ceding Company under the MCCSR Guideline with respect to the Subject Reserves.

(lll) **"Subject Reserves"** means, as of any date, all reserves set forth on Schedule A as of such date corresponding to liabilities of a type or kind identified as Covered Liabilities, related to the Reinsured Policies, such amount as determined by the Ceding Company in accordance with the methodologies used by the Ceding Company to calculate such amounts for purposes of its financial statements prepared in accordance with CGAAP, or such other accounting standards as may be applicable during the term of this agreement, and generally consistent with past practices as of all dates without giving effect to this Agreement or as may otherwise be required to be maintained pursuant to the *Insurance Companies Act* (Canada) and its applicable regulations as well as any instructions, advisories or guidelines issued by OSFI, including the MCCSR Guideline.

(mmm) **"Superintendent"** means the Superintendent of Financial Institutions (Canada).

(nnn) **"Tax Authority"** means the Canada Revenue Agency and any other domestic or foreign Governmental Entity responsible for the administration of any Taxes.

(ooo) **"Taxes"** means all forms of taxation, whether of Canada or elsewhere and whether imposed by a local, municipal, provincial, state, federal, foreign or other body or instrumentality, and shall include, without limitation, income, excise, sales, use, gross receipts, value added and premium taxes, together with any related interest, penalties and additional amounts imposed by any taxing authority.

(ppp) **"Then Current Practice"** shall have the meaning specified in Section 17.2(a).

(qqq) **"Third Party Reinsurance"** means reinsurance of the Reinsured Policies placed with third party reinsurers, as identified and summarized in Exhibit II (as such Exhibit II may be amended from time to time).

(rrr) **"Third Party Reinsurance Premiums"** means all premiums paid by the Ceding Company on or after the Effective Date for coverage under Third Party Reinsurance, net of refunds of unearned premiums on lapse (except that the refund of unearned premiums shall only apply for premiums payable under Third Party Reinsurance on or after the Effective Date).

(sss) **"Top-Up Notice"** shall have the meaning specified in Section 8.3.

(ttt) **"Trust Assets"** shall have the meaning specified in Section 15.2(a).

(uuu) **"Trustee"** shall have the meaning specified in Section 15.1.

ARTICLE II

REINSURANCE

Section 2.1 Reinsurance. Subject to the terms and conditions of this Agreement, the Ceding Company hereby cedes on an indemnity basis to the Reinsurer, and the Reinsurer hereby accepts and agrees to reinsure on an indemnity basis, the Reinsurer's Quota Share of the Covered Liabilities, provided, however, in the event of a recapture involving a pro rata portion of the Reinsurer's Quota Share of the Reinsured Policies pursuant to Article XI hereof, the Reinsurer's Quota Share of the Covered Liabilities will be proportionately reduced. The Reinsurer's Quota Share of Covered Liabilities shall be reduced, but not below zero, by the Reinsurer's Quota Share of Third Party Reinsurance for Covered Liabilities in accordance with the respective terms thereof, to the extent such Third Party Reinsurance is actually collected.

Section 2.2 Exclusions. Notwithstanding any provision of this Agreement to the contrary, the Reinsurer shall not be liable for any liabilities or obligations of the Ceding Company that are not Covered Liabilities, including:

(a) liabilities relating to benefits, including, but not limited to, terminal illness benefits, other than life insurance death benefits, any related waiver of premium coverages and write-offs of terminal illness policy loan balances;

(b) any liabilities resulting from any coverage added after the Effective Date to a Reinsured Policy that is not a Conversion or Renewal or otherwise required or permitted by the terms of such Reinsured Policy in effect on the Effective Date, unless such additional coverage is required by applicable law or has been approved in writing in advance by the Reinsurer;

(c) any liabilities relating to deaths occurring prior to the Effective Date;

(d) Extra-Contractual Obligations, other than Reinsured ECOs;

(e) any loss or liabilities relating to or arising from the Ceding Company's Retained Asset Account for the Reinsured Policies;

(f) any losses or liabilities arising under any End of Term Conversion occurring on or after January 1, 2017;

(g) any loss or liabilities relating to or arising from actions taken by the Ceding Company without the consent of the Reinsurer as required by Section 17.2(b) hereof;

(h) any loss or liabilities relating to or arising from claims made, or lawsuits brought, by agents of the Ceding Company; and

(i) all liabilities or obligations of any kind or nature whatsoever that do not relate to the Reinsured Policies (collectively, (a)-(i) constitute the "**Excluded Liabilities**").

Section 2.3 Territory. The reinsurance provided under this Agreement shall apply to the Covered Liabilities covering lives and risks wherever resident or situated.

ARTICLE III

COMMENCEMENT OF THE REINSURER'S LIABILITY

Section 3.1 Commencement of the Reinsurer's Liability. Except as otherwise set forth in this Agreement, the Reinsurer's liability under this Agreement shall attach simultaneously with that of the Ceding Company, and all reinsurance with respect to which the Reinsurer shall be liable by virtue of this Agreement shall be subject in all respects to the same risks, terms, rates, conditions, interpretations, and to the same modifications, alterations, cancellations and receivables under Third Party Reinsurance, as the respective Reinsured Policies to which liability under this Agreement attaches, the true intent of this Agreement being

that the Reinsurer shall, in every case to which liability under this Agreement attaches, and always subject to the Excluded Liabilities, follow the fortunes of the Ceding Company.

ARTICLE IV

REINSURANCE PREMIUMS, ALLOWANCES AND OTHER OBLIGATIONS

Section 4.1 Reinsurance Premiums.

(a) On the date hereof, as consideration for the reinsurance provided hereunder, the Ceding Company shall transfer to the Reinsurance Trust Account on behalf of the Reinsurer an amount equal to the Reinsurer's Quota Share of the Subject Reserves, if positive, and advance premiums attributable to the Reinsured Policies as of the Effective Date and the Reinsurer shall pay to the Ceding Company an amount equal to the Initial Ceding Commission and the value of the Reinsurer's Quota Share of the Subject Reserves, to the extent such reserves are negative. For greater certainty, the Ceding Company shall retain all reserves, if any, established with respect to Excluded Liabilities. Any Eligible Assets shall be free of all liens, charges or encumbrances, and assigned or endorsed in blank by the Ceding Company to the Trustee in order to transfer absolutely and unequivocally all right, title and interest in such assets.

(b) As additional consideration for the reinsurance provided herein, on a monthly basis during the term of this Agreement, the Ceding Company shall pay to the Reinsurer the Reinsurer's Quota Share of Direct Premiums net of the Reinsurer's Quota Share of Third Party Reinsurance Premiums (the "**Net Premium**"). The Net Premium shall be paid in accordance with Article VIII.

Section 4.2 Allowances. At each month end following the date hereof, the Reinsurer shall pay the Ceding Company the Expense Allowance calculated on the basis of the number of Reinsured Policies in force on such date. The number of Reinsured Policies in force for each calendar month shall be determined by adding the number of Reinsured Policies in force on the last day of the prior calendar month (or December 18, 2009 for the initial calculation) and the number of Reinsured Policies in force on the last day of the current calendar month and dividing that total by two (2); provided, however, if there are any End of Term Renewals, the Expense Allowance for the Reinsured Policies associated with such End of Term Renewals that start after December 31, 2016 will be zero. The Expense Allowance shall be payable in accordance with Article VIII.

Section 4.3 Other Obligations. On a monthly basis during the term of this Agreement, the Reinsurer shall pay the Ceding Company the Reinsurer's Quota Share of the following amounts: (i) 2.1% of premiums collected for such month in connection with the Reinsured Policies as a provision for Premium Taxes incurred by the Ceding Company; (ii) C$50 for each new Conversion which results in the issuance of a Reinsured Policy (including the issuance of one or more riders to a base Policy); (iii) Commissions for each Reinsured Policy; and (iv) any out-of-pocket underwriting fees associated with Reinstatements.

Section 4.4 Third Party Reinsurance. The Ceding Company shall pay to the Reinsurer the Reinsurer's Quota Share of all ceding commissions and any Premium Tax or other expense allowances collected by the Ceding Company from the reinsurers under Third Party Reinsurance.

ARTICLE V

TAXES

Section 5.1 Guaranty Fund Assessments. Except as provided in Section 4.2, the Reinsurer shall not reimburse the Ceding Company for any guaranty fund assessments arising on account of premiums on the Reinsured Policies.

Section 5.2 Tax Elections. The parties agree to make all necessary tax elections to facilitate the intent of this Agreement or the transactions contemplated hereby.

ARTICLE VI

CLAIMS

Section 6.1 Notice of Claims. Claim amounts less than or equal to C$250,000 (net of amounts recoverable under Third Party Reinsurance) will be reported by the Ceding Company to the Reinsurer on a bordereau basis, and all other Claims shall be reported on an individual basis, in each case in accordance with Section 8.1.

Section 6.2 Settlement Authority. The Ceding Company shall have full authority to determine liability on any Claim reinsured hereunder and may settle losses as it deems appropriate, but in so doing it shall act with the skill and diligence commonly expected from qualified personnel performing such duties for Canadian life insurance companies and consistent with the Ceding Company's Then Current Practice.

Section 6.3 Claim Payments. Following receipt by the Reinsurer of the Monthly Report setting forth the Ceding Company's payment of any Covered Liabilities reinsured hereunder, the Reinsurer shall make payment of the Reinsurer's Quota Share of the Covered Liabilities in accordance with Article VIII.

Section 6.4 Misstatement of Age or Sex. In the event of an increase or reduction in the amount of the Ceding Company's insurance on any Reinsured Policy because of an overstatement or understatement of age or misstatement of sex, established during the life, or after the death, of the insured, the Reinsurer will share in such increase or reduction in proportion to the Reinsurer's Quota Share.

ARTICLE VII

REINSTATEMENTS

Section 7.1 Reinstatements. If a Reinsured Policy is reinstated in accordance with its terms and the Ceding Company's reinstatement rules as in effect on the Effective Date (a "Reinstatement"), the reinsurance of such Reinsured Policy will be restored as if no change had occurred. In such a case, the Ceding Company shall promptly pay the Reinsurer the Reinsurer's Quota Share of the Net Premiums attributable to such Reinstatement.

ARTICLE VIII

ACCOUNTING AND RESERVES

Section 8.1 Monthly Reports. Within twenty (20) Business Days after the end of each calendar month, the Ceding Company shall deliver to the Reinsurer the following monthly reports (each a "**Monthly Report**") substantially in the form set forth in Exhibit III hereto: i) Monthly Settlement Report; (ii) Policy Exhibit; (iii) Reserve Report; (iv) Claim Reserve Report; (v) Bordereau Report; and (vi) Non-Bordereau Claims Report it being understood that the initial Monthly Report shall be for the period from the Effective Date to the last day of the month in which this Agreement is executed.

Section 8.2 Monthly Account Balance Reports. No later than ten (10) Business Days after the end of each calendar month, the Ceding Company shall prepare and deliver to the Reinsurer a report in the form and containing the information set forth in Exhibit IV (each a "**Monthly Account Balance Report**").

Section 8.3 Settlements.

(a) All monthly settlements shall be effected as follows: (i) if the Monthly Report shows that the Ceding Company owes the Reinsurer a positive amount, the Ceding Company will pay the amount owed simultaneously with the delivery to the Reinsurer of the Monthly Report and (ii) if the Monthly Report shows that the Reinsurer owes the Ceding Company a positive amount, the Reinsurer shall pay the amount owed within twenty (20) Business Days after receiving the Monthly Report, it being understood that, for purposes of this Section 8.3(a), appropriate adjustments shall be made for withdrawals and reimbursements made during the month by the Ceding Company pursuant to Sections 15.5 and 15.6.

(b) If the Reserve Report provided to the Reinsurer for the last month of a calendar quarter, which report shall be prepared in accordance with CGAAP, shows that the Reinsurance Trust Account Balance is less than the Required Balance or if at any time specified by OSFI the Reinsurance Trust Account Balance is less than the Required Balance, the Ceding Company shall provide notice to the Reinsurer of the failure by the Reinsurer to ensure the Reinsurance Trust Account Balance equals or exceeds the Required Balance as of the end of the immediately preceding calendar quarter or such other time as OSFI has specified, the Ceding

Company shall notify the Reinsurer of the amount of the deficiency along with a copy of the applicable Monthly Report (the "**Top-Up Notice**"). The Top-Up Notice shall be delivered to the Reinsurer at the same time as the copy of the Monthly Report for the same calendar quarter.

(c) All settlements of account between the Ceding Company and the Reinsurer shall be made in cash or its equivalent.

Section 8.4 Offset and Recoupment. Each Party, at its option, may offset or recoup any balance or balances, whether on account of premiums, Expense Allowances, claims and losses or amounts otherwise due from one Party to the other under this Agreement, or as a result of damages awarded to either Party pursuant to litigation or otherwise, which shall be deemed mutual debts or credits, as the case may be; provided, however, that the Party electing such right with respect to matters not reflected in the Monthly Reports shall notify the other Party in writing of its election to do so. This Section 8.4 shall not be modified or reconstrued due to the insolvency, liquidation, rehabilitation, conservatorship or receivership of either Party.

Section 8.5 Currency. All financial data required to be provided pursuant to the terms of this Agreement shall be expressed in Canadian dollars. All payments and all settlements of account between the Parties shall be in Canadian currency unless otherwise agreed by the Parties.

ARTICLE IX

EXPENSES IN CONNECTION WITH THE REINSURED POLICIES

Section 9.1 Expenses in Connection with the Reinsured Policies. The Ceding Company shall pay for all expenses and charges incurred in connection with the Reinsured Policies including medical examinations, inspection fees, and other fees. Except as provided in Section 4.2 and Section 4.3, such amounts shall not be reimbursed by the Reinsurer.

ARTICLE X

ERRORS AND OMISSIONS

Section 10.1 Errors and Omissions. Subject to the terms of this Agreement, neither Party hereto shall be prejudiced in any way by inadvertent errors or omissions made by such Party in connection with this Agreement provided such errors and omissions are corrected promptly following discovery thereof. Upon the discovery of an inadvertent error or omission by either Party hereto, appropriate adjustments shall be made as soon as practicable to restore the Parties to the fullest extent possible to the position they would have been in had no such inadvertent error or omission occurred.

ARTICLE XI

RECAPTURE

Section 11.1 Recapture. The Ceding Company may in accordance with the provisions of this Article XI recapture, in its sole discretion, all or a *pro rata* portion of all of the Reinsurer's Quota Share of the Reinsured Policies upon the occurrence of one of the following events:

(a) If the Reinsurer becomes insolvent;

(b) If the Bermuda Monetary Authority takes control of the assets of the Reinsurer and/or cancels or significantly restricts the conditions of the Reinsurer's license;

(c) If either the Bermuda Monetary Authority, Petitioning Creditor(s) or the Reinsurer institutes a proceeding or petition for, the appointment of a liquidator of the Reinsurer;

(d) If the Reinsurer fails to take steps reasonably satisfactory to the Ceding Company to assure the Ceding Company of full Financial Statement Credit for the Reinsured Policies within forty-five (45) calendar days of Reinsurer's receipt of written notice from the Ceding Company that the Ceding Company has been advised by any Governmental Authority that the Governmental Authority will deny or has denied Financial Statement Credit on any financial statement filed by the Ceding Company with such Governmental Authority;

(e) If the Reinsurer is in material breach of any other representation, warranty or covenant under this Agreement and the Reinsurer fails to cure any such material breach of any representation, warranty or covenant hereunder within sixty (60) calendar days of receipt of written notice of such breach by the Reinsurer; or

(f) If the Reinsurer fails in any material respects to fund the Reinsurance Trust Account to the amount required after receipt of the Top-Up Notice under Section 15.3(c) within the time period specified therein, and the Reinsurer fails to cure any such funding deficiency within twenty (20) Business Days of receipt of written notice of such funding deficiency by the Reinsurer.

Section 11.2 Notice of Recapture. The Ceding Company shall notify the Reinsurer in writing of the reasons for, and the effective date of, the recapture at least ninety (90) calendar days prior to the effective date of recapture (the "**Recapture Notice**"); provided, however, that the recapture shall not be deemed to be consummated until the final accounting described in Section 11.4 of this Article XI has been completed and the Reinsurer has paid the Commutation Payment, if any.

Section 11.3 Recapture Fee. The Ceding Company shall pay a recapture fee (the "**Recapture Fee**") to the Reinsurer upon (i) the occurrence of any recapture of the Reinsured Policies pursuant to Section 11.1(d) if such recapture was triggered by the inability of the Ceding Company to obtain full Financial Statement Credit for the Reinsured Policies due to actions taken by the Ceding Company or its Affiliates; provided, however, that if the Reinsurer is in material breach of any representation, warranty or covenant under this Agreement at the time a recapture is triggered under Section 11.1(d), no Recapture Fee will be due and payable by the Ceding Company or (ii) termination of this Agreement under Section 20.3(a). The Recapture Fee shall be equal to an amount to be determined by an actuarial appraisal prepared by a nationally recognized independent actuarial firm in accordance with methodologies agreed upon by the Ceding Company and Reinsurer to determine the value of the Reinsured Policies at such time in a manner consistent with the valuation of the Reinsured Policies as set forth in the Milliman Report and consistent with the determination of the Initial Ceding Commission based on such valuation.

Section 11.4 Renewal Recapture. The Ceding Company shall also have the right, upon prior written notice to the Reinsurer, to recapture, in its sole discretion, all or a *pro rata* portion of End of Term Renewals arising from Policies with an Original Initial Level Premium Period ending on or after January 1, 2017 (the "**Renewal Recapture Right**"). No Recapture Fee is payable in connection with the recapture of any End of Term Renewal.

Section 11.5 Commutation Accounting and Settlement. In the event of any recapture under this Article XI, the Reinsurer shall pay to the Ceding Company an amount equal to (i) the Reinsurer's Quota Share of the Subject Reserves and advance premiums, if applicable, attributable to the Reinsured Policies being recaptured, calculated as of the effective date of the recapture set forth in the Recapture Notice, minus (ii) any amounts due to the Reinsurer but unpaid under this Agreement, including the Recapture Fee, if any, and not deferred premiums, plus (iii) any amounts due to the Ceding Company but unpaid under this Agreement (collectivaly, the "**Commutation Payment**"); provided, however, that, if the amount calculated pursuant to clause (ii) of this subsection exceeds the amounts calculated pursuant to clauses (i), (ii) and (iii) of this subsection, the Ceding Company shall pay to the Reinsurer the amount of such excess. Following recapture and payment to the appropriate Party of the net Commutation Payment required hereunder, neither Party shall have further liability to the other Party hereunder with respect to the recaptured business.

Section 11.6 Limitation on Partial Recaptures. Notwithstanding the provisions of Sections 11.1, the Ceding Company shall not be permitted to effect a partial recapture pursuant to Section 11.1 if, after giving effect to the recapture, the Subject Reserves would be less than C$75,000,000.

ARTICLE XII

ACCESS TO BOOKS AND RECORDS

Section 12.1 Access to Books and Records.

(a) The Ceding Company shall, upon reasonable notice and subject to Applicable Law, provide to the Reinsurer and the counsel, financial advisors, accountants, actuaries and other representatives of the Reinsurer (the "**Representatives**") access, at the Reinsurer's sole cost and expense, to review, inspect, examine and reproduce the Ceding Company's books, records, accounts, policies, practices and procedures, including underwriting, policy, claims administration guidelines and sales and Conversion practices, relating to the Reinsured Policies, including any audits and self assessments conducted by the Ceding Company as well as any unaudited information provided to Primerica in connection with Primerica's public company reporting requirements, at the place such records are located, and to discuss such matters with the employees, external auditors and external actuaries of the Ceding Company that are knowledgeable about such records, without undue disruption of the normal operations of the Ceding Company.

(b) The Reinsurer and its Representatives shall have the right, at its sole cost and expense, to conduct audits from time to time, upon reasonable notice to the Ceding Company, of the relevant books, records, accounts, policies, practices and procedures, including underwriting, policy, claims administration guidelines and sales and Conversion practices of the Ceding Company relating to the Reinsured Policies. Reinsurer shall also have the right, at any time it deems necessary, to request that the Ceding Company provide a copy of specific Claim files for the Reinsurer's review. The Reinsurer's requests will be limited to paid or settled Claims with a Claim amount greater than C$250,000.

(c) The Reinsurer shall reimburse the Ceding Company for any reasonable out-of-pocket costs that the Ceding Company incurs in providing assistance to the Reinsurer and its Representatives in connection with this Section 12.1.

(d) The Ceding Company shall use its reasonable best efforts to assist and cooperate with the Reinsurer and its Representatives in providing access to the relevant in force files, experience data, books, records and accounts of the Ceding Company relating to the Reinsured Policies.

ARTICLE XIII

INSOLVENCY

Section 13.1 Insolvency. In the event of the insolvency of the Ceding Company, payments due the Ceding Company on all reinsurance made, ceded, renewed or otherwise

becoming effective under this Agreement shall be payable by the Reinsurer on the basis of claims filed and allowed in the liquidation proceeding under the Reinsured Policies without diminution because of the insolvency of the Ceding Company, either directly to the Ceding Company or to its domiciliary liquidator, receiver or statutory successor, except where the Reinsurer, with the consent of the Policyholder and in conformity with Applicable Law, has assumed the Ceding Company's obligations as direct obligations of the Reinsurer to the payees under the Reinsured Policies and in substitution for the obligations of the Ceding Company to the payees. It is understood, however, that in the event of the insolvency of the Ceding Company, the liquidator or receiver or statutory successor of the Ceding Company shall give written notice to the Reinsurer of any impending Claim against the Ceding Company on a Reinsured Policy within a reasonable period of time after such Claim is filed in the insolvency proceedings and that during the pendency of such Claim the Reinsurer may, at its own expense, investigate such Claim and interpose, in the proceeding where such Claim is to be adjudicated any defense or defenses which it may deem available to the Ceding Company or its liquidator or receiver or statutory successor. It is further understood that the expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the Ceding Company as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the Ceding Company solely as a result of the defense undertaken by the Reinsurer.

ARTICLE XIV

DISPUTE RESOLUTION

Section 14.1 Consent to Jurisdiction. Each of the Parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the Province of Ontario for the purposes of enforcing this Agreement. The Parties shall take such actions as are within their control to cause any dispute as described in the preceding sentence to be assigned to the Commercial List of the Ontario Superior Court of Justice in Toronto. In any action, application or other proceeding, each of the Parties hereto irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claim that it is not subject to the jurisdiction of the courts of Ontario, that such action, application or proceeding is brought in an inconvenient forum or that the venue of such action, application or other proceeding is improper. Each of the Parties hereto also agrees that any final order or judgment for which there are no further rights of appeal against any Party hereto in connection with any action, application or other proceeding as contemplated in this Article XIV shall be conclusive and binding on such Party and that such order or judgment may be enforced in any court of competent jurisdiction, either within or outside of Canada or Bermuda. A certified copy of such order or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

Section 14.2 Waiver of Jury Trial. Each of the Parties hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

Section 14.3 Specific Performance. The Parties recognize and agree that if for any reason any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, immediate and irreparable harm or injury would be

caused for which money damages would not be an adequate remedy. Accordingly, each Party agrees that, in addition to any other available remedies each other Party shall be enfitled to an injunction restraining any violation or threatened violation of any of the provisions of this Agreement without the necessity of posting a bond or other form of security. In the event that any aetion should be brought in equity to enforce any of the provisions of this Agreement, no Party will allege, and eaeh Party hereby waives the defense, that there is an adequate remedy at law.

ARTICLE XV

REINSURANCE TRUST ACCOUNT

Section 15.1 Reinsurance Trust Agreement. On the date hereof, in accordance with the standard form reinsurance trust agreement issued by OSFI to be entered into between Ceding Company, the Reinsurer, OSFI and the trustee (the "**Trustee**") in the form attached hereto as Exhibit V (as such agreement may be amended from time to time in writing by mutual consent of OSFI, the Ceding Company, the Reinsurer and the trustee thereunder, the "**Reinsurance Trust Agreement**"), the Reinsurer, as grantor, shall create a trust account (the "**Reinsurance Trust Account**") naming the Ceding Company as sole beneficiary thereof. The Reinsurance Trust Account shall initially be funded with Trust Assets the Market Value of which (as of the date hereof) is at least equal to the Required Balance as of the Effective Date. The Trust Assets must be maintained at all times in accordance with the terms and conditions of the Reinsurance Trust Agreement, the Insurance Companies Act (Canada), its applicable regulations and any applicable instructions, advisories or guidelines issued by OSFI.

Section 15.2 Investment of Trust Assets.

(a) The assets held in the Reinsurance Trust Account (the "**Trust Assets**") shall consist of Eligible Assets.

(b) The Reinsurer shall appoint either a third-party investment manager or a Citigroup Inc. affiliate to manage the assets held in the Reinsurance Trust Account, pursuant to an investment management agreement in a form acceptable to the Ceding Company. The Reinsurer shall be responsible for all fees arising from the services provided by such third-party investment manager or Citigroup Inc. affiliate.

Section 15.3 Adjustment of Trust Assets and Withdrawals.

(a) Any adjustments of Trust Assets or withdrawals of Trust Assets from the Reinsurance Trust Account shall be in compliance with the terms of the Reinsurance Trust Agreement.

(b) The amount of Trust Assets to be maintained in the Reinsurance Trust Account shall be adjusted following the end of each calendar quarter or at such other time as OSFI may specify in accordance with the Reserve Report for the last calendar month of each calendar quarter provided to the Reinsurer pursuant to the terms of Section 8.1 or the instructions of OSFI. Such report shall set forth the amount by which the Reinsurance Trust Account Balance equals or exceeds the Required Balance, in each case as of the end of the immediately preceding calendar quarter or at such other time as OSFI may specify.

(c) If the Reinsurance Trust Account Balance exceeds 105% of the Required Balance, in each case as of the end of the immediately preceding calendar quarter or at such other time as OSFI may specify, then the Reinsurer shall have the right to seek approval from the Ceding Company (which shall not be unreasonably or arbitrarily withheld, conditioned or delayed) and from OSFI to withdraw the excess.

(d) The Reinsurer shall, no later than twenty (20) Business Days following receipt of the Top-Up Notice or at such earlier time as OSFI may specify, place additional Trust Assets into the Reinsurance Trust Account so that the Reinsurance Trust Account Balance, as of the date such additional Trust Assets are so placed, is no less than the Required Balance as of the end of the immediately preceding calendar quarter or at such other time as OSFI may specify.

(e) Without limitation of the other provisions of this Section 15.3, subject to obtaining the Ceding Company's prior consent (which shall not be unreasonably or arbitrarily withheld, conditioned or delayed) and OSFI's prior consent, the Reinsurer may remove Trust Assets from the Reinsurance Trust Account; provided, however, that the Reinsurer, at the time of such withdrawal, replaces the withdrawn assets with Trust Assets permitted under the terms of the Reinsurance Trust Agreement and by OSFI and having a Market Value equal to or greater than the Market Value of the Trust Assets withdrawn so that the Reinsurance Trust Account Balance, as of the date of such withdrawal, is no less than the Required Balance as of the end of the immediately preceding calendar quarter or such other time as OSFI may specify.

(f) Unless the Trustee is otherwise directed in writing by OSFI:

(i) the Reinsurer shall be entitled to all income on the assets held in the Reinsurance Trust Account collected by the Trustee, as the same is collected; and

(ii) the Reinsurer shall be entitled at all times to exercise, through such officer or other person designated by it, the right of attending, acting and voting at meetings of corporations or security holders or otherwise in respect of the assets held in the Reinsurance Trust Account.

Section 15.4 Negotiability of Trust Assets. Prior to depositing Trust Assets with the Trustee, the Reinsurer shall execute all assignments or endorsements in blank, or transfer legal title to the Trustee of all shares, obligations or any other assets requiring assignments, in order that the Ceding Company, or the Trustee upon direction of the Ceding Company, may whenever necessary negotiate any such assets without consent or signature from the Reinsurer or any other entity.

Section 15.5 Ceding Company's Withdrawals. The Ceding Company (or any successor by operation of law of the Ceding Company, including, but not limited to, any liquidator, rehabilitator, receiver or conservator of the Ceding Company) may only withdraw Trust Assets pursuant to the terms of the Reinsurance Trust Agreement.

Section 15.6 Return of Excess Withdrawals. The Ceding Company shall return to the Reinsurer, within five (5) Business Days, assets withdrawn in excess of all amounts due under Section 15.5. Any assets subsequently returned shall include interest at the Prime Rate applied on a daily basis for the amounts returned.

Section 15.7 Costs of Trust. The cost of maintaining the Reinsurance Trust Account shall be borne by the Reinsurer.

ARTICLE XVI

THIRD PARTY BENEFICIARY

Section 16.1 Third Party Beneficiary. Nothing in this Agreement or the Reinsurance Trust Agreement is intended to give any person, other than the Parties to such agreements, their successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Agreement or the Reinsurance Trust Agreement or any provision contained therein.

ARTICLE XVII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 17.1 Representations and Warranties of the Ceding Company.

(a) Organization, Standing and Authority of the Ceding Company. The Ceding Company is a life insurance company duly organized, validly existing and in good standing under the federal laws of Canada, and has all requisite corporate power and authority to carry on the operations of its business as they are now being conducted. The Ceding Company has obtained all authorizations and approvals required under Applicable Law to enter into and perform the obligations contemplated of the Ceding Company under this Agreement.

(b) Authorization. The Ceding Company has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Ceding Company of this Agreement, and the performance by the Ceding Company of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Ceding Company. This Agreement, when duly executed and delivered by the Ceding Company, subject to the due execution and delivery by the Reinsurer, will be a valid and binding obligation of the Ceding Company, enforceable against the Ceding Company in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(c) No Conflict or Violation. Except as set forth in Schedule B, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby in accordance with the respective terms and conditions hereof will not (a) violate any provision of the Letters Patent or Bylaws of the Ceding Company, (b) violate, conflict with or result in the breach of any of the terms of, result in any modification of, give any counterparty the right to terminate, or constitute a default under, any contract or other agreement to which the Ceding Company is a party, or (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Ceding Company.

(d) Absence of Litigation. There is no action, suit, proceeding or investigation pending or threatened that questions the legality of the transactions contemplated by this Agreement or that would prevent consummation of the transactions contemplated by this Agreement or the performance by the Ceding Company of its obligations hereunder.

(e) Milliman Information True and Complete.

(i) To the best of the Ceding Company's knowledge, all information and data supplied to Milliman Inc. ("**Milliman**") identified on Exhibit VI-A hereto (the "**Milliman Information**") was true, accurate and complete in all material respects as of the date the document containing such Milliman Information was provided to Milliman by the Ceding Company; provided, however, the Parties acknowledge that no representation or warranty has been made to the Reinsurer or any of its Affiliates or Representatives with respect to the truth, accuracy and completeness of any assumptions, projections, or estimates either provided by the Ceding Company or underlying any of the studies prepared by the Ceding Company in connection with the Milliman Information except that the Ceding Company represents and warrants that such assumptions, projections or estimates were the ones actually utilized by the Ceding Company for the purposes stated in Exhibit VI. The Milliman Information was compiled in a commercially reasonable manner given the intended purpose.

(ii) The financial data supplied to Milliman identified on Exhibit VI-B hereto presents fairly, in all material respects, the financial condition and results of operations of the Ceding Company as of and for the periods specified therein in accordance with CGAAP, or such other accounting standards as may be applicable during the term of this agreement, consistently applied.

(f) Coverage Information. The Reinsured Policies information identified in Exhibit I is true, accurate and complete in all material respects.

(g) Good and Marketable Title to Eligible Assets. The Ceding Company will have good and marketable title, free and clear of all liens, to all Eligible Assets immediately prior to the payment thereof to the Reinsurer in accordance with Section 4.1.

Section 17.2 Covenants of the Ceding Company.

(a) Administration and Claims Practices.

(i) In the administration and claims practices relating to the Reinsured Policies (the "**Administrative Practices**"), the Ceding Company shall (A) use the skill and diligence commonly expected from qualified personnel performing such duties for similarly sized Canadian life insurance companies; (B) act in accordance with the Ceding Company's internal company guidelines as in effect on the Effective Date; (C) be in conformance with Applicable Law in all material respects; and (D) act in a manner consistent with its existing administrative and claims practices in effect on the Effective Date and in any case with no less skill, diligence and expertise as the Ceding Company applies to servicing its other business, including those claims practices in existence for Third Party Reinsurance (each, an "**Existing Practice**"); notwithstanding the foregoing, the Ceding Company shall not be in breach of this Section 17.1(a)(i) unless either (Y) the Reinsurer shall have notified the Ceding Company in writing of the Ceding Company's failure to perform its obligations under this Section 17.1(a)(i) (which written notice shall describe such failure with reasonable particularity) or (Z) an officer of the Ceding Company with direct responsibility for its administrative services, or any senior officer of the Ceding Company, has actual knowledge that the Ceding Company has failed to perform its obligations under this Section 17.1(a)(i), and in either case the Ceding Company shall have failed to cure such breach within thirty (30) days following receipt of such notice or such actual knowledge.

(ii) An Existing Practice may be reasonably modified from time to time, except that, to the extent the Ceding Company modifies an Existing Practice from time to time following the Effective Date (an Existing Practice, as modified from time to time, a "**Then Current Practice**"), the Ceding Company shall act in accordance and consistent with the Then Current Practice; provided, that, if a Then Current Practice would materially adversely affect the rights, remedies and position of the Reinsurer, the

Ceding Company shall obtain the consent of the Reinsurer (which consent shall not be unreasonably withheld or delayed) prior to applying the Then Current Practice to the Reinsured Policies.

(b) Reinsured Policies. In all instances as they relate to the Reinsured Policies:

(i) The Ceding Company shall not, and shall cause its Affiliates not to (A) change agent commission and compensation schedules, (B) adopt or implement any program that is expected to result in an increase in lapses, exchanges, replacements or Conversions under the Reinsured Policies or (C) change coverage options or premiums (except as contemplated by Section 17.2(g) hereof), including coverage options for End of Term Conversions, in each case under (A), (B) and (C) without notifying the Reinsurer in advance of any such action and obtaining the Reinsurer's prior written consent (which shall not be unreasonably withheld or delayed).

(ii) The Ceding Company and the Reinsurer shall reasonably cooperate on any proposals for pricing or coverage changes proposed by either Party, including making any rate and form filings or other regulatory filings that impact pricing or premiums under the Reinsured Policies provided, however, the Ceding Company shall have final approval authority in its discretion over any proposal brought by the Reinsurer pursuant to this Section 17.2(b)(ii).

(iii) The Ceding Company shall notify the Reinsurer of any information known to the Ceding Company, including any third party or regulatory actions and management decisions reasonably anticipated to adversely and materially impact the economics of the Reinsured Policies for the Reinsurer. Such notification shall be made within five (5) Business Days after the information becomes known to the Ceding Company. The Parties agree and acknowledge that the Ceding Company's relationship with the Reinsurer shall in all respects be governed by a duty of utmost good faith. At all times during the term of this Agreement, the Ceding Company shall (i) administer, manage and oversee the Reinsured Policies and the Covered Liabilities, and (ii) perform all its obligations to the Reinsurer under this Agreement, in a manner consistent with its utmost good faith obligations.

(c) Third Party Reinsurance.

(i) The Ceding Company shall not, without the Reinsurer's prior approval (which approval shall not be unreasonably or arbitrarily withheld, conditioned or delayed), (A) terminate or materially modify any existing Third Party Reinsurance or (B) purchase new third party reinsurance for the Reinsured Policies.

(ii) The Ceding Company shall use commercially reasonable efforts to maintain its existing Third Party Reinsurance from and after the Effective Date, consistent with the existing practice of the Ceding Company in effect on the Effective Date.

(d) Reporting. To the extent not prohibited by Applicable Law, the Ceding Company will provide all reports it is required to deliver under this Agreement (including, without limitation, each Monthly Report and Quarterly Report) not later than the last date on which such report is required to be so delivered, except that the Ceding Company shall not be in breach of this Section 17.2(d) unless either (i) the Reinsurer shall have notified the Ceding Company in writing of its failure to timely deliver such report or (ii) a officer of the Ceding Company with direct responsibility for the preparation and delivery of such report has actual knowledge that the report was not delivered when due, and in either case the Ceding Company shall have failed to deliver such information within thirty (30) days following receipt of such notice or actual knowledge.

(e) Policy Data. Within six (6) months of the date hereof, the Ceding Company shall provide to the Reinsurer a schedule containing a list of Policies with Original Initial Level Premium Periods ending on or after January 1, 2017.

(f) Books and Records. The Ceding Company shall maintain and implement reasonable administrative and operating procedures with respect to records relating to the Reinsured Policies and shall keep and maintain all material documents, books, records and other information reasonably necessary for the maintenance of the Reinsured Policies, which documents, books, records and other information will be accurately maintained in all material respects throughout the term of this Agreement.

Section 17.3 Representations and Warranties of the Reinsurer.

(a) Organization, Standing and Authority of the Reinsurer. The Reinsurer is a special purpose long term insurance company duly organized, validly existing and in good standing under the laws of Bermuda and has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on the operations of its business as they are proposed to be conducted. The Reinsurer has obtained all authorizations and approvals required under Applicable Law to enter into and perform the obligations contemplated of the Reinsurer under this Agreement and the Reinsurer shall maintain throughout the term of this Agreement all licenses, permits or other permissions of any Governmental Authority that shall be required in order to perform the obligations of the Reinsurer hereunder.

(b) Authorization. The Reinsurer has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Reinsurer of this Agreement, and the performance by the Reinsurer of its obligations under this Agreement, have been duly authorized by all necessary

corporate action and do not require any further authorization, action or consent of the Reinsurer or its stockholder. This Agreement, when duly executed and delivered by the Reinsurer, subject to the due execution and delivery by the Ceding Company, will be a valid and binding obligation of the Reinsurer, enforceable against the Reinsurer in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(c) No Conflict or Violation. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (i) violate any provision of the Articles of Incorporation, Bylaws or other charter or organizational document of the Reinsurer, or (ii) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Reinsurer, except when any such violation would not have a material adverse effect on this Agreement or the consummation of the transactions contemplated hereby.

(d) Absence of Litigation. There is no action, suit, proceeding or investigation pending or threatened that questions the legality of the transactions contemplated by this Agreement or that would prevent consummation of the transactions contemplated by this Agreement or the performance by the Reinsurer of its obligations hereunder.

(e) Good and Marketable Title to Trust Assets. The Reinsurer will have good and marketable title, free and clear of all liens, to all Trust Assets immediately prior to the deposit thereof in the Trust Account.

ARTICLE XVIII

INDEMNIFICATION

Section 18.1 Indemnification.

(a) The Ceding Company shall indemnify, defend and hold harmless the Reinsurer and its directors, officers, employees, agents, representatives, successors, permitted assigns and Affiliates from and against any and all losses, liabilities, claims, expenses (including reasonable attorneys' fees and expenses) and damages reasonably and actually incurred by the Reinsurer (collectively, "**Indemnification Claims**") relating to this Agreement to the extent arising from:

(i) any breach or falsity of any representation, warranty or covenant of the Ceding Company; or

(ii) the breach of or failure to perform any of the duties, obligations, covenants or agreements of the Ceding Company contained in this Agreement.

(b) The Reinsurer agrees to indemnify and hold harmless the Ceding Company and its directors, officers, employees, agents, representatives, successors, permitted assigns and Affiliates from and against any and all Indemnification Claims relating to this Agreement to the extent arising from:

(i) any breach or falsity of any representation, warranty or covenant of the Reinsurer; or

(ii) the breach of or failure to perform any of the duties, obligations, covenants or agreements of the Reinsurer contained in this Agreement.

ARTICLE XIX

LICENSES, REGULATORY MATTERS

Section 19.1 Licenses.

(a) At all times during the term of this Agreement, each of the Reinsurer and the Ceding Company, respectively agrees that it shall hold and maintain all licenses and authorities required under Applicable Laws to perform its respective obligations hereunder unless otherwise mutually agreed by the parties.

(b) At all times during the term of this Agreement, the Reinsurer shall hold and maintain all licenses and authorizations required under Applicable Law, deposit in trust all such Trust Assets or otherwise to take all action that may be necessary so that at all times the Ceding Company shall receive full Financial Statement Credit.

Section 19.2 Regulatory Matters.

(a) If Ceding Company or Reinsurer receives notice of, or otherwise becomes aware of any inquiry, investigation, examination, audit or proceeding outside the ordinary course of business by Governmental Authorities, relating to the Reinsured Policies or the reinsurance provided hereunder, the Ceding Company or Reinsurer, as applicable, shall promptly notify the other party thereof.

(b) If Ceding Company or Reinsurer receives notice of, or otherwise becomes aware of any enforcement action by any Governmental Authority arising out of any

inquiry, investigation, examination, audit or proceeding by such Governmental Authority, the Ceding Company or Reinsurer, as applicable, shall promptly notify the other party thereof, and the Parties shall cooperate to resolve such matter.

ARTICLE XX

DURATION OF AGREEMENT; TERMINATION

Section 20.1 Duration. This Agreement shall automatically terminate if, at such time, there are no Covered Liabilities and the Reinsurance Trust Agreement has been terminated in accordance with the terms and conditions provided therein.

Section 20.2 Termination by Mutual Consent. This Agreement shall be terminated by the mutual written consent of the Reinsurer and the Ceding Company, which writing shall state the effective date and relevant terms of termination, provided that the Reinsurance Trust Agreement has been terminated in accordance with the terms and conditions provided therein.

Section 20.3 Termination by the Reinsurer.

(a) From and after the third anniversary date of the Effective Date, the Reinsurer may terminate this Agreement in the event of Ceding Company's failure to pay to Reinsurer any undisputed amounts owed under this Agreement. Reinsurer must provide written notice to Ceding Company containing sufficient information to inform Ceding Company of the details relating to its failure to pay. Ceding Company shall have sixty (60) calendar days from the receipt of the notice to make payment of any such undisputed amounts owed or make arrangements for payment satisfactory to Reinsurer. Following the sixty (60) day cure period, if Ceding Company has not paid any such undisputed amounts owed or made arrangements for payment satisfactory to Reinsurer, Reinsurer may provide written notice to Ceding Company terminating this Agreement, effective upon the date that Reinsurer makes the Commutation Payment to Ceding Company. Notwithstanding the above, if Ceding Company disputes the amount owed, the sixty (60) day cure period referenced above will begin only after a final determination is made by a court of law, pursuant to Section 14, that the disputed amounts are owed to the Reinsurer.

(b) Upon termination of this Agreement under Section 20.3(a), no further risks shall be ceded or assumed under this Agreement and Reinsurer shall not be liable for any losses occurring on and after the termination effective date. In the event of notice of termination under Section 20.3(a), Ceding Company will be entitled to the Commutation Payment in the same manner as provided in Section 11.5 and Reinsurer will be entitled to the Recapture Fee in the same manner as provided in Section 11.3.

Section 20.4 No Termination Upon Change of Control. For the avoidance of doubt, a Change of Control, sale or merger of the Reinsurer shall not result in termination of this Agreement.

Section 20.5 Survival. Notwithstanding the other provisions of this Article XX, the terms and conditions of Articles I, IV, V, VIII, X, XI, XII, XIV, XV, XVI, XX and XXI shall remain in full force and effect after termination of this Agreement.

ARTICLE XXI

MISCELLANEOUS

Section 21.1 Entire Agreement. This Agreement represents the entire agreement between the Reinsurer and the Ceding Company concerning the business reinsured hereunder. There are no understandings between the Reinsurer and the Ceding Company other than as expressed in this Agreement and the Reinsurance Trust Agreement.

Section 21.2 Amendments.

(a) Any provision of this Agreement may be amended if, but only if, such amendment is in writing and is signed by each party to this Agreement. Any change or modification to this Agreement shall be null and void unless made by an amendment hereto signed by each party to this Agreement.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 21.3 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law or if determined by a court of competent jurisdiction to be unenforceable, and if the rights or obligations of the Ceding Company or the Reinsurer under this Agreement will not be materially and adversely affected thereby, such provision shall be fully severable, and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

Section 21.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without giving effect to the principles of conflicts of law thereof.

Section 21.5 Notices. Any notice and other communication required or permitted hereunder shall be in writing and shall be delivered personally or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or, if mailed, on the date shown on the receipt therefore, as follows:

if to the Ceding Company:

Primerica Life Insurance Company of Canada
2000 Argentia Road
Plaza V, Suite 300
Misslasauga, Ontario L5N 2R7

with copies to (which shall not constitute notice to the Ceding Company for purposes of this Section 21.5):

Primerica Life Insurance Company
3120 Breckinridge Blvd.
Duluth, Georgia 30099
Attention: General Counsel

if to the Reinsurer:

Financial Reassurance Company 2010, Ltd
Emporium Building
69 Front Street
Hamilton HM 12, Bermuda

with copies to (which shall not constitute notice to the Reinsurer for purposes of this Section 21.5):

Robert Sullivan, Esq.
Susan Sutherland, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000

Either Party may change the names or addresses where notice is to be given by providing notice to the other Party of such change in accordance with this Section 21.5.

Section 21.6 Consent to Jurisdiction. Subject to the terms and conditions of Article XIV, the Parties agree that in the event of the failure of either Party to perform its obligations under the terms of this Agreement, the Party so failing to perform, at the request of the other Party, shall submit to the jurisdiction of any court of competent jurisdiction in the Province of Ontario and shall comply with all requirements necessary to give such court jurisdiction, and shall abide by the final decision of such court or of any appellate court in the event of an appeal.

Section 21.7 Service of Process. The Reinsurer hereby designates its Chief Legal Counsel, at the address listed above in Section 21.5, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Ceding Company. The Ceding Company hereby designates its General Counsel and Corporate Secretary, at the address listed above in Section 21.5, as its true and lawful

attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Reinsurer.

Section 21.8 Assignment.

(a) This Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Neither Party may novate or assign any of its rights, remedies, interests, powers and privileges, or novate or delegate any of its duties or obligations hereunder, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Notwithstanding any other provision in this Agreement to the contrary, the Reinsurer shall have the right to retrocede all or a portion of the Reinsured Policies under this Agreement.

Section 21.9 Captions. The captions contained in this Agreement are for reference only and are not part of the Agreement.

Section 21.10 Treatment of Confidential Information. The Parties agree that, other than as contemplated by this Agreement and to the extent permitted or required to implement the transactions contemplated hereby, the Parties will keep confidential and will not use or disclose the other Party's Confidential Information or the terms and conditions of this Agreement, including, without limitation, the exhibits and schedules hereto, except as otherwise required by Applicable Law or any order or ruling of any provincial insurance regulatory authority, the OSFI or any other Governmental Authority; provided, however, that the Reinsurer may disclose Confidential Information to its Representatives in connection with the exercise of its rights under Article XII; provided, further, that either party may disclose, with the other party's written consent, Confidential Information to any person other than its Representatives who agrees to (i) hold such Confidential Information in strict confidence as if such person were a Party to this Agreement and (ii) use such Confidential Information solely for the limited purpose of evaluating a potential purchase, merger or Change of Control of such Party. Without limiting the generality of the foregoing, neither the Reinsurer nor any Affiliates of the Reinsurer shall utilize any Confidential Information regarding Policyholders for the purpose of soliciting Policyholders for the sale of any insurance policies or other products or services. The parties agree that any violation or threatened violation of this Section 21.10 may cause irreparable injury to a party and that, in addition to any other remedies that may be available, each party shall be entitled to seek injunctive relief against the threatened breach of the provisions of this Section 21.10, or a continuation of any such breach by the other party or any person provided with Confidential Information, specific performance and other such relief to redress such breach together with damages and reasonable counsel fees and expenses to enforce its rights hereunder. For purposes of this Agreement, **"Confidential Information"** means all documents and information concerning one Party, any of its Affiliates, the Covered Liabilities or the Reinsured Policies, including any information relating to any person insured directly or indirectly under the Reinsured Policies, furnished to the other Party or such other Party's Affiliates or representatives in connection with this Agreement or the transactions contemplated hereby, except that

Confidential Information shall not include information which: (a) at the time of disclosure or thereafter is generally available to and known by the public other than by way of a wrongful disclosure by a Party or by any representative of a Party; (b) was available on a non confidential basis from a source other than the Parties or their representatives, provided that such source is not and was not bound by a confidentiality agreement with a Party; or (c) was independently developed without violating any obligations under this Agreement and without the use of any Confidential Information. For the purposes of this Agreement, "**Change of Control**" means the acquisition of ten percent (10%) or more of the voting securities of a Party or any parent of such Party, or any other acquisition that is deemed to be a Change of Control by applicable insurance regulatory authorities of the state of domicile of such Party.

Section 21.11 No Waiver; Preservation of Remedies. No consent or waiver, express or implied, by any Party to or of any breach or default by any other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such other Party hereunder. Failure on the part of any Party to complain of any act or failure to act of any other Party or to declare any other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first Party of any of its rights hereunder.

Section 21.12 Calendar Days. To the extent that any calendar day on which a deliverable pursuant to this Agreement is due is not a Business Day, such deliverable will be due the next Business Day.

Section 21.13 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument, and either of the Parties may execute this Agreement by signing such counterpart. This Agreement shall become effective when each Party hereto shall have received a counterpart hereof signed by the other party hereto.

Section 21.14 Incontestability. In consideration of the mutual covenants and agreements contained herein, each party hereto does hereby agree that this Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each party does hereby agree that it shall not contest the validity or enforceability hereof.

Section 21.15 Interpretation.

(a) When a reference is made in this Agreement to a Section, such reference shall be to a Section to this Agreement unless otherwise indicated. The Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes. References to a person are also to its permitted successors and assigns.

(b) The parties have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favouring or disfavouring any party by virtue of the authorship of any provisions of this Agreement.

(c) In the event of a conflict or inconsistency between the terms and conditions of this Agreement and the terms and conditions of the Reinsurance Trust Agreement, the terms of the latter shall in each and every instance prevail, except that, to the extent that the Investment Guidelines are more restrictive than the list of assets in Schedule A to the Reinsurance Trust Agreement, the Investment Guidelines shall prevail.

Section 21.16 Reasonableness. Each of the parties will act reasonably and in good faith on all matters within the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed this 31st day of March, 2010.

Primerica Life Insurance Company of Canada

By: /s/ John A. Adams
Name: John A. Adams
Title: EVP and CEO

Financial Reassurance Company 2010, Ltd

By: /s/ Reza Shah
Name: Reza Shah
Title: President

ATTACHMENT 16

EX-10.37 22 dex1037.htm COINSURANCETRUST AGREEMENT

Exhibit 10.37

Canadian Company - Life and P&C

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AGREEMENT MADE THE 15TH DAY OF MARCH, 2010 AMONG FINANCIAL REASSURANCE COMPANY 2010, LTD., PRIMERICA LIFE INSURANCE COMPANY OF CANADA, RBC DEXIA INVESTOR SERVICES TRUST AND THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS CANADA.

Canadian Company - Life and P&C

AGREEMENT

THIS AGREEMENT made in quadruplicate on the 15th day of March, 2010.

AMONG: Financial Reassurance Company 2010, Ltd., a corporation duly organized and existing under the laws of Bermuda
(hereinafter called the "Reinsurer")

Canadian Company - Life and P&C

AND:	Primerica Life Insurance Company of Canada, a corporation duly organized and existing under the laws of Canada (hereinaftor called the "Company")
AND:	RBC Dexia Investor Services Trust, a trust company incorporated under the laws of Canada and licensed to do business in the Province of Ontario (hereinafter called the "Trustee")
AND:	The Superintendent of Financial Institutions Canada (hereinafter called the "Superintendent")
WHEREAS	the Company is authorized under the *Insurance Companies Act* (hereinafter called the "Act") to insure risks;
AND WHEREAS	the Company has caused itself to be reinsured by the Reinsurer against certain risks insured by it under one or more reinsurance agreements (hereinafter called the "Reinsurance Agreements");
AND WHEREAS	the Reinsurer is not authorized under the Act to insure risks;
AND WHEREAS	where the Reinsurer is not authorized under the Act to insure risks and is incorporated elsewhere than in Canada, a reduction in the Company's Minimum Continuing Capital and Surplus Requirements, in the Company's Minimum Capital Test or in the assets to be maintained by the Company under the Act, as the case may be, may be made by the Company only to the extent that security is maintained in Canada, in respect of the potential liabilities of the Reinsurer under the Reinsurance Agreements, in an amount, of a nature and under arrangements determined by the Superintendent to be satisfactory.

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements contained in the Agreement, the parties hereto agree with one another as follows:

Canadian Company - Life and P&C

APPOINTMENT OF TRUSTEE

1. The Reinsurer appoints as trustee the Trustee to hold in trust for the Company, solely to secure the payment to the Company by the Reinsurer of the Reinsurer's share of any loss or liability or both sustained by the Company for which the Reinsurer is liable under the Reinsurance Agreements, such assets as the Reinsurer may vest in trust with the Trustee in accordance with the terms of this Agreement.

AUTHORIZED ASSETS

2. Assets that may be vested in trust with the Trustee shall be cash or assets in which the Company may invest its funds or any portion thereof pursuant to the Company's investment and lending policies, standards and procedures established pursuant to the Act in force from time to time while this Agreement is in force.

ASSETS VESTED IN TRUST

3. (a) The Reinsurer shall vest and maintain with the Trustee assets valued in accordance with subparagraph (b) at all times at least equal to 100% of an amount equal to the greater of (i) the Reinsurer's quota share of the subject reserves with respect to the reinsured policies, and (ii) the amount of assets held in trust necessary at any particular point in time under the MCCSR Guideline in order for the Company to take full financial statement credit for the unlicensed reinsurance in the same manner as if licensed reinsurance was being provided that enables the Company to maintain its target capital ratio as required by the Superintendent as well as to be able to meet all Dynamic Capital Adequacy Testing adverse scenarios that may be required by the Superintendent with respect to the Reinsurer's quota share of the subject reserves. For greater certainty, the amount of trust Assets held in trust shall at no time be less than a minimum of an amount equal to 100% of the aggregate liability ceded (if greater than zero) plus 70% of the offsetting reserves ceded (MCCSR Guideline section 1.2.3.2) plus 150% of the Regulatory Required Capital for the Ceded Business as defined by the MCCSR Guideline.

   (b) The assets vested in trust shall be valued at market value.

   (c) Assets vested in trust under this Agreement in respect of the class of life insurance shall be held by the Trustee in an account identified in its records as separate and distinct from the assets vested in trust under this Agreement in respect of other classes.

   (d) Assets vested in trust under this Agreement shall be held by the Trustee in an account identified in its records as separate and distinct from other accounts of the Trustee.

Canadian Company - Life and P&C

(e) Assets vested in trust under this Agreement shall be free of all liens, charges and encumbrances of any nature except for the charge customarily required to be given by the relevant participant in the Canadian Depository for Securities Limited under the rules governing participation in the Canadian Depository for Securities Limited on an asset deposited, and recorded in book-based form, with the Canadian Depository for Securities Limited.

VALUE OF ASSETS DETERMINED BY THE SUPERINTENDENT

4. The Superintendent may determine from time to time the market value of the assets vested in trust or the liabilities for which the Reinsurer is liable under the Reinsurance Agreements. Any determination made by the Superintendent under this paragraph shall be binding on the Reinsurer and the Company.

This paragraph shall be effective only with respect to the obligations of the Reinsurer and the Company under this Agreement and shall not affect the contractual relationship between the parties under the Reinsurance Agreements.

VESTING, VARYING, EXCHANGING OR WITHDRAWING ASSETS

5. (a) Subject to paragraph 3 and subparagraph (b), prior to vesting an asset in trust or withdrawing an asset vested in trust, the Reinsurer shall obtain the written approval of the Superintendent and, upon receipt of the written approval of the Superintendent, the Trustee shall follow the written direction of the Reinsurer.

(b) Unless the Superintendent has otherwise directed by written notice to both the Reinsurer and the Trustee, the Reinsurer may, without the prior written approval of the Superintendent:

(i) vest in trust an asset listed in Schedule "A"; and

(ii) withdraw an asset listed in Schedule "A" vested in trust on condition that the asset withdrawn is replaced, either prior to or simultaneously, with an asset or assets listed in Schedule "A" the value of which on the date of the withdrawal, as determined under subparagraph 3(b), is and is certified by the Reinsurer to the Trustee to be, at least equal to the value, as determined under subparagraph 3(b), of the asset withdrawn.

SECURITIES LENDING

6. The assets vested pursuant to this Agreement may not be used as part of a securities lending program.

Canadian Company - Life and P&C

ASSETS IN TRUSTEE'S NAME

7. Subject to paragraph 11, the Trustee shall register in its name or, subject to the prior written approval of the Superintendent, in the name of its nominee, any asset vested in trust that can be issued in registered form. Notwithstanding the foregoing but subject to the prior written approval of the Superintendent, the Reinsurer may vest with the Trustee, and the Trustee shall not be required to register in its name, mortgages on real estate acquired by or on behalf of the Reinsurer under an agreement whereby the mortgages are to be administered by a third party.

POWERS AND AUTHORITY OF TRUSTEE

8. (a) Subject to paragraph 5, the Trustee, on the written direction of any of the persons authorized by the Reinsurer for that purpose for the time being and from time to time, shall have, in respect of the assets vested in trust, the powers and authority authorized in that written direction.

   (b) Subject to the prior written approval of the Reinsurer, which approval must not be unreasonably withheld, the Trustee may employ, at the expense of the Reinsurer, agents, counsel (who may be counsel to the Reinsurer) and other professional advisors.

   (c) The Trustee may, from time to time,

      (i) deal with securities of the same class and nature as may constitute the assets held in trust in its own behalf or on behalf of accounts it manages;

      (ii) subject to Part XI of the Trust and Loan Companies Act, be affiliated with any party to whom or from whom such securities may be sold or purchased; and

      (iii) use in other capacities knowledge gained in its capacity hereunder without being liable to account therefor in law or in equity except where the use would be detrimental, prejudicial, or adverse to the best interests of the Company or the Reinsurer.

ACCOUNTABILITY OF TRUSTEE

9. (a) Subject to subparagraph (b), the Trustee will exercise its powers and carry out its obligations under this Agreement as Trustee honestly, in good faith and in the best interests of the Company and in connection therewith will exercise that degree of care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.

Canadian Company - Life and P&C

(b) Where the Superintendent determines that an asset vested in trust is withdrawn other than in accordance with paragraph 5, the Superintendent shall so notify the Trustee. Within thirty (30) days of the day on which the Trustee is notified by the Superintendent, the Trustee shall replace that asset with an asset or assets of the kind listed in Schedule "A" such that the value of the assets vested in trust on the replacement date, as determined under subparagraph 3(b), is equal to the lesser of:

(i) the total value of the assets required under the Agreement to be vested in trust on the replacement date, as determined under subparagraph 3(b); and

(ii) the total value of the assets, as determined under subparagraph 3(b), vested in trust on the day when the asset vested in trust was withdrawn other than in accordance with paragraph 5, determined before giving effect to the withdrawal.

In each instance where the Trustee replaces an asset in accordance with this paragraph, the Reinsurer shall immediately reimburse the Trustee for all losses, damages, expenses, and costs incurred by the Trustee in respect of the replacement.

DIRECTION OF REINSURER AND COMPANY

10. (a) The Reinsurer shall identify to the Trustee, in writing, those Reinsurer representatives authorized to direct the Trustee in respect of a matter under this Agreement. The Trustee shall act only upon the written directions of those Reinsurer representatives and shall have no duty to verify the appropriateness of any directions which shall be binding on the Reinsurer.

(b) The Company shall identify to the Trustee, in writing, those Company representatives authorized to direct the Trustee in respect of a matter under this Agreement. The Trustee shall act only upon the written directions of those Company representatives and shall have no duty to verify the appropriateness of any directions which shall be binding on the Company.

CANADIAN DEPOSITORY FOR SECURITIES LIMITED

11. Subject to the written approval of the Superintendent, the Trustee may deposit any of the assets vested in trust with the Canadian Depository for Securities Limited and shall have the same responsibility for assets vested in trust whether in the possession of the Trustee or deposited with the Canadian Depository for Securities Limited.

PAYMENTS ON ACCOUNT OF AN INTEREST IN REAL ESTATE

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12. Unless the Reinsurer and the Trustee are otherwise directed in writing by the Superintendent, the Reinsurer may collect payments on account of any interest in real estate by way of lease, mortgage or otherwise vested in trust with the Trustee, provided that the Reinsurer shall:

    (a) forthwith pay to the Trustee any monies collected on account of the principal of any mortgage; and

    (b) on or before the tenth day of each month, notify in writing the Trustee, the Company and the Superintendent of the balance of principal on any mortgage on account of which the Reinsurer collected a payment and account for all monies collected hereunder, which information shall be contained in a statutory declaration of an officer of the Reinsurer.

EXERCISE OF RIGHTS ATTACHED TO AN ASSET

13. Unless the Trustee is otherwise directed in writing by the Superintendent:

    (a) the Trustee shall hand over to the Reinsurer all income upon the vested assets collected by the Trustee as the same is collected; and

    (b) the Reinsurer shall be entitled at all times to exercise, through such officer or other person designated by it, the right of attending, acting and voting at meetings of corporations or security holders or otherwise in respect of vested assets and the Trustee shall, at the request of the Reinsurer, execute and deliver such instruments of proxy or attorney as may be reasonably required to enable the Reinsurer through such officer or person to exercise such rights.

STATEMENT OF ASSETS

14. Unless the Superintendent otherwise directs the Trustee in writing, the Trustee shall on or before the fifteenth day of each month, or, if the fifteenth day is not a business day of the Trustee, on or before the first business day of the Trustee following the fifteenth day, and at such other times as requested by notice in writing to the Trustee from the Superintendent, file:

    (a) with the Superintendent, and if the Reinsurer so elects, with the Reinsurer, a declaration in the form of Schedule "B", or in such other form as may be prescribed by the Superintendent from time to time, together with a diskette, containing that information as may be prescribed by the Superintendent from time to time of all assets held by the Trustee under this Agreement as at the close of business on the Trustee's last business day in the immediately preceding month; and

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(b) where the Reinsurer does not elect under subparagraph (a), with the Reinsurer a statement containing that information as may be prescribed by the Reinsurer from time to time of all assets held by the Trustee under this Agreement.

The Trustee shall submit separate declarations in respect of the class of life insurance and in respect of classes of insurance other than life insurance.

ACCESS

15. The Trustee shall at all times, upon reasonable notice, permit the Superintendent, the Reinsurer and the Company access, for purposes of examination, to all assets held in trust under this Agreement and to the records of the Trustee in relation thereto.

DIRECTION TO VEST ASSETS IN THE COMPANY

16. (a) The Trustee shall, on notice in writing from the Company accompanied by the written approval of the Superintendent, without inquiry as to the correctness of any request made by the Company, assign and deliver to the Company those assets held by it in trust that the Company specifies in its request after deduction by the Trustee of an amount equal to the aggregate of any unpaid compensation to the date of transfer and any losses, damages, expenses and costs owing to the Trustee pursuant to paragraph 18 and subparagraph 9(b) respectively.

(b) The Company shall apply the assets assigned and delivered to it pursuant to subparagraph (a) without diminution on account of the insolvency of the Company for the following purposes only:

(i) to pay or reimburse itself for the Reinsurer's share of any loss or liability or both, including any loss or liability on account of claims incurred but not reported, sustained by the Company for which the Reinsurer is liable under the Reinsurance Agreements; and

(ii) to make payment to the Reinsurer of any balance of the assets in excess of the actual amount required by clause (i) above if requested by the Reinsurer.

DIRECTION TO VEST ASSETS IN THE SUPERINTENDENT

17. (a) If

(i) the Company is no longer authorized under the Act to insure risks,

(ii) a judgment against the Company in respect of which no further right of appeal exists remains unsatisfied for thirty (30) days, or

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(iii) a liquidator or receiver of the Company or of any part of the insurance business of the Company is appointed under the provisions of any statute or pursuant to any agreement between the Company and a third party

the Superintendent may direct the Trustee and the Trustee shall, without inquiry into the correctness of any statement of the Superintendent, assign and transfer to the Superintendent or the Superintendent's appointee all assets held in trust under the terms of this Agreement after deduction by the Trustee of an amount equal to the aggregate of any unpaid compensation to the date of transfer and any losses, damages, expenses and costs owing to the Trustee pursuant to paragraph 18 and subparagraph 9(b) respectively.

(b) The Superintendent or his appointee shall apply the assets assigned and delivered pursuant to subparagraph (a) without diminution on account of the insolvency of the Company for the following purposes only:

(i) to pay or reimburse the Company for the Reinsurer's share of any loss or liability or both, including any loss or liability on account of claims incurred but not reported, sustained by the Company for which the Reinsurer is liable under the Reinsurance Agreements; and

(ii) to make payment to the Reinsurer of any balance of the assets in excess of the actual amount required by clause (i) above if requested by the Reinsurer.

COMPENSATION OF TRUSTEE

18. The Trustee is entitled to reasonable compensation for its services and expenses under this Agreement as may be agreed upon by the Reinsurer and the Trustee, and if no such agreement is reached, either the Reinsurer or the Trustee may on ten (10) days notice in writing apply to a court of competent jurisdiction to fix the compensation that the Reinsurer shall pay the Trustee.

INTEREST ON MONIES HELD IN TRUST

19. The Trustee shall pay the Reinsurer such interest on monies held in trust as is paid by the Trustee on the same or similar accounts.

AMENDMENTS

20. (a) This Agreement may be amended only by a written agreement executed by the Company, the Reinsurer, the Trustee and the Superintendent.

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(b) The Company, the Reinsurer and the Trustee shall make those amendments to this Agreement that the Superintendent reasonably requires.

TERMINATION

21. The Trustee and, subject to the prior written approval of the Superintendent, the Company or the Reinsurer may terminate this Agreement on at least thirty (30) days notice in writing to the Superintendent and the other parties specifying in the notice the date of termination. Upon the date of termination specified in the notice, the Trustee shall be discharged from any further responsibilities to carry out the terms provided in this Agreement save for its obligations under paragraph 22.

APPOINTMENT OF NEW TRUSTEE

22. As soon as practicable

(i) on the Trustee ceasing to carry on business, or refusing to act as a trustee,

(ii) on the Trustee becoming insolvent, being deemed insolvent or admitting that it is insolvent within the meaning of any statute, or becoming (whether voluntarily or involuntarily) subject to any proceedings for its winding-up, liquidation or dissolution,

(iii) on the Superintendent taking control of the assets of, or taking control of, the Trustee under the *Trust and Loan Companies Act*,

(iv) on the Trustee defaulting in its duties or obligations or any of them hereunder and not commencing to rectify the default within thirty (30) days after written notice from another party specifying the default and requiring the Trustee to remedy the same, or

(v) after giving or receiving a notice under paragraph 21,

the Reinsurer shall appoint another trust company approved by the Superintendent and authorized to act as a trustee and the Trustee shall execute all documents that the Reinsurer shall deem necessary to vest in that trust company the assets vested in trust in the Trustee and transfer in writing to that trust company all its rights and obligations under this Agreement after deduction by the Trustee of an amount equal to the aggregate of any unpaid compensation to the date of the transfer and any losses, damages, expenses and costs owing to the Trustee pursuant to paragraph 18 and subparagraph 9(b) respectively.

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WAIVER

23. No waiver by any party of any breach of any of the covenants, provisos, conditions, restrictions or stipulations contained in this Agreement shall take effect or be binding upon that party unless the same is expressed in writing under the authority of that party and is approved in writing by the Superintendent and any waiver so given and approved shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other future breach.

FURTHER ASSURANCES

24. Each of the parties to this Agreement shall execute and deliver all such instruments and assurances and do all other acts and things as are necessary to give full effect to and carry out their respective obligations under this Agreement.

NOTICES

25. (a) Notices under this Agreement shall be served either

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during the addressee's normal business hours. Personally served notices shall be deemed received by the addressees when actually delivered as aforesaid,

(ii) by telex or facsimile (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are to be served at that party's address hereinafter given. Notices so served shall be deemed received by the addressee: i) when actually received by the addressee if received within the normal working hours of the addressee's business day; or ii) at the commencement of the next ensuing business day of the addressee following transmission thereof, whichever is the earlier, or

(iii) by prepaid first class mail addressed to the party on whom they are to be served at that party's address hereinafter given. Notices so served shall be deemed received on the fifth (5th) day following the day on which they are so mailed, provided however that if delivery by prepaid first class mail of any notice required or permitted under this Agreement is or is likely to be delayed due to interruption or suspension of the postal service because of a mail strike, slowdown or other labour dispute which might affect the delivery of the notice, then the notice shall be effective only if delivered personally or by telex or facsimile (or by any other like method by which a written and recorded message may be sent).

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(b) Unless changed by written notice to the other parties, the addresses for service of notice hereunder of each of the respective parties shall be as follows:

Reinsurer Financial Reassurance Company 2010, Ltd.
44 Church Street
PO. Box 2274
Hamilton HMJX, Bermuda
Attention: David Pickering, Director
Facsimile: #441-295-6448

Company Primerica Life Insurance Company of Canada
2000 Argentina Road, Plaza V, Suite 300
Mississauga, Ontario
L5N 2R7
Attention: Heather Koski, VP Finance & CFO
Facsimile: (905) 813-5316

Trustee RBC Dexia Investor Services Trust
155 Wellington Street West, 5th Floor
P.O. Box 7500, Station "A"
Toronto, Ontario
M5W 1P9
Attention: Head of Client Service
Facsimile: (416) 955-2600

Superintendent of Financial Institutions Canada
121 King Street West, 22nd Floor
Toronto, Ontario
M5H 3T9
Attention: Assistant Superintendent, Supervision
Facsimile: (416) 973-1171

EXECUTION IN COUNTERPART

26. This Agreement may be executed and delivered in counterpart, each of which, when so executed and delivered, shall be deemed to be an original. All counterparts together shall constitute one and the same agreement.

PARTIAL INVALIDITY

27. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or

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enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

EFFECTIVE DATE

28. This Agreement shall take effect as of the date and year first above written.

PROPER LAW

29. This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

CONFLICTS OR INCONSISTENCIES

30. In the event of a conflict or inconsistency between the terms and conditions of this Agreement and the terms and conditions of the Reinsurance Agreements, the former shall in each and every instance prevail, except that, to the extent that the investment guidelines referenced in any Reinsurance Agreement are more restrictive than the list of assets in Schedule "A", it shall be the responsibility of the Company and the Reinsurer to ensure compliance with such restrictions.

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MISCELLANEOUS

31. Paragraph headings and other headings or captions or the index or the title hereto shall not be used in construing or interpreting any provision of this Agreement or the relationship of the parties to this Agreement.

IN WITNESS WHEREOF the Reinsurer, the Company, the Trustee and the Superintendent has executed this Agreement.

Financial Reassurance Company 2010, Ltd.

/s/ Reza Shah
Name
Reza Shah
Head of Citi Reinsurance
Title

(Seal)

Name

Title

Primerica Life Insurance Company of Canada

/s/ John A. Adams
Name
EVP and CEO
Title

/s/ Heather Koski
Name
VP Finance and CFO
Title

RBC Dexia Investor Services Trust

/s/ Lydia Moffitt
Name
Lydia Moffitt
Senior Manager, Client Service
Title

/s/ David Fraser
Name
David Fraser
/s/ Client Service Manager
Title

Superintendent of Financial Institutions

/s/ D. Bruce Thompson
D. Bruce Thompson, Director

ATTACHMENT 17

EX-10.3 10 dex103.htm TAX SEPARATION AGREEMENT

Exhibit 10.3

EXECUTION COPY

TAX SEPARATION AGREEMENT

This agreement, dated as of March 30, 2010 ("Agreement"), is entered into by and between Citigroup Inc., a Dalaware corporation ("Citigroup"), and Primerica, Inc. (formerly named Puck Holding Company, Inc.), a Delaware corporation ("Primerica").

RECITALS

WHEREAS, in anticipation of an initial public offering of Primerica's common stock (the "IPO"), Citigroup and certain of its Affiliates have engaged in the restructuring transactions listed on Exhibit A (the "Restructuring Transactions"), including, without limitation, the transactions contemplated by the Exchange and Transfer Agreement (the "Exchange and Transfer Agreement"), dated as of March 31, 2010, by and between Citigroup Insurance Holding Corporation, a Georgia corporation and an indirectly wholly owned subsidiary of Citigroup ("CIHC"), and Primerica, pursuant to which CIHC has transferred to Primerica shares of certain subsidiaries and certain other assets;

WHEREAS, following the consummation of the Exchange and Transfer Agreement, Primerica owns, directly or indirectly, all of the outstanding stock, limited liability company interests, or partnership interests (as the case may be) of the Primerica subsidiaries listed on Exhibit B (such subsidiaries are collectively referred to herein as the "Primerica Subsidiaries");

WHEREAS, Citigroup, Primerica and the Primerica Subsidiaries (or their respective predecessor corporations) have been, through the date hereof, members of an "affiliated group" of "includible corporations," as such terms are defined in Section 1504 of the Internal Revenue Code of 1986, as amended (the "Code"), which has elected to file a consolidated federal income Tax Return (as defined below) pursuant to Section 1501 of the Code;

WHEREAS, Citigroup, Primerica and the Primerica Subsidiaries, including subsidiaries of subsidiaries, have filed and may be required to file consolidated, combined or unitary Tax Returns of certain state and local Income Taxes;

WHEREAS, Citigroup and Primerica wish to provide for the allocation of liabilities, and procedures to be followed, with respect to Taxes (as defined below) of the parties hereto and their subsidiaries, if any, under the terms of this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. Definitions.

"Affiliate" shall mean, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first Person. The term "control" (including its correlative meanings "controlled by" and "under common control with") shall mean possession,

directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise). Notwithstanding the foregoing definition, none of the members of the Primerica Group shall be treated as an Affiliate of Citigroup (nor as an Affiliate of any Affiliate of Citigroup) for purposes of this Agreement.

"Canadian Subsidiaries" shall mean Primerica Client Services Inc. (Canada), PFSL Investments Canada Ltd., Primerica Financial Services (Canada) Ltd., Primerica Life Insurance Company of Canada and Primerica Financial Services Ltd.

"Citigroup Affiliated Group" shall mean Citigroup and the members of the affiliated group of corporations of which Citigroup is the common parent corporation within the meaning of Section 1504 (a)(1) of the Code, including the members of the Primerica Group.

"Citigroup Group" shall mean the members of the Citigroup Affiliated Group other than the members of the Primerica Group.

"Citigroup State Group" means some or all of the members of the Citigroup Affiliated Group which have been filing or hereafter shall file returns of state or local Income Taxes as a group of which Citigroup or a member of the Citigroup Group is the common parent. Citigroup State Group shall not include a group consisting solely of two or more Primerica Group members.

"Citigroup Tax Allocation Agreement" means the Tax Allocation Agreement between Travelers Insurance Company, the Travelers Inc. and the subsidiaries listed on Attachment I to such Tax Allocation Agreement, effective January 1, 1994, as amended.

"Closing" shall mean the closing of the IPO.

"Closing Date" shall mean the date on which the Closing occurs.

"Determination" shall have the meaning set forth in section 1313(a) of the Code or any similar state, local or foreign Tax law.

"Income Taxes" shall mean all income or franchise taxes imposed on (or measured by) net income, additions to such tax and any interest and penalties relating thereto. For the avoidance of doubt, Income Taxes shall not include any withholding or employment tax liability but shall include any Canadian branch profits or similar Tax.

"Incremental Subpart F Taxes" means any Taxes payable by Primerica or any of its Affiliates at any time determined on a with and without basis (taking into account the use of any foreign tax credits) with respect to amounts required to be included in income by Primerica or any of its Affiliates under Section 951(a) of the Code (or any similar provision of state, local or foreign law) as a result of being a United States shareholder (within the meaning of Section 951(b) of the Code or a similar provision of state, local or foreign law), on December 31, 2010, of any Primerica Subsidiary that is a controlled foreign corporation, which amount is attributable to any transactions undertaken by

Primerica or any Primerica Subsidiary in the period beginning on January 1, 2010 and ending on the Closing Date, calculated on a "closing of the books" basis.

"IRS" shall mean the United States Internal Revenue Service.

"Primerica Group" shall mean Primerica and the Primerica Subsidiaries.

"Tax" or "Taxes" shall mean all federal, state, county, local, foreign and other Taxes, assessments, charges, duties, fees, levies, imposts or other similar charges imposed by any relevant Taxing authority, including all income, franchise, profits, capital gains, capital stock, transfer, gross receipts, production, customs, sales, use, transfer, service, state guarantee fund assessment, occupation, ad valorem, property, excise, severance, windfall profits, premium, stamp, license, payroll, employment, social security, workers compensation, unemployment, disability, environmental, alternative minimum, add-on, value-added, withholding and other Taxes, assessments, deficiencies, charges, duties, fees, levies, imposts, or other similar charges of any kind whatsoever, and all estimated Taxes, deficiency assessments, additions to Tax and any interest and penalties relating thereto.

"Tax Return" shall mean all federal, state, local and foreign Tax returns, declarations, statements, reports, schedules, forms and information returns and any amended Tax Return relating to Taxes.

2. Allocation of Taxes and Indemnification.

(a) Subject to Section 2(b), from and after the Closing Date, Citigroup shall be responsible for, and shall indemnify and hold the members of the Primerica Group harmless from and against (i) any consolidated, combined, affiliated, unitary or similar federal, state or local Income Tax liability of the Citigroup Affiliated Group or any Citigroup State Group imposed on or with respect to any member of the Primerica Group for any Taxable period ending on or before the Closing Date, and for the portion of any Straddle Period (as defined below) ending on the Closing Date (a "Pre-Closing Tax Period"), (ii) any Taxes (other than Conveyance Taxes) for any Pre-Closing Tax Period attributable to the Section 338 Elections and the Restructuring Transactions, (iii) any amount required to be paid by Citigroup pursuant to Section 2(i), (iv) any Canadian Goods and Services Taxes ("GST") for any Pre-Closing Tax Period that are imposed on management services provided by Primerica Financial Services (Canada) Ltd. to any of the Canadian Subsidiaries (the Taxes described in clauses (i), (ii) (iii) and (iv) hereinafter referred to as the "Pre-Closing Taxes"), (iv) all Taxes arising from or attributable to any act, failure to act or omission by any member of the Citigroup Group that violates any of the Section 338 Elections or causes any of such elections to become invalid, (v) any Taxes imposed pursuant to Treasury Regulation Section 1.1502-6 (or any comparable provision under state, local or foreign Tax law) for which any member of the Primerica Group is liable solely because of inclusion in the Citigroup Affiliated Group or any Citigroup State Group for any Taxable period, (vi) 50% of all Conveyance Taxes, and (vii) any Incremental Subpart F Taxes.

(b) Except as expressly provided in Section 2(a), from and after the Closing Date, Primerica shall be responsible for, and shall hold Citigroup and its Affiliates harmless from and against (i) any consolidated, nombined, affiliated, unitary or similar federal, state or local Income Tax liability of tlie Citigroup Affiliated Group or any Citigroup State Group inposed on or with respect to any member of the Primerica Group for any Tamble period beginning after the Closing Date or portions of the Straddle Period (as defined below) beginning after the Closing Date (each such period, a "Post-Closing Tax Period" and such Taxes "Post-Closing Taxes") ocmputed in the manner and limited to the amount described in Section 2(c), (ii) all Taxes arising from or attributable to any act, failure to act or omission by any member of the Primerica Group that violates any of the Section 338 Elections or causes any of such elections to become invalid, (iii) 50% of all Conveyance Taxes, (iv) any amount required to be paid by Primerica pursuant to Section 2(i), and (v) all other Taxes required to be paid by or with respect to the Primerica Group to the extent that Citigroup is not responsible for such other Taxes pursuant to Seation 2(a).

(c) For purposes of Sections 2(a) and 2(b) and subject to the provisions of Section 2(d), in the case of Income Taxes that are payable with respect to a Taxable period that begins on or before the Closing Date and nds after the Closing Dnte (a "Straddle Period"), the portion of any sueh Tax thnt is allocable to the portion of the period ending on the Closing Date shall be deemed equal to the amount that would be payable if the Taxable year ended with (and included) the Closing Date.

(d) To the extent that the Closing Date does not occur on a month end, the parties shall use reasonable beat efforts to determine the allocation of income and other Tax items between the pre-Closing and the post-Closing portions of the month in which the Closing occurs.

(e) For purposes of determining the Income Tax liability of the Primerica Group for any consolidated, combined, unitary or similar Tax Return for any Post-Closing Tax Period that includes a member of the Citigroup Group, Primerica and/or its relevant subsidiaries shall be treated as a separate consolidated, combined, unitary or similar group.

(f) To the extent that an indemnification obligation of one party pursuant to this Section 2 may overlap with another indemnification obligation of such party pursuant to this Section 2, the party entitled to such indemnification shall be limited to only one of such indemnification payments.

(g) Whenever in accordance with this Agreement Primerica shall be required to pay Citigroup an amount pursuant to Section 2(b), or Citigroup shall be required to pay Primerica an amount pursuant to Seetion 2(a), snch payments shall be made by the leter of 30 days after such payments are requested or, to the extent such amount is required to by paid to a Taxing authority, 10 days before the requesting party is required to pay the related Tax liahility. Any payment made after the day such payment is due under this Section 2(g) shall bear interest at the prime rate as published in the Wall Street Journal on the day on which the payment was due.

(h) To the extent not prohibited by applicable law or the relevant governmental authority, the relevant Primerica Subsidiary shall pay to Citigroup on or before the Closing Date the amount of any estimated liability for current Income Taxes described in Section 2(a)(i) that is reflected on the balance sheet of Primerica and used as a basis for determining the amount of dividends or other distributions allowed to be made by Primerica in connection with the IPO or the Restructuring Transactions.

(i) Responsibility for Canadian Income Taxes

(i) Citigroup shall indemnify and hold the members of the Primerica Group harmless from and against any Canadian Income Taxes imposed on any of the Canadian Subsidiaries for any Pre-Closing Tax Period ("Canadian Pre-Closing Taxes"); provided, however, that (A) if, in accordance with the provisions of Section 6(a), a Section 338(g) Election (as defined below) is made with respect to a Canadian Subsidiary, any foreign Tax credit allowed under the Code with respect to such Canadian Pre-Closing Taxes ("Canadian FTCs") payable by or with respect to such Canadian Subsidiary shall be claimed only on the consolidated U.S. federal income Tax Return filed by the Citigroup Affiliated Group, (B) if, in accordance with the provisions of Section 6(a), a Section 338(g) Election (as defined below) is not made with respect to a Canadian Subsidiary, Primerica shall, consistent with the conduct of its business in the ordinary course (which, for the avoidance of doubt, shall not require the payment of any distribution or dividend), take, or cause to be taken by the relevant Canadian Subsidiary, any and all actions which it otherwise would have taken, if it were the sole party in interest, to maximize the utilization, as early as possible, of the Canadian FTCs attributable to Canadian Pre-Closing Taxes payable by or with respect to such Canadian Subsidiary in any U.S. federal income Tax Return filed by any member of the Primerica Group, (C) to the extent such Canadian FTCs referred to in clauses (A) or (B), or any portion thereof, are actually utilized and taken into account in determining the Tax liability of any member of the Primerica Group, Primerica shall pay Citigroup the amount of any related Tax Benefit within 10 days after the earlier of the filing date of the Tax Return on which such Canadian FTCs are being utilized or the Determination of a Tax Claim (as defined below) with respect to the utilization of such Canadian FTC, and (D) to the extent a Canadian Subsidiary with respect to which a Section 338(g) Election (as defined below) is not made in accordance with the provisions of Section 6(a) realizes a Tax Benefit in a Post-Closing Tax Period as a result of any adjustment to its Canadian Income Tax liability giving rise to indemnity pursuant to Section 2(i)(i), Primerica shall reimburse Citigroup the amount of such indemnity payment (but only in the event that such indemnity payment has not been refunded pursuant to Section 2(i)(i)(C)) within 10 days after such Canadian Subsidiary claims such Tax Benefit or receives it pursuant to a Tax Claim (as defined below). For example, Primerica shall reimburse Citigroup for any temporary differences (for which Citigroup has paid) that reverse in a subsequent year. For purposes of this Section 2(i)(i), "Tax Benefit" shall mean the Tax effect of any item of loss, deduction or credit or any other item which decreases Taxes paid or payable, including any interest with respect thereto.

(ii) If, in accordance with the provisions of Section 6(a), Section 338(g) Elections (as defined below) are not made with respect to one or more Canadian

Subsidiaries and the Closing Tax Pool Rate (as defined below) is less than 30%, Citigroup shall indemnify and hold the members of the Primerica Group harmless from and against the excess of (A) the actual U.S. federal Income Tax liability of the members of the Primerica Group for Post-Closing Tax Periods ending on or before December 31, 2015 (the "Actual Tax Liability"), over (B) the U.S. federal Income Tax liability of the members of the Primerica Group for such Taxable periods that would be due assuming the same facts and using the same methods, elections, conventions and practices used in determining the Actual Tax Liability except that such liability shall be calculated as if such Section 338(g) Elections were made (the "Hypothetical Tax Liability"); provided, however, that the aggregate indemnification payments pursuant to this Section 2(i)(ii) shall not exceed an amount equal to the product of (x) the Pre-Tax Closing E&P and (y) the excess of 30% over the Closing Tax Pool Rate (the "Cap"); provided, further that the Cap shall not apply to the extent that the Actual Tax Liability is greater than the U.S. federal Income Tax liability of the members of the Primerica Group for such Taxable periods that would be due assuming the same facts and using the same methods, elections, conventions and practices used in determining the Actual Tax Liability except that such liability shall be calculated as if the current and accumulated earnings and profits for U.S. federal income tax purposes of the Primerica Group were 0 as of the Closing Date (the "Recalculated Tax Liability"). Primerica shall, consistent with the conduct of its business in the ordinary course (which, for the avoidance of doubt, shall not require the payment of any distribution or dividend), take, or cause to be taken by the relevant Canadian Subsidiary, any and all actions which it otherwise would have taken, if it were the sole party in interest, to maximize the utilization, as early as possible, of the Closing Tax Pool (as defined below). To the extent the utilization of the Closing Tax Pool (as defined below), or a portion thereof, is subject to limitation under the Code, such limitation result in an indemnification obligation pursuant to this Section 2(i)(ii), or in an increase in such indemnification obligation, and the Closing Tax Pool, or a portion thereof, is actually utilized and taken into account in determining the Tax liability of any number of the Primerica Group in a Post-Closing Tax Period, Primerica shall pay Citigroup the amount of any related Tax Benefit within 10 days after the earlier of the filing date of the Tax Return on which the Closing Tax Pool, or such portion thereof, is being utilized or the Determination of a Tax Claim (as defined below) with respect to the utilization of the Closing Tax Pool or such portion thereof. Within 30 days following the end of each Taxable year ending on or before December 31, 2015, Primerica shall provide Citigroup a calculation specifying in reasonable detail the Actual Tax Liability, the Hypothetical Tax Liability, any Recalculated Tax Liability and the Cap not utilized in prior Taxable years, the indemnification payment required to be made pursuant to this Section 2(i)(ii) and the amount of any Tax Benefit required to be paid to Citigroup pursuant to this Section 2(i)(ii) ("Preliminary Determination"). Within 30 days after its receipt of the Preliminary Determination, Citigroup shall notify Primerica of any proposed adjustments thereto. If the parties are unable to successfully resolve the issues raised by Citigroup within 90 days after delivery of the Preliminary Determination to Citigroup, such dispute shall be resolved pursuant to the dispute resolution provision in Section 10.

(iii) "Closing Tax Pool Rate" shall mean the quotient obtained by dividing the Closing Tax Pool by the Pre-Tax Closing E&P.

(iv) "Pre-Tax Closing E&P" shall mean the sum of (A) the product of (I) the current and accumulated earnings and profits, as determined for U.S. federal income Tax purposes as of immediately following the Closing Date, of the Canadian Subsidiaries for which no Section 338(g) Election was made, and (II) the U.S. dollar/Canadian dollar foreign exchange spot rate as of the Closing, and (B) the foreign tax pool of such Canadian Subsidiaries, as determined for U.S. federal income Tax purposes (in U.S. dollars) as of immediately following the Closing Date ("Closing Tax Pool"), all computed as if the Canadian Taxable year in which the Closing occurs ended at the end of the Closing Date.

3. Tax Returns.

(a) Citigroup shall prepare or cause to be prepared and timely file or cause to be filed all Tax Returns required to be filed by the Citigroup Affiliated Group or any Citigroup State Group for all Taxable periods, provided, however, that Primerica shall prepare, at its sole cost, and submit to Citigroup for review and comments pro forma Tax Returns for all the members of the Primerica Group in such form and at such times as Citigroup may reasonably request. To the extent that Citigroup files or causes to be filed any Tax Return for the Citigroup Affiliated Group or any Citigroup State Group (other than any such Tax Return for a Post-Closing Tax Period required to be filed by or with respect to a Citigroup State Group that includes a member of the Primerica Group) in a manner not consistent with past practices or in a manner not consistent with the pro forma Tax Returns submitted by Primerica, Citigroup shall notify Primerica of such inconsistencies within 30 days of filing such Tax Return. Citigroup shall not file or cause to be filed any Tax Return for a Post-Closing Tax Period required to be filed by or with respect to a Citigroup State Group that includes a member of the Primerica Group in a manner not consistent with past practices or in a manner not consistent with the pro forma Tax Returns submitted by Primerica without the prior written consent of Primerica, not to be unreasonably withheld, conditioned or delayed. Citigroup shall be the sole agent for all members of the Primerica Group in all matters relating to liability for all Tax Returns required to be filed by the Citigroup Affiliated Group or any Citigroup State Group for all Taxable periods.

(b) Primerica shall prepare or cause to be prepared and timely file or cause to be filed all other Tax Returns required to be filed by or with respect to any member of the Primerica Group; provided, however, that Primerica shall provide to Citigroup a draft of any Tax Return required to be filed by or with respect to any Canadian Subsidiary for any Pre-Closing Tax Period at least 30 days prior to the due date for filing such Tax Return and shall incorporate any reasonable comments provided by Citigroup.

4. Tax Refunds.

Primerica shall pay or cause to be paid to Citigroup the amount of any refunds or credits of Taxes received by any member of the Primerica Group, plus any interest received with respect thereto, from the applicable Taxing authority for any Taxes for which Citigroup is responsible pursuant to Section 2(a) within 10 days after such member of the Primerica Group receives such refund or claims such credit. Citigroup

shall pay or cause to be paid to Primerica the amount of any refunds or credits of Taxes received by any member of the Citigroup Group, plus any interest received with respect thereto, from the applicable Taxing authority for any Taxes for which Primerica is responsible pursuant to Section 2(b) within 10 days after such member of the Citigroup Group receives such refund or claims such credit.

5. Conveyance Taxes.

Citigroup and Primerica shall be equally responsible for and shall each pay fifty percent of all documentary, sales, use, registration, value added, transfer, stamp, recording, registration and similar Taxes, fees and costs incurred in connection with the Restructuring Transactions and the IPO (collectively, "Conveyance Taxes"). Primerica and Citigroup shall be responsible for jointly preparing and timely filing any Tax Returns required with respect to any such Conveyance Taxes. Citigroup and Primerica will provide to one another a copy of each such Tax Return as filed and evidence of the timely filing thereof.

6. Section 338 Elections.

(a) With respect to the sale and acquisition of each of the Primerica Subsidiaries pursuant to the Exchange and Transfer Agreement: (i) Primerica, Citigroup and their respective relevant Affiliates shall jointly and timely make, in the manner described herein, elections under Section 338(h)(10) of the Code and any comparable state or local Tax law (collectively, the "Section 338(h)(10) Elections") with respect to each of the domestic Primerica Subsidiaries listed on Exhibit B (the "Domestic Primerica Subsidiaries"), and (ii) at the election of Citigroup (which election shall be made within 60 days following the Closing Date), Primerica shall make timely elections pursuant to Section 338(g) of the Code and any comparable state or local Tax law (collectively, the "Section 338(g) Elections" and, together with the Section 338(h)(10) Elections, the "Section 338 Elections") with respect all or some of the foreign Primerica Subsidiaries listed on Exhibit B (the "Foreign Primerica Subsidiaries"). Citigroup shall notify Primerica of its decision whether to make the Section 338(g) Elections within 90 days of the Closing Date. Prior to Closing (or following Citigroup's election, in the case of any Section 338(g) Elections), Citigroup and Primerica shall agree on the form and content of the IRS Form 8023 (the "Form 8023") on which any Section 338 Election shall be made and Primerica shall deliver to Citigroup a properly executed and mutually agreed upon Form 8023 for each Primerica Subsidiary with respect to which a Section 338 Election is made containing information then available, which Citigroup shall timely file or cause to be timely filed with the IRS. Citigroup, Primerica and their respective Affiliates shall, as promptly as practicable following the Closing Date, cooperate with each other to take all other actions necessary and appropriate (including filing such forms, returns, elections, schedules and other documents as may be required) otherwise to effect, perfect and preserve timely Section 338 Elections in accordance with the provisions of Section 338 of the Code (and any comparable provisions of state or local tax Law) or any successor provisions. Citigroup, Primerica and their respective Affiliates shall report the sale and acquisition, respectively, of the stock of each of the Primerica Subsidiaries pursuant to the Exchange and Transfer Agreement consistent with the Section 338 Elections made

and shall take no position to the contrary thereto in any Tax Return, or in any proceeding before any Taxing authority or otherwise.

(b) Within 120 days after the Closing Date, Primerica shall provide to Citigroup for review and comments (i) a proposed allocation of the "Aggregate Deemed Sales Price" ("ADSP"), as defined under applicable Treasury Regulations (which shall include, as of the Closing Date, the amount of the Agent Equity Awards, as defined below) and the "Adjusted Grossed Up Basis" ("AGUB"), as defined under applicable Treasury Regulations (which shall not include the value of the Agent Equity Awards, as defined below, as of the Closing Date but shall be increased by the value of such awards when included in the taxable income of the recipient) among the assets of each Domestic Primerica Subsidiary and, to the extent applicable, Foreign Primerica Subsidiary, which allocations shall be made in accordance with Section 338 of the Code and any applicable Treasury Regulations, and (ii) a complete set of IRS Forms 8883 (and any comparable forms required to be filed under state or local Tax law) and any additional data or materials required to be attached to such forms pursuant to the Treasury Regulations promulgated under Section 338 of the Code or applicable state or local Tax law (collectively, the "Proposed Allocation"). In the event Citigroup objects to the Proposed Allocation, Citigroup will notify Primerica within 45 days of receipt of the Proposed Allocation of such objection, and the parties will endeavor within the next 15 days to resolve such dispute in good faith. If the parties are unable to resolve such dispute within the 15-day period, the parties shall engage a mutually agreed upon nationally recognized accounting firm as arbitrator whose determination shall be binding in any dispute regarding the Proposed Allocation and whose fees shall be borne equally by Citigroup and Primerica. For purposes of the calculations and allocations contemplated by this Agreement, the fair market value of the Primerica common stock received by Citigroup pursuant to the Restructuring Transactions shall be equal to the price per share of Primerica common tock paid by public investors in the IPO.

(c) Citigroup and Primerica (and their respective Affiliates) shall (i) be bound by the allocation determined pursuant to Section 6(b) for all Tax purposes, (ii) prepare and file all Tax Returns required to be filed with any Taxing authority in a manner consistent with such allocations, and (iii) take no position inconsistent with such allocations in any Tax Return, any proceeding before any Taxing authority or otherwise. In the event that any such allocation is disputed by any Taxing authority, the party receiving notice of such dispute shall promptly notify and consult with the other party concerning resolution of such dispute.

(d) Citigroup and Primerica shall, and shall cause their respective Affiliates to, treat any assets that are distributed by any member of the Primerica Group to any member of the Citigroup Group in connection with the Restructuring Transactions as having been distributed in the deemed liquidation resulting from the Section 338(h)(10) Elections.

7. Tax Claims.

(a) Citigroup shall control and shall have the right to discharge, settle or otherwise dispose of any notice of deficiency, proposed adjustment, assessment, audit, examination, suit, dispute or other claim ("Tax Claims") with respect to Taxes relating to any Tax Return required to be filed by or with respect to the Citigroup Affiliated Group or any Citigroup State Group.

(b) Primerica shall control and shall have the right to discharge, settle or otherwise dispose of Tax Claims with respect to Tax Returns that include only members of the Primerica Group; provided, however, that (i) Citigroup shall have the right to fully participate in any Tax Claim with respect to any Tax Return required to be filed by or with respect to any Canadian Subsidiary for any Pre-Closing Tax Period with respect to Income Taxes or GST, and (ii) Primerica shall not discharge, settle or otherwise dispose of any such Tax Claim without the prior written consent of Citigroup, not to be unreasonably withheld, conditioned or delayed.

(c) In the case of (x) a Tax Claim described in Section 7(a) which could reasonably be expected to affect the Taxes imposed on a member of the Primerica Group or for which a member of the Primerica Group would be liable pursuant to this Agreement and (y) a Tax Claim described in Section 7 (b) which could reasonably be expected to affect the Taxes for which Citigroup would be liable pursuant to this Agreement, the Controlling Party shall provide the Non-controlling Party with a timely and reasonably detailed account of each phase of such Tax Claim. "Controlling Party" shall mean (i) Citigroup, in the case of any Tax Claim described in Section 7(a) and (ii) Primerica, in the case of any Tax Claim described in Section 7(b), and "Non-controlling Party" shall mean whichever of Citigroup or Primerica is not the Controlling Party with respect to such Tax Claim.

8. Cooperation, Exchange of Information and Record Retention

(a) Citigroup and Primerica shall provide each other, and shall cause their respective Affiliates, officers, employees, agents, auditors and representatives reasonably to provide each other, with such cooperation and information relating to the Primerica Group as any of them reasonably may request of the other, including in (i) preparing and filing any Tax Return (including pro-forma Tax Returns), amended Tax Return or claim for refund, (ii) conducting, participating in, contesting or compromising any Tax Claim, (iii) determining a Tax liability or a right to a refund of Taxes, and (iv) in connection with all other matters addressed by this Agreement.

(b) The parties recognize that each party may need access, from time to time, after the Closing Date, to certain accounting and Tax records and information of the members of the Primerica Group held by Citigroup, Primerica or their respective Affiliates; therefore, from and after the Closing Date, each party shall, and shall cause its applicable Affiliates, officers, employees, agents, auditors and representatives to, (i) retain and maintain all such records including all Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of the members of the Primerica Group for each Pre-Closing Tax Period any Straddle Period until the later of (x) the expiration of the statute of limitations of the Taxable periods to

which such Tax Returns and other documents relate (giving effect to any valid extensions) or (y) six years following the due date for such Tax Returns (giving effect to any valid extensions), (ii) allow the other party, its Affiliates, agents and representatives (and agents or representatives of any of its Affiliates), upon reasonable notice and at mutually convenient times, to access employees and to inspect, review and make copies of such records as such parties may deem reasonably necessary or appropriate from time to time and (iii) as reasonably requested by any party, cooperate and make employees available to provide additional information or explanation of materials or documents. Each of the parties shall provide the other with written notice 30 calendar days prior to transferring, destroying or discarding the last copy of any records, books, work papers, reports, correspondence and other similar materials and shall have the right, at its expense, to copy or take any such materials. Any information obtained under this Section 8 shall be kept confidential except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding.

(c) For the avoidance of doubt, Primerica, its Affiliates and its agents and representatives (and agents or representatives of any of its Affiliates) shall have no access to or right to review or obtain any consolidated, combined, affiliated or unitary Tax Return which includes Citigroup or any of its Affiliates, except to the extent that such Tax Returns exclusively relate to the Primerica Group. Notwithstanding the preceding sentence, if Primerica reasonably needs access to any portion of a Tax Return described in the preceding sentence that does not exclusively relate to the Primerica Group, Citigroup shall provide such portion with appropriate redactions to remove information not relevant to the Primerica Group.

9. Agent Equity Awards.

The parties agree that the Citigroup Group shall be entitled to any Tax deduction arising from the vested Primerica restricted stock units or similar equity awards granted to Primerica agents in connection with the IPO ("Agent Equity Awards"). Primerica shall not, and shall cause its Affiliates not to, claim the amount of any Tax deduction described in this Section 9 on any Tax Return; provided, however, that if under applicable law or administrative practice Citigroup is not permitted to claim such Tax deduction on any Tax Return that it or any of its Affiliates is required to file and such deduction is permitted by applicable law or administrative practice to be claimed on a Tax Return which any member or members of the Primerica Group is required to file after the Closing Date, then such member or members of the Primerica Group shall claim such Tax deduction and proper adjustments shall be made to the ADSP, AGUB and allocations thereof as determined pursuant to Section 6(a). Primerica shall timely provide to the agents and, to the extent required by applicable law, timely file with the relevant Taxing authority any Forms 1099 or other information Tax Returns required to be provided or filed with respect to the Agent Equity Awards. The parties agree that (i) for purposes of this Section 9 the value of Primerica common stock received in respect of Agent Equity Awards on any specific day shall be equal to the average of the highest and lowest trading price of the Primerica common stock on such day, (ii) Primerica shall notify Citigroup of such value and the amounts deemed to be paid to each agent within 10 days of the receipt of Primerica common stock or other property in respect of Agent

Equity Awards granted to such agent, and (iii) Citigroup and Primerica shall provide each other, and shall cause their respective Affiliates, officers, employees, agents, auditors and representatives reasonably to provide each other, with such cooperation and information relating to the Agent Equity Awards as any of them reasonably may request of the other.

10. Resolution of Tax Disputes.

Except as expressly provided in this Agreement, with respect to any dispute or a disagreement relating to Taxes between the parties, the parties shall cooperate in good faith to resolve such dispute or disagreement between them but if the parties are unable to resolve such dispute, the parties shall engage a mutually agreed upon nationally recognized accounting firm as arbitrator whose determination shall be binding and whose fees shall be borne equally by Citigroup and Primerica.

11. Characterization of Indemnification Payments.

To the extent permitted under applicable law, any payments made pursuant to Section 2 or the proviso to Section 9 shall be treated for all Tax purposes as adjustments to the ADSP and AGUB and allocated to the relevant Primerica Subsidiary.

12. Citigroup Tax Allocation Agreement.

The Citigroup Tax Allocation Agreement shall be terminated as of the Closing Date with respect to Primerica and the Primerica Subsidiaries.

13. Execution of Documents.

Citigroup and Primerica, acting through their duly authorized officers, shall execute or cause to be executed promptly any and all joinders and consents, authorizations and other documents required to effectuate this Agreement, as of such date provided therein.

14. Amendment.

This Agreement may be amended from time to time by agreement in writing executed by all of the parties hereto or all of the parties then bound hereby. This Agreement constitutes the entire agreement with respect to the subject matter hereof and supersedes all prior written and oral understandings with respect thereto. No representation, promise, inducement or statement of intention has been made by the parties hereto which is not embodied in this Agreement or the written statements, or other documents delivered pursuant hereto, and no party shall be bound by or liable for any alleged representation, promise, inducement or statement of intention not so set forth.

15. Miscellaneous.

(a) Captions. The paragraph captions are inserted in the Agreement merely for convenience and are not to be construed as a part of this Agreement, or in any way limiting and affecting the language of any paragraph of this Agreement.

(b) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute but one agreement.

(c) Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns, as well as the Primerica Subsidiaries, their suecessors and assigns. To the extent that this Agreement imposes obligations upon any member of the Citigroup Affiliated Group (other than the members of the Primerica Group), Citigroup will perform or cause such member to perform such obligations, and this Agreement is enforceable only against Citigroup.

(d) Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the same shall not affect any other provision of this Agreement, and this Agreement shall be construed in a manner which, as nearly as possible, reflects the original intent of the parties.

(e) Exclusivity. Notwithstanding anything to the contrary (other than as provided in Section 4.7(a)(i) of the Securities Purchase Agreement, dated as of February 8, 2010, by and among Citigroup Insurance Holding Corporation, Citigroup, Primerica, Warburg Pincus Private Equity X, L.P., Warburg Pincus X Partners, L.P., Warburg Pincus LLC and Warburg Pincos & Co (the "SPA") with respect to Indemnifiable Taxes, as defined in the SPA), all Tax matters with respect to the Primerica Group shall be governed exclusively by this Agreement. Any conflict between the terms of this Agreement and any provision of any other agreement shall be resolved in favor of this Agreement.

(f) No Prejudice. This Agreement has been jointly prepared by the parties hereto and the terms hereof shall not be construed in favor of or against any party on account of its participation in such preparation.

(g) Words in Singular and Plural Form. Words used in the singular form in this Agreement shall be deemed to import the plural, and vice versa, as the sense may require.

(h) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single agreement.

(i) Parties in Interest. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give to any person, firm or corporation, other than the parties hereto, any rights or remedies under or by reason of this Agreement or any transaction contemplated hereby.

(j) Statutory References. References to the Code shall mean the Internal Revenue Code of 1986, as amended and as in effect from time to time, and any law which shall have been a predecessor or shall be a successor thereto. A reference to any

Section of the Code means such Section as is in effect from time to time and any comparable provision of any predecessor or successor law.

(k) Notice.

Any notice, request or other communication required or permitted in this agreement shall be in writing and shall be sufficiently given, if personally delivered or is sent by registered or certified mail, postage prepaid, addressed as follows:

If to Citigroup or any other member of the Citigroup Group, to:

Citigroup Inc.
399 Park Avenue
New York, NY 10022
Attention: Saul Rosen, Chief Tax Officer
Email: rosens@citi.com
Fax: (212) 793-0112

and

Citigroup Inc.
75 Holly Hill Lane
Greenwich, CT 06830
Attention: Seth Cohen, Deputy Director-Corporate Tax Dept.
Email: cohens@citi.com
Fax: (203) 862-2037

and

Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, NY 10036
Attention: Stuart M. Finkelstein
Email: stuart.finkelstein@skadden.com
Fax: (917) 777-2841

If to Primerica, to:

Primerica, Inc.
3120 Breckinridge Blvd.
Duluth, Georgia
Attention: Barbra Beaulieu, Senior Tax Officer
Email: barbra.beaulieu@primerica.com
Fax: (770) 564-6151
CC: Alison Rand, Chief Financial Officer
Email: Alison.rand@primerica.com
Fax: (770) 564-7670

16. Governing Law.

This Agreement shall be governed by the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

CITIGROUP INC.
By: __/s/ Michael L. Corbat_____
Authorized Signatory

PRIMERICA, INC.
By: __/s/ Peter W/ Schenider_____
Executive Vice President

ATTACHMENT 18

EX-10.10 17 dex1010.htm CAPITAL MAINTENANCE AGREEMENT

Exhibit 10.10

CONFIDENTIAL

CAPITAL MAINTENANCE AGREEMENT

This CAPITAL MAINTENANCE AGREEMENT (this "**Capital Agreement**") dated as of March 31, 2010 (the "**Effective Date**") is made by and between CITIGROUP INC., a Delaware corporation (the "**Obligor**"), and PRIME REINSURANCE COMPANY, INC., a special purpose financial captive insurance company domiciled in the State of Vermont ("**Prime Re**").

WHEREAS, Prime Re is an indirect wholly owned subsidiary of the Obligor;

WHEREAS, Prime Re will enter into a reinsurance agreement with Primerica Life Insurance Company, a stock life insurance company domiciled in the State of Massachusetts (the "**Ceding Company**") pursuant to which Prime Re will reinsure 80% of certain liabilities arising under certain term life insurance policies issued by the Ceding Company (the "**80% Coinsurance Agreement**");

WHEREAS, Prime Re will enter into a reinsurance agreement with Primerica Life Insurance Company, a stock life insurance company domiciled in the State of Massachusetts (the "**Ceding Company**"), pursuant to which Prime Re will reinsure 10% of certain liabilities arising under certain term life insurance policies issued by the Ceding Company (the "**10% Coinsurance Agreement**" and, collectively with the 80% Coinsurance Agreement, the "**Reinsurance Agreements**"); and

WHEREAS, the Obligor has determined that its corporate interests will be furthered by its entering into this Capital Agreement to support Prime Re's obligations under the Reinsurance Agreements.

NOW, THEREFORE, in consideration of the mutual and several promises and undertakings herein contained, and for good and valuable consideration, the receipt and adequacy of which are herby acknowledged, the Obligor and Prime Re (individually, a "**Party**" and collectively, the "**Parties**") hereby agree as follows.

1. Definitions. The following terms, when used in this Capital Agreement, shall have the meanings set forth in this Section 1.

(a) "**Annual Statement**" means the annual statement that complies with Title 8 Vermont Statutes Annotated, Chapter 101, subchapter 3561 and is required to be filed by Prime Re in accordance with its Plan of Operation.

(b) **"Assets"** means the types of assets meeting the investment guidelines set forth in Prime Re's Investment Management Agreement.

(c) **"Capital Agreement"** shall have the meaning set forth in the Preamble.

(d) **"Capital Threshold"** means (i) in the case of each of the first, second and third quarters of 2010, 250% of Prime Re's estimated Company Action Level Risk Based Capital at each respective quarter-end, such estimate to be prepared by Prime Re in good faith on a basis consistent with the calculation for its Company Action Level Risk Based Capital that would have applied if Prime Re had filed a Risk Based Capital Report with the State of Vermont for the year ended December 31, 2009, (ii) in the case of the quarter-end of the fourth quarter of each calendar year, 250% of Prime Re's Company Action Level Risk Based Capital as reported in Prime Re's Risk Based Capital Report as most recently filed with the State of Vermont, and (iii) in the case of the quarter-ends of each of the first three quarters of each calendar year following December 31, 2010, 250% of Prime Re's estimated Company Action Level Risk Based Capital at such quarter-end, such estimate to be prepared by Prime Re in good faith on a basis consistent with the calculation for its Company Action Level Risk Based Capital as reported in Prime Re's Risk Based Capital Report as most recently filed with the State of Vermont. If the VT DOI ceases to use the term Company Action Level Risk Based Capital, then Company Action Level Risk Based Capital shall mean the comparable term then used by the NAIC. If the NAIC ceases to establish risk based capital requirements, then Company Action Level Risk Based Capital shall mean the comparable term that was last established by the NAIC.

(e) **"Ceding Company"** shall have the meaning set forth in the Preamble.

(f) **"Company Action Level Risk Based Capital"** shall have the meaning set forth in Title 8 Vermont Statutes Annotated, Chapter 159, subchapter 8301(12)(A).

(g) **"Effective Date"** means March 31, 2010.

(h) **"80% Coinsurance Agreement"** shall have the meaning set forth in the Preamble.

(i) **"Fair Value"** means, for the purposes of determining the fair market value of any Assets contributed by the Obligor pursuant to Section 2(a) of this Capital Agreement, fair market value determined using prices published by a nationally recognized pricing service for Assets for which such prices are available and for Assets for which such prices are not available, fair market value determined using methodologies consistent with those

which Prime Re uses for determining the fair market value of assets held in its general account in the ordinary course of business.

(j) "**Federal Reserve**" shall have the meaning set forth in Section 2(a).

(k) "**Governmental Authority**" means any federal, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority or self-regulatory organization, board or body.

(l) "**Investment Management Agreement**" means the investment management agreement dated March 26, 2010 between Conning Asset Management Company and Prime Re, as may be amended from time to time.

(m) "**Maximum Amount**" means, as of a particular date, (i) during the five-year period commencing with the Effective Date and ending on the five year anniversary of the Effective Date, an aggregate amount of cash and/or Fair Value of Assets equal to $512 million and (ii) from and after the five year anniversary of the Effective Date, an aggregate amount of cash and/or Fair Value of Assets equal to the lesser of (x) $512 million, or (y) 15% of Statutory Reserves, determined as of the five year anniversary of the Effective Date and each subsequent anniversary date thereafter.

(n) "**NAIC**" means the National Association of Insurance Commissioners, together with any successor organization or regulatory agency having similar duties.

(o) "**Obligor**" shall have the meaning set forth in the Preamble.

(p) "**Plan of Operation**" means the detailed plan of operation as approved by the VT DOI on or prior to the Effective Date that complies with the requirements of Title 8 Vermont Statutes Annotated, Chapter 141, subchapter 6002(c)(1)(B).

(q) "**Prime Re**" shall have the meaning set forth in the Preamble.

(r) "**Reinsurance Agreements**" shall have the meaning set forth in the Preamble.

(s) "**Risk Based Capital Report**" means the risk based capital report that complies with Title 8 Vermont Statutes Annotated, Chapter 159, subchapter 8302 and is

required to be filed by Prime Re, commencing with the year ended December 31, 2010, in accordance with its Plan of Operation.

(t) "**Statutory Reserves**" means an amount equal to the sum of (i) the Reinsurer's Quota Share of Statutory Reserves (as defined in the 80% Coinsurance Agreement) and (ii) the Reinsurer's Quota Share of Statutory Reserves (as defined in the 10% Coinsurance Agreement).

(u) "**10% Coinsurance Agreement**" shall have the meaning set forth in the Preamble.

(v) "**Total Adjusted Capital**" means (i) in the case of each of the first, second and third quarters of 2010, Prime Re's estimated Total Adjusted Capital at each respective quarter-end, such estimate to be prepared by Prime Re in good faith on a basis consistent with the calculation for its Total Adjusted Capital that would have applied if Prime Re had filed an Annual Statement with the State of Vermont for the year ended December 31, 2009, (ii) in the case of the quarter-end of the fourth quarter of each calendar year, the Total Adjusted Capital as reported in Prime Re's Annual Statement as most recently filed with the State of Vermont, and (iii) in the case of the quarter-ends of each of the first three quarters of each calendar year following December 31, 2010, Prime Re's estimated Total Adjusted Capital at such quarter-end, such estimate to be prepared by Prime Re in good faith on a basis consistent with the calculation for its Total Adjusted Capital as reported in Prime Re's Annual Statement as most recently filed with the State of Vermont.

(w) "**VT DOI**" means the Department of Banking, Insurance, Securities and Health Care Administration of the State of Vermont together with any successor organization or regulatory agency having similar duties.

2. Maintenance of Risk-Based Capital.

(a) If, at the end of any quarter during the term of this Capital Agreement, Prime Re's Total Adjusted Capital is less than the Capital Threshold, then the Obligor shall contribute, or cause one of its subsidiaries to contribute, additional capital to Prime Re, in the form of cash and/or Fair Value of Assets, in such aggregate amount as shall cause Prime Re's Total Adjusted Capital, immediately upon receipt of such contribution, to equal or exceed the Capital Threshold; provided, however, that no contribution from the Obligor will be required if Prime Re's Total Adjusted Capital is less than the Capital Threshold by no more than $100,000. Prime Re shall furnish its Annual Statements and its Risk Based Capital Reports to the Obligor promptly upon filing thereof with the VT DOI. In the case of the first three quarters of each calendar year, Prime Re shall provide its estimated calculations of Company Action Level Risk Based Capital and Total Adjusted Capital to the Obligor within 20 calendar days of each quarter-end, accompanied by reasonable detail illustrating the basis upon which such estimates were prepared. In the event that Prime Re determines that its Total Adjusted Capital is

less than the Capital Threshold at any particular quarter-end, it shall also deliver a statement to the Obligor simultaneously with its delivery of the Risk Based Capital Report or quarterly estimate, as the case may be, which identifies the amount of such deficiency and makes a demand to the Obligor for the payment of such amount pursuant to this Section 2(a). The Obligor shall cause payment of the required amount to Prime Re within 45 calendar days from receipt of any such demand for payment made by, or on behalf of, Prime Re; provided, however, if any notice to and/or approval by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") is required for Obligor to make such payment, Obligor shall have provided such notice to, and/or obtained such required approval from, the Federal Reserve within such 45 day period. Such 45 day period is subject to extension upon the consent of the Ceding Company, consent which shall not be unreasonably conditioned, delayed or withheld; provided, however, the Ceding Company shall not be required to consent to extend such period beyond an additional 45 days, for a total not to exceed 90 days, in accordance with the Reinsurance Agreements. The Obligor agrees to promptly provide all required notices to, and make all required filings with, the Federal Reserve and to diligently pursue all approvals required to be obtained to make any required payment hereunder; provided, however, to the extent information is required from the Ceding Company to complete any such notice or approval filing, the Ceding Company will cooperate to promptly provide such information to the Obligor.

(b) **Notwithstanding anything in this Capital Agreement to the contrary, the Obligor shall never be required to make aggregate payments over the term of this Capital Agreement that exceed the Maximum Amount applicable at the time any payment is required to be made by Obligor pursuant to Section 2 of this Capital Agreement.**

3. No Guarantee. This Capital Agreement is not, and nothing herein contained and nothing done pursuant hereto by the Obligor shall be deemed to constitute, a direct or indirect guarantee by the Obligor of the payment of any debt or other obligation, indebtedness or liability, of any kind or character whatsoever, of Prime Re, if any.

4. Representations and Warranties. The Obligor represents and warrants that: (i) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; (ii) it has all requisite corporate power and authority and has obtained all authorizations and approvals required in order to execute, deliver and perform this Capital Agreement and to perform its obligations hereunder; (iii) this Capital Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of the Obligor enforceable in accordance with the terms hereof; and (iv) the execution, delivery and performance of this Capital Agreement and the consummation of the obligations contemplated hereby will not (a) violate any provision of the Articles of Incorporation, Bylaws or other charter or organizational document of the Obligor, or (b) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Obligor, except when any such violation would not have a material adverse effect on this Capital Agreement or the consummation of the transactions contemplated hereby.

5. Termination. This Capital Agreement shall terminate on the earlier to occur of (i) the date as of which all of the obligations of Prime Re under the Reinsurance Agreements are fully and finally discharged or (ii) the date as of which the Obligor has made aggregate payments under this Capital Agreement equal to or greater than the Maximum Amount applicable at the time any payment is required to be made by Obligor pursuant to Section 2 of this Capital Agreement.

6. Third Party Approvals.

(a) No Party may assign, delegate or otherwise transfer any of its rights or obligations under this Capital Agreement or amend this Capital Agreement without the prior written consent of both the Ceding Company and the Massachusetts Division of Insurance, such consent not to be unreasonably withheld or delayed so long as (i) such successors or assigns have sufficient financial capabilities to meet any outstanding obligations that may exist at the time of such assignment and (ii) such amendment does not have a material adverse effect on the Ceding Company's rights under the Reinsurance Agreements.

(b) The Parties hereby acknowledge that each of the Ceding Company and the Massachusetts Division of Insurance is an express third party beneficiary of this Capital Agreement. In the event that Prime Re shall fail to enforce any of its rights under this Capital Agreement in a timely manner, each of the Ceding Company and the Massachusetts Division of Insurance shall have the right to enforce such rights on behalf of and in the name of Prime Re. Prime Re shall reimburse each of the Ceding Company or the Massachusetts Division of Insurance, as applicable, for actual reasonable expenses incurred by the Ceding Company or the Massachusetts Division of Insurance, as applicable, pursuant to this Section 6(b).

(c) Prime Re shall provide each of the Ceding Company and the Massachusetts Division of Insurance, as promptly as practicable, copies of all Annual Statements, Risk Based Capital Reports (or quarterly estimates thereof), written regulatory correspondence relating to the Risk Based Capital Reports, and any statements of deficiencies or notices made by Prime Re to the Obligor pursuant to Section 2 and Section 5 hereof. In addition, Prime Re shall promptly notify each of the Ceding Company and the Massachusetts Division of Insurance in the event that the Obligor shall fail to make the required payments upon demand in accordance with Section 2 hereof.

7. No Third Party Beneficiaries. Except as otherwise provided in Section 6 herein, no provision of this Capital Agreement is intended to confer upon any person other than the Parties hereto any rights or remedies hereunder.

8. Governing Law. This Capital Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof. Any proceeding to resolve a dispute arising out of or related to this Capital Agreement may be brought in any Federal or state court in the state of New York. The Parties consent to service and jurisdiction of such courts.

9. Notices. All notices, requests, claims, demands and other communications under this Capital Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9):

If to Prime Re to:

Prime Reinsurance Company, Inc.
c/o Marsh Management Services Inc.
100 Bank Street, Suite 600,
Burlington, Vermont 05402

With copies to (which shall not constitute notice to Prime Re for purposes of this Section 9):

Jeffrey P. Johnson, Esq.
Primmer Piper Eggleston & Cramer PC
150 South Champlain Street
P.O. Box 1489
Burlington, VT 05402-1489

If to the Obligor to:

Citigroup Inc.

With copies to (which shall not constitute notice to the Obligor for purposes of this Section 9):

Robert J. Sullivan, Esq.
Susan J. Sutherland, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000

10. Severability. If any provision of this Capital Agreement is held to be invalid, illegal or unenforceable under any present or future law or if determined by a court of competent jurisdiction to be unenforceable, and if the rights or obligations of the Obligor or Prime Re under this Capital Agreement will not be materially and adversely affected thereby, such provision shall be fully severable, and this Capital Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Capital Agreement, and the remaining provisions of this Capital Agreement shall remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

11. Entire Agreement. This Capital Agreement represents the entire agreement between the Parties hereto with respect to the subject matter of this Capital Agreement. There are no understandings between the Parties with respect to the subject matter of this Capital Agreement other than as expressed herein and expressed in the Reinsurance Agreements.

12. Successors and Assigns. The provisions of this Capital Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns; provided that no Party may assign, delegate or otherwise transfer any of its rights or obligations under this Capital Agreement without the consent of the other Party hereto and subject to Section 6 hereof, such consent not to be unreasonably withheld or delayed.

13. Amendment. Subject to Section 6 hereof, any provision of this Capital Agreement may be amended if, but only if, such amendment is in writing and is signed by each Party to this Capital Agreement. Any change or modification to this Capital Agreement shall be null and void unless made by an amendment hereto signed by each Party to this Capital Agreement.

14. Enforcement. Failure on the part of any Party to act or declare any other Party in default shall not constitute a waiver by such Party of any of its rights hereunder where such default has occurred and is continuing.

15. Interpretation.

(a) When a reference is made in this Capital Agreement to a Section, such reference shall be to a Section to this Capital Agreement unless otherwise indicated. The Section headings contained in this Capital Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not affect in any way the meaning or interpretation of this Capital Agreement. Whenever the words "include," "includes" or "including" are used in this Capital Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof", "herein" and "hereunder" and words of similar import when used in this Capital Agreement shall refer to this Capital Agreement as a whole and not to any particular provision of this Capital Agreement. The definitions contained in this Capital Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes. References to a person are also to its permitted successors and assigns.

(b) The Parties have participated jointly in the negotiation and drafting of this Capital Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Capital Agreement shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Capital Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Capital Agreement to be executed and delivered as of the day and year first written above by their respective duly authorized officers.

Citigroup Inc.

By: /s/ Michael L. Corbat
Name: Michael L. Corbat
Title: Authorized Signatory

Prime Reinsurance Company, Inc.

By: /s/ Reza Shah
Name: Reza Shah
Title: President

ATTACHMENT 19

EX-10.12 19 dex1012.htm TRUST AGREEMENT

Exhibit 10.12

CONFIDENTIAL

TRUST AGREEMENT

Dated as of March 29, 2010

among

AMERICAN HEALTH AND LIFE INSURANCE COMPANY

as Grantor

NATIONAL BENEFIT LIFE INSURANCE COMPANY

as Beneficiary

and

THE BANK OF NEW YORK MELLON

as Trustee

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TRUST AGREEMENT

This **TRUST AGREEMENT** (together with any and all exhibits, this "Agreement") dated March 29, 2010, made by and among American Health and Life Insurance Company, a Texas domiciled stock life insurance company (the "Grantor"), National Benefit Life Insurance Company, a New York domiciled stock life insurance company (the "Beneficiary"), and The Bank of New York Mellon, a banking corporation organized under the laws of the State of New York, as trustee (in such capacity, the "Trustee") (the Grantor, the Beneficiary and the Trustee are hereinafter each sometimes referred to individually as a "Party" and collectively as the "Parties").

The Parties hereto agree as follows:

1. Deposit of Assets to the Trust Account.

   (a) The Grantor shall establish a trust account, with the account number 390226 and designated as "AH & L - NATIONAL BENEFIT 1" (such account, the "Trust Account"), and the Trustee shall administer the Trust Account in its name as Trustee for the sole use and benefit of the Beneficiary as provided herein.

   (b) The Grantor shall transfer to the Trustee, for deposit to the Trust Account, or request the Beneficiary to transfer directly to the Trustee on the Grantor's behalf, such assets as it may from time to time desire (all such assets actually received in the Trust Account are herein referred to individually as an "Asset" and collectively as the "Assets"). The Assets shall consist only of cash (United States legal tender) and Eligible Securities (as hereinafter defined).

   (c) The Grantor hereby represents and warrants that all Assets transferred by the Grantor to the Trustee for deposit to the Trust Account will be in such form that the Beneficiary whenever necessary may, and the Trustee upon direction by the Beneficiary will, negotiate any such Assets without consent or signature from the Grantor or any person in accordance with the terms of this Agreement, and such Assets will be recorded in the name of the Trustee to the extent title to any such Assets is transferred by the Grantor to the Trustee. Any out-of-pocket costs of transfer of title between the Grantor and the Trustee shall be borne by the Grantor.

2. Withdrawal of Assets from the Trust Account.

   (a) Without notice to or the consent of the Grantor, the Beneficiary shall have the right, at any time and from time to time, to withdraw from the Trust Account, upon providing written notice to the Trustee (the "Beneficiary Withdrawal Notice"), such Assets as are specified in such Beneficiary Withdrawal Notice. The Beneficiary need present no statement or document in addition to a Beneficiary Withdrawal Notice in order to withdraw any Assets. The Beneficiary Withdrawal Notice shall be substantially in the form attached as Exhibit A.

(b) Upon receipt of a Beneficiary Withdrawal Notice, the Trustee shall immediately take any and all steps necessary to transfer absolutely and unequivocably all right, title and interest in the Assets specified in such Beneficiary Withdrawal Notice, and shall deliver physical custody of such Assets, as applicable, to or for the account of the Beneficiary as specified in such Beneficiary Withdrawal Notice.

(c) With the prior written permission of the Beneficiary, the Grantor may withdraw from the Trust Account, upon providing written notice to the Trustee (the "Grantor Withdrawal Notice"), such Assets as are specified in such Grantor Withdrawal Notice. Such withdrawals shall be delivered to the Grantor. The form of the Grantor Withdrawal Notice shall be substantially in the form attached as Exhibit B.

(d) Upon receipt of a Grantor Withdrawal Notice, the Trustee shall immediately take any and all steps necessary to transfer all right, title and interest in the Assets specified in such Grantor Withdrawal Notice, and shall deliver such Assets to or for the account of the Grantor as specified in such Grantor Withdrawal Notice.

(e) Except as provided in Section 3 of this Agreement, in the absence of a Grantor Withdrawal Notice or Substitution Notice (as hereinafter defined), the Trustee shall allow no substitution or withdrawal of any Asset from the Trust Account by the Grantor or the Investment Manager (as hereinafter defined).

3. Redemption, Investment and Substitution of Assets.

(a) The Trustee shall surrender for payment all maturing Assets and all Assets called for redemption and deposit the principal amount of the proceeds of any such payment to the Trust Account.

(b) Grantor and Beneficiary agree that Conning Asset Management Company will be the investment manager ("Investment Manager") for all Assets which may be held in the Trust Account. The Investment Manager may be replaced at any time by mutual written consent of the Grantor and the Beneficiary. The Grantor shall be solely responsible for all fees charged by and all other obligations to the Investment Manager in connection with the Trust Account.

(c) Subject to paragraph (d) of this Section 3, from time to time, upon the written order and direction of the Investment Manager, the Trustee shall invest Assets as specified by the Investment Manager. Any instruction or order concerning the investment of securities shall be referred to herein as an "Investment Order." The Trustee shall execute Investment Orders and settle securities transactions by itself or by means of an agent or broker. The Trustee shall not be responsible for any act or omission, or for the solvency, of any such agent or broker.

(d) The Investment Manager is hereby authorized to issue Investment Orders and direct the Trustee to invest the Assets in the Trust Account without obtaining the consent of the Beneficiary prior to each investment; provided, however, all such investments are limited to the categories of securities set forth in the definition of

"Eligible Securities" in Section 12 of this Agreement and compliant with the investment guidelines set forth in the attached Schedule A to this Agreement (the "Investment Guidelines"); and provided, further, however, the Beneficiary, at its sole discretion and at any time up to thirty (30) days after the transaction details for any such investment are available to the Beneficiary under The Bank of New York Mellon INFORM System or any such other automated data system available through on-line access to the Beneficiary, may instruct the Trustee to reverse or unwind any such investment. Upon receipt of any such instruction the Trustee shall promptly notify the Grantor, who in turn, shall promptly instruct the Investment Manager to reverse or unwind any such investment as soon as reasonably practicable. Notwithstanding anything to the contrary, the Investment Manager may dispose of any such investment to the Grantor.

(e) From time to time, subject to the other provisions of this Agreement including the requirement that title to Assets shall be recorded in the name of the Trustee, the Trustee is authorized to accept substitutions from the Grantor or the Investment Manager of any Eligible Securities in the Trust Account for other Eligible Securities pursuant to a written notice (the "Substitution Notice") provided that (1) the Beneficiary has approved in writing of such substitutions and (2) either the Grantor or the Investment Manager certifies to the Trustee that the aggregate Fair Value of the Assets to be deposited or credited to the Trust Account pursuant to such substitution or exchange is at least equal to the aggregate Fair Value of the Assets being removed from the Trust Account. A copy of the form of Substitution Notice is attached as Exhibit C.

(f) The Grantor hereby covenants that all investments and substitutions of securities requested by it or by the Investment Manager in accordance with this Section 3 shall be in compliance with the relevant provisions set forth in the definition of "Eligible Securities" in Section 12 of this Agreement.

(g) When the Trustee is directed to deliver Assets against payment, delivery will be made in accordance with generally accepted market practice.

(h) Any loss incurred from any investment pursuant to the terms of this Section 3 shall be borne exclusively by the Trust Account.

(i) For purposes of determining the fair market value of any Assets in the Trust Account pursuant to this Agreement, the parties hereby agree to use prices published by a nationally recognized pricing service for Assets for which such prices are available and for Assets for which such prices are not available, to use methodologies consistent with those which the Grantor uses for determining the fair market value of assets held in its general account (other than the Assets) in the ordinary course of business (the "Fair Value"). If the Beneficiary shall dispute the Fair Value of any Asset, and the parties are unable to resolve such dispute within fourteen (14) days, the value of such Asset shall be determined by an independent appraisal firm which is mutually acceptable to the Grantor and the Beneficiary, and the parties shall be bound by such valuation.

4. Transfer of Income. All payments of interest and dividends (hereinafter referred to as "Income") in respect to Assets in the Trust Account shall be the property of the Grantor. To the extent that the Trustee shall collect and receive Income from the Trust Account, such Income shall be posted and credited by the Trustee, subject to deduction of the Trustee's compensation and expenses as provided in Section 7(c) of this Agreement, in the separate income column of the custody ledger (the "Income Account") within the Trust Account established and maintained by the Grantor at an office of the Trustee in New York City; provided, however, that the Trustee shall have no duties or obligations as Trustee with respect to the payment of Income by the issuer of the Assets or the deposit of such Income as provided herein. Any Income automatically posted and credited on the payment date to the Income Account which is not subsequently received by the Trustee shall be reimbursed by the Grantor to the Trustee and the Trustee may debit the Income Account for this purpose. Income shall be paid to the Grantor or credited to an account of the Grantor in accordance with written instructions provided from time to time by the Grantor to the Trustee.

5. Right to Vote Assets. The Trustee shall forward all annual and interim stockholder reports and all proxies and proxy materials relating to the Assets in the Trust Account to the Grantor. Subject to other provisions of this Agreement and the requirement that title to Assets be recorded in the name of the Trustee, the Grantor shall have the full and unqualified right to vote any Assets in the Trust Account. Whenever there are voluntary rights that may be exercised or alternate courses of action that may be taken by reason of the Grantor's ownership of Eligible Securities, the Grantor shall be responsible for making any decisions relating thereto and for directing the Trustee to act. The Trustee shall notify the Grantor of rights or discretionary actions with respect to Eligible Securities as promptly as practicable under the circumstances, provided that the Trustee has actually received notice of such right or discretionary corporate action from the relevant depository, etc. Absent actual receipt of such notice, the Trustee shall have no liability for failing to so notify the Grantor. Absent the Trustee's timely receipt of instructions, the Trustee shall not be liable for failure to take any action relating to or to exercise any rights conferred by such Eligible Securities.

6. Additional Rights and Duties of the Trustee.

   (a) The Trustee shall notify the Grantor and the Beneficiary in writing within five (5) days following each deposit to, or withdrawal from, the Trust Account. The Trustee will be deemed to have delivered such notice of deposit, withdrawal and receipt of Grantor Withdrawal Notice or Beneficiary Withdrawal Notice, as applicable, if each such notice is available on one or more of the Trustee's systems for the delivery of electronic media to which system(s) Grantor and Beneficiary have access. The Trustee shall also furnish the Grantor and the Beneficiary with an advice of daily transactions and the Grantor and the Beneficiary each may elect to receive advices, confirmations, reports or statements electronically through the Internet to an email address specified by it for such purpose. By electing to use the Internet for this purpose, the Grantor and the Beneficiary each acknowledges that such transmissions are not encrypted and therefore are insecure. The Grantor and the Beneficiary each further acknowledges that there are other risks inherent

in communicating through the Internet such as the possibility of virus contamination and disruptions in service, and each agrees that the Trustee shall not be responsible for any loss, damage or expense suffered or incurred by the Grantor or the Beneficiary or any person claiming by or through the Grantor or the Beneficiary as a result of the use of such methods.

(b) The Trustee shall not accept any Assets (other than cash) for deposit into the Trust Account unless the Trustee determines that it is or will be the registered owner of and holder of legal title to the Assets or that such Assets are in such form that the Trustee may, if applicable to such asset class, negotiate any such Assets, without consent or signature from the Grantor or any other person or entity. Any Assets received by the Trustee which, if applicable to such asset class, are not in such proper negotiable form or for which title has not been transferred to the Trustee shall not be accepted by the Trustee and shall be returned to the Grantor as unacceptable.

(c) The Trustee shall have no responsibility whatsoever to determine that any Assets (other than cash) in the Trust Account are or continue to be Eligible Securities, or comply or continue to comply with the Investment Guidelines.

(d) All Assets shall be held in a safe place by the Trustee at the Trustee's office in the United States, except that the Trustee may deposit any Assets in the Trust Account in a book entry account maintained at the Federal Reserve Bank of New York or in depositories such as the Depository Trust Company and the Participants Trust Company. Assets may be held in the name of a nominee maintained by the Trustee or by any such depository. The Trustee shall have no liability whatsoever for the action or inaction of any depositary or for any losses resulting from the maintenance of Eligible Securities with a depositary.

(e) The Trustee shall accept and open all mail directed to the Grantor or the Beneficiary in care of the Trustee and shall forward such mail to the party to whom it is directed.

(f) The Trustee shall furnish to the Grantor and the Beneficiary a statement of all Assets in the Trust Account and the Income Account at the inception of the Trust Account and at the end of each calendar month.

(g) Upon the request of the Grantor or the Beneficiary, the Trustee shall promptly permit the Grantor or the Beneficiary, their respective agents, employees or independent auditors to examine, audit, excerpt, transcribe and copy, during the Trustee's normal business hours, any books, documents, papers and records relating to the Trust Account or the Assets.

(h) Unless otherwise provided in this Agreement, the Trustee is authorized to follow and rely upon all instructions as provided for in this Agreement, given by officers of the Grantor or its duly authorized investment manager or the Beneficiary and by attorneys-in-fact acting under written authority furnished to the Trustee by the

Grantor or the Beneficiary, including, without limitation, instructions given by letter, telephone, facsimile transmission, telegram, teletype, cable gram or electronic media, if the Trustee believes such instructions to be genuine and to have been signed, sent or presented by the proper Party or Parties. The Trustee shall not incur any liability to anyone resulting from actions taken by the Trustee in reliance in good faith on such instructions. The Trustee shall not incur any liability in executing instructions, as provided for in this Agreement, (i) from any attorney-in-fact prior to receipt by it of notice of the revocation of the written authority of the attorney-in-fact or (ii) from any officer of the Grantor or the Beneficiary.

(i) The duties and obligations of the Trustee shall only be such as are specifically set forth in this Agreement, as it may from time to time be amended, and no implied duties or obligations shall be read into this Agreement against the Trustee. The Trustee shall not be liable except for its own negligence, willful misconduct or lack of good faith, and in no event shall the Trustee be liable for special, punitive, or consequential losses or damages arising in connection with this Agreement.

(j) No provision of this Agreement shall require the Trustee to take any action which, in the Trustee's reasonable judgment, would result in any violation of this Agreement or any provision of law. If any third party asserts a lien against any of the Assets, the Trustee shall, upon becoming aware of such assertion, promptly notify both the Grantor and the Beneficiary of such claim.

(k) The Trustee shall not be responsible for the existence, genuineness or value of any of the Assets or for the validity, perfection, priority or enforceability of the liens in any of the Assets, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes negligence, bad faith or willful misconduct on the part of the Trustee, for the validity of title to the Assets, for insuring the Assets or for the payment of taxes, charges, assessments or liens upon the Assets.

(l) The Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of Trustee such as to any act or provision of any present or future law or regulation or governmental authority, terrorism, any act of God or war, accidents, labor disputes, loss or malfunction of utilities or corporate software or hardware, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(m) The Trustee is not required to make advances of cash, securities or any other property on behalf of the Trust Account, or permit overdrafts in the Trust Account in connection with the acquisition or disposition of Assets in the Trust Account.

(n) At any time in connection with the performance of its services under this Agreement, the Trustee may consult with counsel selected by it who may be counsel for Grantor or Beneficiary. The advice or opinion of said counsel will be full and complete

authority and protection for the Trustee with respect to any action taken, suffered or omitted by it in good faith and in accordance with the advice or opinion of said counsel other than with respect to the withdrawal of Assets by Beneficiary.

7. The Trustee's Compensation, Expenses, etc.

(a) The Grantor shall pay the Trustee, as compensation for its services under this Agreement, a fee computed at rates determined by the Trustee from time to time and communicated in writing to the Grantor for its review and agreement. The Grantor shall pay or reimburse the Trustee for all of the Trustee's appropriate expenses and disbursements in connection with its duties under this Agreement (including attorney's fees and expenses), except any such expense or disbursement as may arise from the Trustee's negligence, willful misconduct, or lack of good faith. The Trustee shall bill the Grantor for its fee and all expenses and disbursements on a quarterly basis ("Trustee Invoice"). The Trustee Invoice shall state the nature and amount of such expenses and disbursements being billed and such other information as the Grantor may reasonably request to make such payment to the Trustee. The Grantor shall pay the fee and such expenses and disbursements within a reasonable period of time after its receipt and review of such Trustee Invoice, unless the Trustee and Grantor agree otherwise in writing.

(b) The Trustee may not invade the Trust Account Assets for the purpose of paying compensation to or reimbursing expenses of the Trustee,

(c) The Trustee may not invade the Trust Account Assets for the purpose of paying compensation to or reimbursing expenses of the Trustee, but the Trustee shall be entitled to deduct its compensation and expenses, which have been billed to the Grantor but have not been paid by the Grantor to the Trustee in accordance with Section 7(a) hereof, from payments of Income in respect of the Assets held in the Trust Account and deposited into the Income Account as provided in Section 4 of this Agreement. The Grantor hereby grants the Trustee a lien, right of set off and security interest in such funds and in such Income Account for the payment of any claim for compensation, reimbursement or indemnity hereunder, which has been billed but has not been paid to the Trustee within a reasonable period of time. The Grantor and the Beneficiary, jointly and severally, hereby indemnify the Trustee for, and hold it harmless against, any loss, liability, costs or expenses (including attorney's fees and expenses) incurred or made without negligence, willful misconduct or lack of good faith on the part of the Trustee, arising out of or in connection with the performance of its obligations in accordance with the provisions of this Agreement, including any loss, liability, costs or expenses arising out of or in connection with the status of the Trustee and its nominee as the holder of record of the Assets. The Grantor and the Beneficiary hereby acknowledge that the foregoing indemnities shall survive the resignation or discharge of the Trustee or the termination of this Agreement.

(d) No Assets shall be withdrawn from the Trust Account or used in any manner for paying compensation to, or reimbursement or indemnification of, the Trustee.

8. Resignation or Removal of the Trustee.

(a) The Trustee may resign at any time by giving not less than 90 days written notice thereof to the Beneficiary and to the Grantor. The Trustee may be removed by the Grantor's delivery of not less than 90 days written notice of removal to the Trustee and the Beneficiary. Such resignation or removal shall become effective on the acceptance of appointment by a successor Trustee and the transfer to such successor Trustee of all Assets in the Trust Account in accordance with paragraph (b) of this Section 8.

(b) Upon receipt by the proper Parties of the Trustee's notice of resignation or the Grantor's notice of removal, the Grantor, with the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld, shall appoint a successor Trustee. Any successor Trustee shall be a bank that is a member of the Federal Reserve System or chartered in the State of New York and shall not be a Parent, a Subsidiary or an Affiliate of the Grantor or the Beneficiary. Upon the acceptance of the appointment as Trustee hereunder by a successor Trustee and the transfer to such successor Trustee of all Assets in the Trust Account, the resignation or removal of the Trustee shall become effective. Thereupon, such successor Trustee shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Trustee, and the resigning or removed Trustee shall be discharged from any future duties and obligations under this Agreement, but the resigning or removed Trustee shall continue to be entitled to the benefits of the indemnities provided herein for the Trustee (but such entitlement shall not be construed to relieve the resigning or removed Trustee of liability arising under the terms of this Agreement out of any action or inaction by the resigning or removed Trustee prior to its resignation or removal.)

9. Termination of the Trust Account.

(a) The Trust Account and this Agreement, except for the indemnities provided herein, may be terminated only after (i) the Grantor with the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld, has given the Trustee written notice of its intention to terminate the Trust Account (the "Notice of Intention"), and (ii) the Trustee has given the Grantor and the Beneficiary the written notice specified in paragraph (b) of this Section 9. The Notice of Intention shall specify the date on which the notifying Party intends the Trust Account to terminate (the "Proposed Date").

(b) Within three (3) days following receipt by the Trustee of the Notice of Intention, the Trustee shall give written notification (the "Termination Notice") to the Beneficiary and the Grantor of the date (the "Termination Date") on which the Trust Account shall terminate. The Termination Date shall be (a) the Proposed Date if the Proposed Date is at least 30 days but no more than 45 days subsequent to the date the Termination Notice is given; (b) 30 days subsequent to the date the Termination Notice is given, if the Proposed Date is fewer than 30 days subsequent

to the date the Termination Notice is given; or (c) 45 days subsequent to the date the Termination Notice is given, if the Proposed Date is more than 45 days subsequent to the date the Termination Notice is given.

(c) On the Termination Date, upon receipt of written approval of the Beneficiary, the Trustee shall transfer to the Grantor any Assets remaining in the Trust Account, at which time all liability of the Trustee with respect to such Assets shall cease.

10. Representations and Warranties

(a) The Trustee represents and warrants that the Trustee is a banking corporation, duly organized and validly existing and in good standing under the laws of the State of New York and has the requisite power and authority to carry on its respective business as now being conducted. The Trustee is duly qualified and authorized to do business and is in good standing in each jurisdiction where the Assets are maintained.

(b) The Trustee represents and warrants that the Trustee has all requisite corporate power and authority to execute and deliver this Agreement and to perform its respective obligations under this Agreement. The execution, delivery and performance of this Agreement by the Trustee and the consummation of the transactions contemplated by this Agreement by the Trustee have been duly and validly authorized by all necessary corporate action on the part of the Trustee. This Agreement constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as such enforceability may be limited by applicable laws relating to bankruptcy, insolvency, reorganization, or affecting creditors' rights generally and except to the extent that injunctive or other equitable relief is within the discretion of a court.

(c) The Trustee represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement do not and will not (1) violate or conflict with the Trustee's corporate charter or by-laws; or (2) violate or conflict with any law or governmental regulation, or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to the Trustee.

(d) The Trustee represents and warrants that it is not an Affiliate of either the Grantor or the Beneficiary.

(e) The Grantor represents and warrants that the Grantor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Texas and has all requisite corporate power and authority to carry on the operations of its business as they are proposed to be conducted.

(f) The Grantor represents and warrants that the Grantor has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Grantor of this Agreement, and the performance by the Grantor of its obligations under this Agreement, have been

duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Grantor. This Agreement, when duly executed and delivered by the Grantor, subject to the due execution and delivery by the Parties hereto, will be a valid and binding obligation of the Grantor, enforceable against the Grantor in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(g) The Grantor represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (a) violate any provision of the Articles of Incorporation or Bylaws of the Grantor, or (b) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Grantor, except when any such violation would not have a material adverse effect on this Agreement or the consummation of the transactions contemplated hereby.

(h) The Beneficiary represents and warrants that the Beneficiary is a life insurance company duly organized, validly existing and in good standing under the laws of the State of New York, and has all requisite corporate power and authority to carry on the operations of its business as they are now being conducted.

(i) The Beneficiary represents and warrants that the Beneficiary has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery by the Beneficiary of this Agreement, and the performance by the Beneficiary of its obligations under this Agreement, have been duly authorized by all necessary corporate action and do not require any further authorization, action or consent of the Beneficiary. This Agreement, when duly executed and delivered by the Beneficiary, subject to the due execution and delivery by the Parties hereto, will be a valid and binding obligation of the Beneficiary, enforceable against the Beneficiary in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting enforcement of creditors' rights and to general equity principles.

(j) The Beneficiary represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby in accordance with the respective terms and conditions hereof will not (a) violate any provision of the Articles of Incorporation or Bylaws of the Beneficiary, (b) violate, conflict with or result in the breach of any of the terms of, result in any modification of, give any counterparty the right to terminate, or constitute a default under, any contract or other agreement to which the Beneficiary is a party, or (c) violate any order, judgment, injunction, award or decree of any court, arbitrator or Governmental Authority against, or binding

upon, or any agreement with, or condition imposed by, any Governmental Authority, foreign or domestic, binding upon the Beneficiary.

11. Definitions.

Except as the context shall otherwise require, the following terms shall have the following meanings for all purposes of this Agreement (the definitions to be applicable to both the singular and the plural forms of each term defined if both forms of such term are used in this Agreement):

The term "Affiliate" with respect to any corporation shall mean a corporation which directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such corporation.

The term "Beneficiary" shall include any successor of the Beneficiary by operation of law including, without limitation, any liquidator, rehabilitator, receiver or conservator.

The term "Beneficiary Withdrawal Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit A.

The term "control" (including the related terms "controlled by" and "under common control with") shall mean the ownership, directly or indirectly, of 10% or more of the voting stock of a corporation.

The term "Eligible Securities" means United States currency, certificates of deposit issued by a United States bank and payable in United States legal tender and securities representing investments of the types specified in Sections 1404(a)(1), (2), (3), (8) and (10) of the New York Insurance Law or any combination of the above. Commercial paper and other obligations of institutions must be issued by a corporation (other than the Grantor or Beneficiary, or any Affiliate of either) which is organized and existing under the laws of the United States of America, unless otherwise allowed by Section 1404 of the New York Insurance Law.

The term "Governmental Authority" means any federal, state, county, local, foreign or other governmental or public agency, instrumentality, commission, authority or self-regulatory organization, board or body.

The term "Grantor" shall include any successor of the Grantor by operation of law including, without limitation, any liquidator, rehabilitator, receiver or conservator.

The term "Grantor Withdrawal Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit B.

The term "Parent" shall mean an institution that, directly or indirectly, controls another institution.

The term "person" shall mean and include an individual, a corporation, a partnership, an association, a trust, an unincorporated organization or a government or political subdivision thereof.

The term "Subsidiary" shall mean an institution controlled, directly or indirectly, by another institution.

The term "Substitution Notice" means a notice substantially in the form of the specimen notice attached to this Agreement as Exhibit C.

The term "Trust" shall mean the trust formed hereunder.

12. Governing Law.

This Agreement shall be subject to and governed by the laws of the State of New York. Each party hereto hereby waives trial by jury in any judicial proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract or otherwise) in any way arising out of or related to this agreement or the relationship established hereunder. This provision is a material inducement for the parties to enter into this Agreement. Each Party consents to the jurisdiction of any state or federal court situated in New York City, New York in connection with any dispute arising hereunder. Each Party hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum. The establishment and maintenance of the Trust Account, and all interests, duties and obligations with respect thereto, shall be governed by the laws of the State of New York.

13. Successors and Assigns.

Except as expressly permitted by Section 8 of this Agreement, no Party may novate or assign this Agreement or any of its rights or obligations hereunder without the prior written consent of both the Grantor and the Beneficiary (such consent not to be unreasonably withheld). The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

14. Severability.

In the event that any provision of this Agreement shall be declared invalid or unenforceable by any regulatory body or court having jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining portions of this Agreement.

15. Entire Agreement.

This Agreement constitutes the entire agreement among the Parties, and there are no conditions or qualifications relative to this Agreement which are not fully expressed in this Agreement.

16. Amendments.

This Agreement may be modified or otherwise amended, and the observance of any term of this Agreement may be waived, if such modification, amendment or waiver is in writing and signed by the Parties.

17. Notices

Unless otherwise provided in this Agreement, any notice and other communication required or permitted hereunder shall be in writing and shall be (i) delivered personally, (ii) sent by electronic media (by SWIFT, emailed pdf or other similar and reliable means), or in the event that electronic transmission is unavailable for any reason, by facsimile transmission (and immediately after transmission confirmed by telephone), or (iii) sent by certified, registered or express mail, postage prepaid; provided, however, that any Party delivering a communication by facsimile transmission shall retain the electronically generated confirmation of delivery, showing the telephone number to which the transmission was sent and the date and time of the transmission. Any such notice shall be deemed given when so delivered personally, sent by electronic media or by facsimile transmission (and immediately after such facsimile transmission confirmed by telephone) or, if mailed, on the date shown on the receipt therefor, as follows:

if to the Grantor:

American Health and Life Insurance Company
3001 Meacham Boulevard, Suite 100
Fort Worth, TX 76137-4697
Facsimile: (817) 348-7570
Email:

with copies to (which shall not constitute notice to the Grantor for purposes of this Section 17):

Robert Sullivan, Esq.
Susan Sutherland, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000
Email:

if to the Beneficiary:

National Benefit Life Insurance Company
333 West 34th Street
New York, NY 10001-2402
Facsimile: (212) 615-7308
Email:

with copies to (which shall not constitute notice to the Beneficiary for purposes of this Section 17):

Donald B. Henderson, Jr., Esq.
Dewey & LeBoeuf LLP

1301 Avenue of the Americas
New York, NY 10019
(212) 259-8000
Email:

if to the Trustee:

The Bank of New York Mellon
101 Barclay Street
Mailstop: 101-0850
New York, New York 10286
Attention: Insurance Trust and Escrow Group/Patricia Scrivano
Facsimile: (732) 667-9536
Email:

Each Party may from time to time designate a different address for notices, directions, requests, demands, acknowledgments and other communications by giving written notice of such change to the other Parties. Notwithstanding the foregoing, all notices, directions, requests, demands, acknowledgments and other communications relating to the resignation or removal of the Trustee or the termination of the Trust Account shall be in writing and shall be given by personal delivery or sent by certified, registered or express mail.

18. Headings. The headings of the Sections and the Table of Contents have been inserted for convenience of reference only and shall not be deemed to constitute a part of this Agreement.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but such counterparts together shall constitute but one and the same Agreement.

20. USA Patriot Act.

The Grantor and Beneficiary hereby acknowledge that the Trustee is subject to federal laws, including the Customer Identification Program ("CIP") requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Trustee must obtain, verify and record information that allows the Trustee to identify the Grantor and Beneficiary. Accordingly, prior to opening the Trust Account hereunder, the Trustee will ask the Grantor and Beneficiary to provide certain information including, but not limited to, the Grantor's and Beneficiary's name, physical address, tax identification number and other information that will help the Trustee to identify and verify the Grantor's and Beneficiary's identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. Each of the Grantor and Beneficiary agrees that the Trustee cannot open the Trust Account hereunder unless and until the Trustee verifies the Grantor's and Beneficiary's identity in accordance with the Trustee's CIP.

21. Required Disclosure.

The Trustee is authorized to supply any information regarding the Trust Account and related Assets that is required by any law, regulation or rule now or hereafter in effect. Each of the Grantor and the Beneficiary agrees to supply the Trustee with any required information if it is not otherwise reasonably available to the Trustee.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

AMERICAN HEALTH AND LIFE INSURANCE COMPANY, as Grantor

By: /s/ Dava S. Carson
Name: Dava S. Carson
Title: President and CEO

NATIONAL BENEFIT LIFE INSURANCE COMPANY, as Beneficiary

By: /s/ Larry Warren
Name: Larry Warren
Title: EVP and Chief Actuary

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Sharon Bershaw
Name: Sharon Bershaw
Title: President

ATTACHMENT 20

EX-10.39 23 dex1039.htm COMMON STOCK EXCHANGE AGREEMENT

Exhibit 10.39

EXECUTION COPY

COMMON STOCK EXCHANGE AGREEMENT

COMMON STOCK EXCHANGE AGREEMENT (the "Agreement"), dated as of April 15, 2010, by and among Primerica, Inc., a Delaware corporation (the "Company"), Warburg Pincus LLC, a Delaware limited liability company ("Warburg LLC"), and Warburg Pincus & Co., a Delaware corporation (together with Warburg LLC, "Warburg").

WHEREAS, Primerica, Citigroup Insurance Holding Corporation, a Georgia corporation ("CIHC"), Warburg Pincus Private Equity X, L.P., a Delaware limited partnership ("Warburg PE"), and Warburg Pincus X Partners, L.P., a Delaware limited partnership (together with Warburg PE, the "Original Investor"), entered into that certain Securities Purchase Agreement, dated as of February 8, 2010 (the "Purchase Agreement"), pursuant to which CIHC agreed to sell to the Investor shares of common stock, par value $0.01 per share, of the Company ("Common Stock") and a Warrant (as defined in the Purchase Agreement); and

WHEREAS, pursuant to Section 3.6 of the Purchase Agreement, the Company agreed to assist any member of the WP Group (as defined below) in exchanging any of its shares of Common Stock for shares of non-voting common stock, par value $0.01 per share, of the Company ("Non-Voting Stock") in accordance with the terms and subject to the conditions in the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein and other good and valuable consideration, the adequacy of which is hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

As used in this Agreement,

"Affiliate" means, with respect to any person, any person directly or indirectly controlling, controlled by or under common control with, such other person; provided that, with respect to Warburg, Affiliate shall not include any portfolio company of Warburg unless Warburg has provided confidential information of the Company to such portfolio company. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") when used with respect to any person, means the possession, directly or indirectly, of the power to cause the direction of management or policies of such person, whether through the ownership of voting securities by contract or otherwise.

"Business Day" means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

"Exchange" means the exchange by an Investor that is a member of the WP Group of shares of Common Stock for shares of Non-Voting Stock pursuant to Article II of this Agreement.

"Investor" shall have the meaning ascribed to it in the Purchase Agreement.

"Liens" means any and all liens, charges, security interests, options, claims, mortgages, pledges, proxies, voting trusts or agreements, obligations, understandings or arrangements or other restrictions on title or transfer of any nature whatsoever.

"Person" means an individual or a corporation, limited liability company, partnership, joint venture, trust, estate, unincorporated organization, association (including any group, organization, co-tenancy, plan, board, council or committee), government (including a country, state, county, or any other governmental or political subdivision, agency or instrumentality thereof) or other entity (or series thereof).

"Securities Act" means the United States Securities Act of 1933, as amended

"Transfer Agent" means the Person appointed from time to time by the Company to act as registrar and transfer agent for the Common Stock.

"WP Group" means, collectively, Warburg and any of their controlled Affiliates.

ARTICLE II

EXCHANGE OF COMMON STOCK

Section 2.1 Exchange of Shares of Common Stock.

(a) Subject to the other provisions of this Agreement and at the request of the Original Investor, any Investor that is a member of the WP Group shall be entitled to exchange shares of Common Stock held by such member for an equal number of shares of Non-Voting Stock at any time and from time to time in accordance with the terms and conditions of this Agreement.

(b) The obligation of the Company to effect any Exchange pursuant to this Agreement shall be subject to compliance with the terms and conditions of the Purchase Agreement, including the ownership and transfer restrictions set forth in Sections 3.6 and 4.2 thereof.

(c) An Exchange will be deemed to be effective as of the close of business on the date of receipt of an Exchange Notice Package (as defined below) (the "Exchange Date") and the Common Stock to be exchanged shall be deemed to be automatically cancelled on the books and records of the Company and such Common Stock shall have no further rights or privileges and shall no longer be deemed to be outstanding common stock of the Company for any purpose from and after the close of business on the Exchange Date and the Non-Voting Stock to be issued in the Exchange shall be deemed to be automatically issued on the books and records of the Company as of the close of business on the Exchange Date.

Section 2.2 Exchange Procedures.

(a) A member of the WP Group may exercise its right to exchange shares of Common Stock as set forth in Section 2.1(a) by providing an irrevocable written notice of exchange from such member and the Original Investor, substantially in the form of Exhibit A hereto (the "Exchange Notice"), accompanied by (i) the stock certificates representing the shares of Common Stock to be exchanged, endorsed in blank or accompanied by duly executed stock powers (or similar instruments of assignment), or, in the event the shares of Common Stock are issued in an uncertificated form, evidence of electronic transfer of the shares of Common Stock to the account designated by the Company or the Transfer Agent following receipt of delivery instructions from the Company or the Transfer Agent, (ii) a certificate to the Company signed by a manager, general partner or authorized person of such member of the WP Group stating that each of the representations and warranties contained in Section 3.1 is true and correct as of the Exchange Date and, (iii) to the extent reasonably requested by the Transfer Agent and/or the Company, instructions and/or other instruments of transfer, in form and substance reasonably satisfactory to such Transfer Agent and/or the Company, as applicable, duly executed by such member or such member's duly authorized legal representative, with respect to the Common Stock to be exchanged (together, an "Exchange Notice Package").

(b) Each Exchange Notice shall be delivered to the Company in accordance with Section 4.2 and shall be duly executed by the Original Investor and by such member of the WP Group or such member's duly authorized legal representative with respect to the Common Stock to be exchanged.

(c) As promptly as practicable following the surrender of the shares of Common Stock upon an Exchange in the manner provided in this Article II, the Company shall deliver or cause to be delivered at the address set forth in the Exchange Notice, or if no such address is provided, at the principal executive offices of Warburg or such other address for such member of the WP Group participating in an Exchange ("Exchanging Member") as reflected in the share register of the Company certificates representing shares of Non-Voting Stock, or, in the event the shares of Non-Voting Stock are issued in an uncertificated form, such other evidence of ownership.

Section 2.3 Expenses. Each party hereto shall bear its own expenses in connection with the consummation of any of the transactions contemplated hereby, whether or not any such transaction is ultimately consummated.

Section 2.4 Reservation of Non-Voting Stock. The Company will at all times reserve and keep available, out of its authorized capital stock, a sufficient number of shares of Non-Voting Stock for the purpose of providing for any Exchanges pursuant to this Article II.

REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Exchanging Member. As of any Exchange Date, the following representations and warranties of the Exchanging Member shall be true and correct:

(a) *Title to Common Stock.* The Exchanging Member possesses good and marketable title to the Common Stock to be exchanged and has full right to transfer the same as contemplated herein. Such shares of Common Stock are delivered free and clear of any and all Liens.

(b) *Purchase for Investment.* The Exchanging Member acknowledges that the Non-Voting Stock has not been registered under the Securities Act or under any state securities laws. The Exchanging Member (i) is acquiring the Non-Voting Stock pursuant to an exemption from registration under the Securities Act solely for investment with no present intention to distribute any of the Non-Voting Stock to any person, (ii) will not sell or otherwise dispose of any of the Non-Voting Stock, except in compliance with the transfer restrictions set forth in Section 4.2 of the Purchase Agreement, and subject to Section 3.6 and Section 4.5 of the Purchase Agreement, and the registration requirements or exemption provisions of the Securities Act and any other applicable securities laws, (iii) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks of its investment in the Non-Voting Stock and of making an informed investment decision and (iv) is an institutional "accredited investor" (as that term is defined in Rule 501 of the Securities Act).

(c) The Exchanging Member agrees and acknowledges that the shares of Non-Voting Stock issuable hereunder will be subject to restrictions on transfer pursuant to applicable securities laws, and that all certificates or other instruments representing the Non-Voting Stock subject to this Agreement or to the Purchase Agreement will bear a legend substantially to the following effect:

> "THE NON-VOTING COMMON STOCK REPRESENTED BY THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR SUCH LAWS.

To the extent Section 4.2 of the Purchase Agreement is applicable at the time of any relevant Exchange, such shares will also bear a legend substantially to the following effect:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO TRANSFER AND OTHER RESTRICTIONS SET FORTH IN A SECURITIES PURCHASE AGREEMENT, DATED AS OF FEBRUARY 8, 2010, COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE ISSUER."

Upon request of the Exchanging Member and receipt by the Company of an opinion of counsel reasonably satisfactory to the Company to the effect that such legend is no longer required under the Securities Act and applicable state laws, the Company shall promptly cause the first provision of the legend to be removed from any certificate for any Non-Voting Stock to be so

transferred and, upon the request of the Exchanging Member, the second provision of the legend shall be removed upon the expiration of such transfer and other restrictions set forth in the Purchase Agreement.

Section 3.2 Representations and Warranties of the Company. As of any Exchange Date, the following representations and warranties of the Company shall be true and correct:

(a) *Title to Non-Voting Stock.* Any shares of Non-Voting Stock to be issued upon exchange in accordance with the provisions of Article II are duly and validly authorized and issued, fully paid and nonassessable and issued by the Company free from all taxes, liens and charges. None of the Non-Voting Stock to be issued upon exchange in accordance with the provisions of Article II shall be subject to any outstanding option, warrant, call, or similar right of any other Person to acquire the same, and none of such Non-Voting Stock will be subject to any restriction on transfer thereof except for restrictions imposed by applicable federal and state securities laws, pursuant to any agreement or action taken by the Exchanging Member or by the express terms of the Purchase Agreement.

(b) *Board Approval.* The issuance of shares of Non-Voting Stock to be exchanged in accordance with the provisions of Article II has been approved by the board of directors of the Company or a committee thereof pursuant to a resolution substantially in the form of Exhibit B hereto (with such changes as may be reasonably requested by the Exchanging Member), which action shall be taken pursuant to the Company's obligations to cooperate with the Exchanging Member to seek to structure such exchange to exempt it from Section 16 pursuant to Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (or any successor rule).

ARTICLE IV

GENERAL PROVISIONS

Section 4.1 Amendment.

(a) The conditions to each party's obligation to consummate the transactions contemplated hereby are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law. Except as otherwise expressly provided herein, any provision of this Agreement may be amended or waived and the observance thereof may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only by the written consent of the applicable parties to this Agreement. No amendment or waiver of any provision of this Agreement will be effective with respect to any party unless made in writing and signed by an officer of a duly authorized representative of such party.

(b) Any member of the WP Group that acquires Common Stock may be joined to this Agreement by execution of a joinder in a form reasonably satisfactory to the Company. The joinder of any Person to this Agreement pursuant to and in accordance with the

express provisions of this Agreement shall not be deemed an amendment or waiver of this Agreement.

Section 4.2 Addresses and Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally or facsimile, upon confirmation of receipt, (b) on the first business day following the date of dispatch if delivered by a recognized next-day courier service or (c) on the third business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice; *provided*, that an Exchange Notice Package will only be effective when actually received by the Company.

(a) If to the Company, to:

Primerica, Inc.
3120 Breckinridge Blvd.
Duluth, Georgia 30099
Attn: General Counsel
Facsimile: (770) 564-6216

(b) If to Warburg, to:

Warburg Pincus LLC
450 Lexington Avenue
New York, New York 10017-3911
Attn: General Counsel
Facsimile: (212) 716-8626

Section 4.3 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 4.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted or required by this Agreement, their successors, executors, administrators, heirs, legal representatives and assigns.

Section 4.5 Captions. The article, section, paragraph and clause captions herein are for convenience of reference only, do not constitute part of this Agreement and will not be deemed to limit or otherwise affect any of the provisions hereof.

Section 4.6 Severability. If any provision of this Agreement or the application thereof to any person (including, the officers and directors of Warburg and the Company) or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby,

so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

Section 4.7 Entire Agreement. This Agreement and the Purchase Agreement constitute the entire agreement, and supersede all other prior agreements, understandings, representations and warranties, both written and oral, between the parties, with respect to the subject matter hereof; and (b) this Agreement will not be assignable by operation of law or otherwise (any attempted assignment in contravention hereof being null and void). In the event and to the extent that there shall be any conflict or inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement with respect to an Exchange, this Agreement shall control, and with respect to any other conflict or inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the Purchase Agreement shall control. For the purposes of clarity, the mechanics for the exchange of Non-Voting Stock into Common Stock are described in the Restated Certificate of Incorporation of the Company.

Section 4.8 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

Section 4.9 Counterparts. For the convenience of the parties hereto, this Agreement may be executed in any number of separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement. Executed signature pages to this Agreement may be delivered by facsimile and such facsimiles will be deemed as sufficient as if actual signature pages had been delivered.

Section 4.10 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State and without regard to its conflict of laws principles. The parties hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the state and federal courts located in the State of Delaware for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties hereby agrees not to commence any such action, suit or proceeding other than before one of the above-named courts.

Section 4.11 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREE THAT ANY SUCH LEGAL PROCEEDING WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered, all as of the date first set forth above.

PRIMERICA, INC.

By: /s/ Peter W. Schneider
Name: Peter W. Schneider
Title: Executive Vice President and General Counsel

[SIGNATURE PAGE TO COMMON STOCK EXCHANGE AGREEMENT]

WARBURG PINCUS LLC

By: /s/ Michael Martin
Name: Michael Martin
Title: Managing Director

WARBURG PINCUS & CO.

By: /s/ Michael Martin
Name: Michael Martin
Title: Managing Director

[SIGNATURE PAGE TO COMMON STOCK EXCHANGE AGREEMENT]

EXHIBIT A

FORM OF
NOTICE OF EXCHANGE

Primerica, Inc.
3120 Breckinridge Road
Duluth, Georgia 30099
Attention: General Counsel
Fax: (770) 564-6216

Reference is hereby made to the Common Stock Exchange Agreement, dated as of April [ ], 2010 (the "Exchange Agreement"), among Primerica, Inc., Warburg Pincus LLC and Warburg Pincus & Co. Capitalized terms used but not defined herein have the meanings given to them in the Exchange Agreement.

The undersigned member of the WP Group desires to exchange the number of shares of Common Stock set forth below.

Legal Name of member of the WP Group: _____

_____

Address: _____

_____

Number of shares of Common Stock to be exchanged: _____

The undersigned hereby (1) represents that the representations and warranties set forth in Section 3.1 of the Exchange Agreement as to the undersigned, as the "Exchanging Member," are true and correct, (2) exchanges such shares of Common Stock for shares of Non-Voting Stock, (3) irrevocably constitutes and appoints any officer of the Company as its attorney, with full power of substitution, to exchange said Common Stock on the books of the Company for Non-Voting Stock on the books of the Company and (4) acknowledges and agrees that the terms of the Exchange Agreement shall govern this Exchange.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Notice of Exchange to be executed and delivered by the undersigned or by its duly authorized attorney.

_____
Name:

Dated:_____

AGREED AND ACKNOWLEDGED BY THE ORIGINAL INVESTOR:

WARBURG PINCUS PRIVATE EQUITY X, L.P.

By: Warburg Pincus X L.P., its general partner
By: Warburg Pincus X LLC, its general partner
By: Warburg Pincus Partners LLC, its sole member
By: Warburg Pincus & Co., its managing member

By:_____
Name:
Title:

WARBURG PINCUS X PARTNERS, L.P.

By: Warburg Pincus X L.P., its general partner
By: Warburg Pincus X LLC, its general partner
By: Warburg Pincus Partners LLC, its sole member
By: Warburg Pincus & Co., its managing member

By:_____
Name:
Title:

ATTACHMENT 21

EX-10.40 24 dex1040.htm REGISTRATION RIGHTS AGREEMENT

Exhibit 10.40

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

by and among

CITIGROUP INSURANCE HOLDING CORPORATION,

WARBURG PINCUS PRIVATE EQUITY X, L.P.,

WARBURG PINCUS X PARTNERS, L.P.

and

PRIMERICA, INC.

Dated as of April 7, 2010

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REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of April 7, 2010, by and among Primerica, Inc., a Delaware corporation (the "**Company**" or "**Primerica**"), Warburg Pincus Private Equity X, L.P., a Delaware limited partnership, Warburg Pincus X Partners, L.P. , a Delaware limited partnership (together with Warburg Pincus Private Equity X L.P., "**Warburg**"), and Citigroup Insurance Holding Corporation, a Georgia corporation ("**Citi**").

WHEREAS, Primerica, Warburg and Citi have entered into the Securities Purchase Agreement, dated as of February 8, 2010, (as amended, supplemented, restated or otherwise modified from time to time, the "**Purchase Agreement**"), pursuant to which, among other things, Citi has agreed to sell to Warburg, and Warburg has agreed to purchase from Citi, shares of common stock, par value $0.01 per share, of the Company (the "**Common Stock**") and warrants to acquire Common Stock and/or non-voting common stock of the Company, par value $0.01 per share (the "**Non-Voting Stock**").

WHEREAS, in connection with the execution of the Purchase Agreement, Primerica has agreed to provide to Warburg and Citi certain rights as set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Defined Terms. As used herein, the following terms shall have the following meanings (capitalized terms not defined herein shall the meanings assigned to them in the Purchase Agreement):

"**Action**" means any legal, administrative, regulatory or other suit, action, claim, audit, assessment, arbitration or other proceeding, investigation or inquiry.

"**Affiliate**" means, with respect to any person, any person directly or indirectly controlling, controlled by or under common control with such other person. For purposes of this definition, "**control**" (including, with correlative meaning, the terms "**controlled by**" and "**under common control with**") when used with respect to any person, means the possession, directly or indirectly, of the power to cause the direction of management or policies of such person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" means this Registration Rights Agreement, as it may be amended, supplemented, restated or modified from time to time.

"**Beneficial Ownership**" by a Person of any securities includes ownership by any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares (i) voting power which includes the power to vote, or to direct the voting of, such security; and/or (ii) investment power which includes the power to dispose, or to direct

the disposition, of such security; and shall otherwise be interpreted in accordance with the term "beneficial ownership" as defined in Rule 13d-3 adopted by the SEC under the Exchange Act. The term "**Beneficially Own**" shall have a correlative meaning.

"**Business Day**" means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

"**Citi Affiliated Group**" means Citi and its Affiliates (excluding Primerica).

"**Citi Note**" means that certain note issued by Primerica to Citi on April 1, 2010 in the amount of $300 million, and any note subsequently issued by Primerica to any member of the Citi Affiliated Group in exchange therefor.

"**Company Subsidiaries**" has the meaning assigned to such term in the Purchase Agreement.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the SEC from time to time thereunder.

"**Full Cooperation**" means, in connection with any Fully Marketed Underwritten Offering, in addition to the other cooperation otherwise required by this Agreement, (a) members of senior management of Primerica (including the co-chief executive officers and the chief financial officer) shall fully cooperate with the underwriter(s) in connection therewith, and make themselves available to participate in all of the marketing processes of the Fully Marketed Underwritten Offering as recommended by the underwriter(s), and (b) Primerica shall prepare preliminary and final Prospectuses for use in connection with such offering containing such additional information as reasonably requested by the underwriter(s) (in addition to the minimum information required by law, rule or regulation).

"**Fully Marketed Underwritten Offering**" means an Underwritten Offering which includes due diligence sessions, road shows, one-on-one meetings with prospective purchasers of the Registrable Securities, and other customary marketing activities, as recommended by the underwriter(s).

"**Governmental Entity**" means any governmental or regulatory federal, state, local and foreign authority, agency, court, commission or other entity, including any stock exchange or other self-regulatory organization.

"**Holders**" means Warburg, Citi and any permitted transferee of Registrable Securities.

"**Independent Contractor Representatives**" means all individuals who render services to Primerica or any of its subsidiaries who are classified by Primerica or such subsidiary as having the status of an independent contractor.

"**Initial Public Offering**" means Primerica's firm commitment underwritten initial public offering filed under the Securities Act covering the offer and sale of Common Stock.

"**Intercompany Agreement**" means that certain intercompany agreement, dated as of April 7, 2010, entered into between Primerica and Citigroup Inc., a Delaware corporation.

"**IPO S-1**" means Primerica's registration statement on Form S-1 (No. 333-162918), as amended and filed with the SEC.

"**Issuer Free Writing Prospectus**" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of the Registrable Securities.

"**Law**" means legislation, code, ordinance, writ, statute, treaty, rule, order, directive, bulletin, decree or regulation (including common law) of any Governmental Entities, including any publicly available binding judicial or administrative interpretation thereof.

"**Person**" has the meaning given to it in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

"**Privilege**" means the attorney-client privilege, the work product doctrine, or any other applicable protective privilege.

"**Prospectus**" means the prospectus included in any Registration Statement (including a prospectus that discloses information previously omitted from a prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement, any Issuer Free Writing Prospectus related thereto, and all other amendments and supplements to such prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such prospectus.

"**Registrable Securities**" means all shares of Common Stock held by a Holder and any securities issued directly or indirectly with respect to such shares because of stock splits, stock dividends, reclassifications, recapitalizations, mergers, consolidations, or similar events, including any shares of Common Stock held by Warburg as a result of the exercise of the Warrant or Additional Warrant or as a result of a conversion or exchange of Non-Voting Stock provided, that any shares of Common Stock held by Warburg that shall be subject to the restrictions on transfer set forth in Section 4.2 of the Purchase Agreement, shall not be Registrable Securities until such time as such restrictions on transfer shall expire or otherwise terminate or be waived in accordance with the terms of Section 4.2 of the Purchase Agreement. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been sold or disposed of in accordance with such Registration Statement, (ii) such securities shall have been sold or disposed of pursuant to Rule 144 (or any successor provision) under the Securities Act or (iii) such securities may be sold pursuant to Rule 144 (or any successor provision) under the Securities Act without being subject to the volume limitations in subsection (e) of such rule.

"**Registration Statement**" means any registration statement of Primerica under the Securities Act that permits the public offering of any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such

registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"**Rule 144**" means Rule 144 under the Securities Act, as such rule may be amended from time to time, or any successor rule that may be promulgated by the SEC.

"**Rule 144A**" means Rule 144A under the Securities Act, as such rule may be amended from time to time, or any successor rule that may be promulgated by the SEC.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC from time to time thereunder.

"**Selling Holder**" means each Holder of Registrable Securities participating in a registration pursuant to Article II.

"**Subsidiary**" means those corporations, banks, savings banks, associations and other persons of which such person owns or controls 51% or more of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which 51% or more of the outstanding equity securities is owned directly or indirectly by its parent; provided, however, that there shall not be included any such entity to the extent that the equity securities of such entity were acquired in satisfaction of a debt previously contracted in good faith or are owned or controlled in a bona fide fiduciary capacity.

"**Underwritten Offering**" means a registration in which Common Stock of Primerica is sold to an underwriter for reoffering to the public.

Section 1.2. Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", unless the context expressly provides otherwise. All references herein to Sections, paragraphs, subparagraphs, clauses, Exhibits or Schedules shall be deemed references to Sections, paragraphs, subparagraphs or clauses of, or Exhibits or Schedules to this Agreement, unless the context requires otherwise. Unless otherwise expressly defined, terms defined in this Agreement have the same meanings when used in any Exhibit or Schedule hereto. Unless otherwise specified, the words "this Agreement", "herein", "hereof", "hereto" and "hereunder" and other words of similar import refer to this Agreement as a whole (including the Schedules and Exhibits) and not to any particular provision of this Agreement. The term "or" is not exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". Unless expressly stated otherwise, any Law defined or referred to herein means such Law as from time to time amended, modified or supplemented, including by succession of comparable successor Laws and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE II

REGISTRATION RIGHTS

Section 2.1. Piggyback Registrations.

(a) Right to Piggyback. Whenever Primerica proposes to register for sale under the Securities Act or publicly sell under a "shelf" registration statement any Common Stock (or securities convertible into or exchangeable or exercisable for Common Stock) for its own account or the account of any stockholder of Primerica (other than the Initial Public Offering of Common Stock contemplated by the IPO S-1, offerings pursuant to employee benefit plans, or noncash offerings in connection with a proposed acquisition, exchange offer, recapitalization or similar transaction) and the registration form to be used may be used for the registration of Registrable Securities (a "**Piggyback Registration**"), Primerica will give prompt written notice to the Holders and to all other holders of Common Stock having similar registration rights of its intention to effect such a registration or sale and, subject to Section 2.1(b) hereof, shall include in such transaction all Registrable Securities with respect to which Primerica has received written request for inclusion therein within 15 days after receipt of Primerica's notice.

(b) Priority. If a registration or sale pursuant to this Section 2.1 involves an Underwritten Offering and the managing underwriter advises Primerica in good faith that in its opinion the number of securities requested to be included in such registration or sale exceeds the number which can be sold in such offering without having an adverse effect on such offering, including the price at which such securities can be sold, then Primerica will be required to include in such registration the maximum number of shares that such underwriter advises can be so sold, allocated:

(i) if such offering was initiated by Primerica as a primary offering on behalf of Primerica, (x) first, to the securities Primerica proposes to sell, (y) second, among the shares of Common Stock requested to be included in such offering by any of the Holders, pro rata, on the basis of the aggregate number of shares of Common Stock and Non-Voting Stock owned by any such requesting Holder and its Affiliates vis-a-vis the other requesting Holders and their Affiliates on the date of such request, and (z) third, among other securities, if any, requested and otherwise eligible to be included in such offering;

(ii) if such offering was initiated by a security holder of Primerica (other than any Holder) as a secondary offering on behalf of such security holder (w) first, among the shares of Common Stock requested to be included in such offering by each Holder, pro rata, on the basis of the aggregate number of shares of Common Stock and Non-Voting Stock owned by any such requesting Holder and its Affiliates vis-a-vis the other requesting Holders and their Affiliates on the date of such request, (x) second, among the shares of Common Stock requested to be included in such offering by such requesting security holder, (y) third, among the shares of Common Stock requested to be included in

such offering by any other stockholder of Primerica owning shares of Common Stock eligible for registration, and (z) fourth, among other securities, if any, requested and otherwise eligible to be included in such offering (including securities to be sold for the account of Primerica).

(iii) if such offering was initiated by any Holder as a secondary offering on behalf of such Holder, (x) first, to shares of Common Stock requested to be included in such offering by each Holder, pro rata, on the basis of the aggregate number of shares of Common Stock and Non-Voting Stock owned by any such requesting Holder and its Affiliates vis-a-vis the other requesting Holders and their Affiliates on the date of such request, (y) second, among the shares of Common Stock requested to be included in such offering by any other stockholder of Primerica owning shares of Common Stock eligible for registration, and (z) third, among other securities, if any, requested and otherwise eligible to be included in such offering (including securities to be sold for the account of Primerica).

(c) Withdrawal of Registrations. In the case of an offering initiated by Primerica as a primary offering on behalf of Primerica, nothing contained herein shall prohibit Primerica from determining, at any time, not to file a registration statement or, if filed, to withdraw such registration or terminate or abandon the offering related thereto, without prejudice, however, to the rights of the Holders to immediately request a registration pursuant to Section 2.2 hereof.

Section 2.2. Requested Registrations.

(a) Right to Request Shelf Registration. At any time after the date hereof when Primerica is eligible to register shares of Common Stock on Form S-3 (or a successor form), upon the written request of any Holder, Primerica shall use commercially reasonable efforts to promptly file a registration statement (which, if permitted, shall be an "automatic shelf registration statement" as defined in Rule 405 under the Securities Act) on Form S-3 or such other form under the Securities Act then available to Primerica providing for the resale pursuant to Rule 415 from time to time of all or part of the Registrable Securities (including the Prospectus, amendments and supplements to the shelf registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference, if any, in such shelf registration statement, the "**Shelf Registration Statement**"). If Primerica files any shelf registration statement for its own benefit or for the benefit of the holders of any of its securities other than the Holders, Primerica agrees that it shall use its reasonable best efforts to include in such registration statement such disclosures as may be required by Rule 430B under the Securities Act in order to ensure that the Holders may be added to such shelf registration statement at a later time through the filing of a Prospectus supplement rather than a post-effective amendment. Primerica shall use commercially reasonable efforts to cause the Shelf Registration Statement to be declared effective by the SEC as promptly as practicable following such filing. Primerica shall maintain the effectiveness of the Shelf Registration Statement for the maximum period permitted by SEC rules. The plan of

distribution contained in the Shelf Registration Statement (or related Prospectus supplement) shall be determined by Citi, if any member of the Citi Affiliated Group is a requesting Holder for such Shelf Registration Statement, or otherwise by the other requesting Holder or Holders. Each Holder shall be entitled to an unlimited number of Fully Marketed Underwritten Offerings pursuant to the Shelf Registration Statement so long as the Registrable Securities proposed to be sold in each such offering either (1) equals or exceeds five percent (5%) of the number of shares of Common Stock outstanding at the time of the written request or (2) represents all of the remaining Registrable Securities owned by the requesting Holder and its Affiliates. If a Fully Marketed Underwritten Offering is requested, Primerica shall cause there to occur Full Cooperation in connection therewith. Except as provided in this Section 2.2(a) with respect to Underwritten Offerings, there shall be no limitation on the number of takedowns off the Shelf Registration Statement.

(b) Right to Request Additional Demand Registrations. At any time after the date hereof, upon the written request of any Holder requesting that Primerica effect the registration under the Securities Act of all or part of the Registrable Securities pursuant to a registration statement separate from a Shelf Registration Statement (a "**Demand Registration**") (other than the Initial Public Offering of Primerica's Common Stock contemplated by the IPO S-1), Primerica shall use commercially reasonable efforts to effect, as expeditiously as possible, the registration under the Securities Act of such number of Registrable Securities requested to be so registered; provided, that Primerica shall not be required to file a registration statement pursuant to this Section 2.2(b) unless the number of Registrable Securities proposed to be included therein either (1) equals or exceeds five percent (5%) of the number of shares of Common Stock outstanding as of the time of such request or (2) represents all of the remaining Registrable Securities owned by the requesting Holder. In connection with each such Demand Registration, Primerica shall cause there to occur Full Cooperation. Promptly after receipt of any such request for Demand Registration, Primerica shall give written notice of such request to each other Holder and to all other holders of Common Stock having rights to have their shares included in such registration and shall, subject to the provisions of Section 2.2(c) hereof, include in such registration all such Registrable Securities with respect to which all stockholders having such rights have requested to be so registered.

(c) Priority. If a requested registration pursuant to this Section 2.2 involves an Underwritten Offering and the managing underwriter shall advise Primerica in good faith that in its opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without having an adverse effect on such offering, including the price at which such securities can be sold, then Primerica will be required to include in such registration the maximum number of shares that such underwriter advises can be so sold, allocated (except in situations where the last sentence of this Section 2.2(c) applies):

(i) first, to Registrable Securities requested by all Holders (including any Holders that did not exercise their Demand Registration rights pursuant to Section 2.2(b)) to be included in such registration, pro rata on the basis of the aggregate number of shares of Common Stock and Non-Voting Stock owned by any such requesting Holder and its Affiliates vis-a-vis the other requesting Holders and their Affiliates on the date of such request; and Affiliates vis-a-vis the other requesting Holders and their Affiliates on the date of such request; and

(ii) second, among all shares of Common Stock requested to be included in such registration by any other stockholder of Primerica owning shares of Common Stock eligible for such registration; and

(iii) third, among other securities, if any, requested and otherwise eligible to be included in such registration (including securities to be sold for the account of Primerica).

If the Board of Directors of Primerica determines in its good faith judgment that Primerica needs to raise common equity capital in the public capital markets to either (x) make a capital contribution to one of its principal insurance company Subsidiaries as requested by the principal regulator for such insurance company Subsidiary or to maintain the financial strength rating of such insurance company Subsidiary, (y) deleverage Primerica to address potential financial covenant defaults under any material debt agreement, or (z) use the proceeds thereof to repay the Citi Note, then Primerica shall have the right to include in such offering up to fifty percent (50%) of the total number of shares of securities that such underwriter advises can be so sold in such offering.

A registration will be deemed to be initiated by Primerica if Primerica provides written notice to the Holders of its intention to effect such a registration or sale pursuant thereto.

(d) Preemption of Demand Registration. Notwithstanding the foregoing, if the Board of Directors of Primerica determines in its good faith judgment, (i) that the disclosures that would be required to be made by Primerica in connection with such registration would be materially harmful to Primerica because of transactions then being considered by, or other events then concerning, Primerica, or would otherwise have a material adverse effect on Primerica, then Primerica may defer the filing (but not the preparation) of the registration statement which is required to effect any registration pursuant to this Section 2.2 for a reasonable period of time, or (ii) that registration at the time would require the inclusion of pro forma or other information, which requirement Primerica is reasonably unable to comply with, then Primerica may defer the filing (but not the preparation) of the registration statement which is required to effect any registration pursuant to this Section 2.2 for a reasonable period of time, but not in excess of 45 calendar days (or any longer period agreed to by the requesting holders of Registrable Securities); provided, that at all times Primerica is in good faith using commercially reasonable efforts to file the registration statement as soon as practicable. Primerica shall provide prompt written notice to the Selling Holders of (x) any deferment of the filing of a Demand Registration pursuant to this Section 2.2(d) and (y) Primerica's decision to file such Demand Registration following such deferment. Primerica may defer the filing of a particular Demand Registration pursuant to this Section 2.2(d) only twice during any 12-month period. Notwithstanding the other provisions of this Section 2.2(d), Primerica may not defer the filing of a Demand Registration past the date that is the earliest of (a) the date that is five Business Days after the date upon which any disclosure of a matter the Board of Directors of Primerica has determined would be materially harmful to Primerica because of transactions then being considered by, or other events then concerning, Primerica, is disclosed to the public or ceases to be material, provided, that if filing such

Demand Registration at such time would require the inclusion of financial statements, pro forma or other information, which requirement Primerica is reasonably unable to comply with, then Primerica may defer such filing for a reasonable period of time, but not in excess of 30 calendar days (or any longer period agreed to by the requesting Holders) so long as at all times Primerica is in good faith using commercially reasonable efforts to file such Demand Registration as soon as practicable; or (b) such date that, if such deferment continued, would result in there being more than 90 days in the aggregate in any 12 month period during which the filing of one or more Registration Statements has been so deferred. The period during which a filing is so deferred hereunder is referred to as a "**Delay Period**."

Section 2.3. Holdback Agreements. To the extent requested in writing by the managing underwriter of any Underwritten Offering, Primerica agrees not to, and shall exercise commercially reasonable efforts to obtain agreements (in the underwriters' customary form) from its directors, executive officers and Beneficial Owners of five percent (5%) or more of the Common Stock not to, directly or indirectly offer, sell, pledge, contract to sell (including any short sale), grant any option to purchase or otherwise dispose of any equity securities of Primerica or enter into any hedging transaction relating to any equity securities of Primerica during the 90 days beginning on the effective date of any underwritten Demand Registration or any underwritten Piggyback Registration or the pricing date of any Underwritten Offering pursuant to any Registration Statement (except as part of such Underwritten Offering or pursuant to registrations on Form S-8 or S-4 or any successor forms thereto) unless the underwriter managing the offering otherwise agrees to a shorter period.

Section 2.4. Registration Procedures. In connection with the registration and sale of Registrable Securities pursuant to this Agreement, Primerica shall use commercially reasonable efforts to effect or cause the registration and the sale of such Registrable Securities in accordance with the intended methods of disposition thereof, and Primerica shall:

(a) prepare and file with the SEC as expeditiously as possible but in no event later than 90 days after receipt of a request for registration with respect to such Registrable Securities, a registration statement on any form for which Primerica then qualifies or which counsel for Primerica shall deem appropriate, which form shall be available for the sale of the Registrable Securities in accordance with the intended methods of distribution thereof and which otherwise complies with the terms of this Agreement, and use commercially reasonable efforts to cause such registration statement to become effective as soon as practicable; provided, that before filing with the SEC a registration statement or prospectus or any amendments or supplements thereto, including any documents incorporated by reference therein, Primerica shall (x) furnish to the Selling Holders and to one counsel selected by each of Warburg and its Affiliates (if Selling Holders) on the one hand and the Citi Affiliated Group (if Selling Holders) on the other hand (or by such Holders and holders of all other securities covered by such registration statement, but in no event to more than two firms of attorneys for all such selling security holders) copies of all such documents proposed to be filed, which documents shall be subject to the review of the Selling Holders and such counsel, and (y) notify the Selling Holders of any stop order issued or threatened by the SEC and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than 180 days in the case of a Demand Registration or the maximum period of time permitted by SEC rule in the case of a Shelf Registration Statement, or, in either case, such shorter period which shall terminate when all Registrable Securities covered by such registration statement have been sold (but not before the expiration of the applicable period referred to in Section 4(3) of the Securities Act and Rule 174, or any successor thereto, thereunder, if applicable), and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement.

(c) furnish, without charge, to each Selling Holder and each underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto (including one conformed copy to each Selling Holder and one signed copy to each managing underwriter and in each case including all exhibits thereto), and the prospectus included in such registration statement (including each preliminary prospectus), in conformity with the requirements of the Securities Act, and such other documents as the Selling Holders may reasonably request in order to facilitate the disposition of the Registrable Securities registered thereunder.

(d) use commercially reasonable efforts to register or qualify such Registrable Securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as the Selling Holders, and the managing underwriter, if any, reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable the Selling Holders and each underwriter, if any, to consummate the disposition in such jurisdictions of the Registrable Securities registered thereunder; provided, that Primerica shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction.

(e) use commercially reasonable efforts to cause the Registrable Securities covered by such registration statement to be registered with or approved by such insurance regulatory authorities as may be necessary by virtue of the business and operations of Primerica to enable the Selling Holders to consummate the disposition of Registrable Securities registered thereunder.

(f) immediately notify the managing underwriter, if any, and the Selling Holders at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event which comes to Primerica's attention if as a result of such event the prospectus included in such registration statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (a "**Suspension Notice**"), and Primerica shall promptly prepare and furnish to the Selling Holders a supplement or amendment to such prospectus so that as thereafter delivered, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or

necessary to make the statements therein not misleading; provided, however, that if the Board of Directors of Primerica determines in its good faith judgment, (i) that the disclosure that would be required to be made by Primerica would be materially harmful to Primerica because of transactions then being considered by, or other events then concerning, Primerica, or would otherwise have a material adverse effect on Primerica, then Primerica may defer the furnishing to the Selling Holders a supplement or amendment to such prospectus for a reasonable period of time, or (ii) a supplement or amendment to such prospectus at such time would require the inclusion of pro forma or other information, which requirement Primerica is reasonably unable to comply with, then Primerica may defer the furnishing to the Selling Holders a supplement or amendment to such prospectus for a reasonable period of time, but not in excess of 45 calendar days (or any longer period agreed to by the requesting holders of Registrable Securities); provided, that at all times Primerica is in good faith using commercially reasonable efforts to file such amendment or supplement as soon as practicable; provided, however, that such deferrals shall not exceed 90 days in the aggregate in any 12 month period. In any event, Primerica shall not be entitled to deliver more than a total of three (3) Suspension Notices or notices of any Delay Period in any 12 month period.

(g) promptly notify the managing underwriter, if any, and the Selling Holders:

(i) when the Registration Statement, any pre-effective amendment, the Prospectus or any Prospectus supplement or post-effective amendment to the Registration Statement has been filed and, with respect to the Registration Statement or any post-effective amendment, when the same has become effective;

(ii) of any written request by the SEC for amendments or supplements to the Registration Statement or any Prospectus or of any inquiry by the SEC relating to the Registration Statement or Primerica's status as a well-known seasoned issuer;

(iii) of the receipt by Primerica of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction;

(h) in the case of an Underwritten Offering, (i) enter into such agreements (including underwriting agreements in customary form), (ii) take all such other actions as the Selling Holders or the underwriter(s) reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including causing senior management and Primerica personnel to cooperate with the Selling Holders and the underwriter(s) in connection with performing due diligence) and (iii) cause its counsel to issue opinions of counsel in form, substance and scope as are customary in primary underwritten offerings, addressed and delivered to the underwriter(s) and the Selling Holders;

(i) use commercially reasonable efforts to cause all such securities being registered to be listed on each securities exchange on which similar securities issued by Primerica are then listed, and enter into such customary agreements including a listing application and indemnification agreement in customary form, provided that the applicable listing requirements are satisfied, and to provide a transfer agent and registrar for such Registrable Securities covered by such registration statement no later than the effective date of such registration statement;

(j) make available for inspection by the Holders and any holder of securities covered by such registration statement, any underwriter participating in any distribution pursuant to such registration statement, and any attorney, accountant or other agent retained by such persons (collectively, the "**Inspectors**"), all financial and other records, pertinent corporate documents and properties of Primerica and its Subsidiaries (collectively, "**Primerica Records**"), if any, as shall be reasonably necessary to enable them to exercise their due diligence responsibilities, and cause Primerica's and its Subsidiaries' officers, directors, employees and Independent Contractor Representatives to supply all information and respond to all inquiries reasonably requested by any such Inspector in connection with such registration statement. Notwithstanding the foregoing, Primerica shall have no obligation to disclose any Primerica Records to the Inspectors in the event Primerica determines that such disclosure is reasonably likely to have an adverse effect on Primerica's ability to assert the existence of a Privilege with respect thereto;

(k) if requested, use commercially reasonable efforts to obtain a "cold comfort" letter from Primerica's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters;

(l) in connection with each Demand Registration and each Fully Marketed Underwritten Offering, cause there to occur Full Cooperation and, in all other cases, make available senior management personnel to participate in, and cause them to cooperate with the underwriters in connection with, "road show" and other customary marketing activities, including "one-on-one" meetings with prospective purchasers of the Registrable Securities;

(m) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earning statement covering a period of at least 12 months, beginning with the first month after the effective date of the registration statement (as the term "effective date" is defined in Rule 158(c) under the Securities Act), which earning statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder; and

(n) if requested to do so by the Selling Holders, use commercially reasonable efforts to create a depositary arrangement whereby depositary shares representing fractional shares of Registrable Securities will be issued and to cause to be prepared and to execute customary documentation with respect to such depositary arrangement and such other documentation that the Selling Holders may reasonably request in order to facilitate the disposition of the depositary shares created thereunder (including engaging a depositary and preparing and executing a depositary agreement).

It shall be a condition precedent to the obligation of Primerica to take any action pursuant to this Agreement in respect of the Registrable Securities which are to be registered at the request of any Holder that such Holder shall furnish to Primerica such information regarding the securities held by such Holder and the intended method of disposition thereof as Primerica shall reasonably request and as shall be required in connection with the action to be taken by Primerica.

Section 2.5. Restriction on Disposition of Registrable Securities. Citi and Warburg agree that, upon receipt of a Suspension Notice, Citi and Warburg shall, and Warburg shall cause each of its Affiliates to, and Citi shall cause each member of the Citi Affiliated Group to, discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.4(f) hereof, or until otherwise notified by Primerica, and, if so directed by Primerica, Citi and Warburg shall, and Warburg shall cause each of its Affiliates to, and Citi shall cause each member of the Citi Affiliated Group to, deliver to Primerica (at Primerica's expense) all copies (including any and all drafts), other than permanent file copies, then in their possession, of the prospectus covering such Registrable Securities at the time of receipt of such notice. In the event Primerica shall give any Suspension Notice, the 180-day period mentioned in Section 2.4(b) hereof shall be extended by the greater of (x) three months or (y) the number of days during the period from and including the date of the Suspension Notice to and including the date when the Selling Holders shall have received the copies of the supplemented or amended prospectus contemplated by Section 2.4(f) hereof.

Section 2.6. Selection of Underwriters.

(a) For an Underwritten Offering made pursuant to a registration requested by any member of the Citi Affiliated Group pursuant to Section 2.2(b) hereof, Citi shall have the right to select a managing underwriter or underwriters to administer the offering, which may be Citigroup Global Markets Inc.

(b) For an Underwritten Offering made pursuant to a registration requested by Warburg or any of its Affiliates pursuant to Section 2.2(b) hereof, Warburg shall have the right to select a managing underwriter or underwriters to administer the offering.

(c) For an Underwritten Offering in which both a member of the Citi Affiliated Group, on the one hand, and any of Warburg or its Affiliates, on the other hand, are participating with estimated aggregate gross proceeds to each of the Citi Affiliated Group, on the one hand, and Warburg and its Affiliates, on the other hand, of at least $10 million, each of Citi and Warburg shall be permitted to select a co-lead managing underwriter and a co-book runner to administer such Underwritten Offering.

Section 2.7. Registration Expenses. Primerica shall pay for all costs and expenses with respect to its compliance with its obligations in connection with a registration pursuant to this Agreement, including: (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities on any national securities exchange or interdealer quotation system, (vi) the reasonable fees and disbursements of counsel for Primerica and customary fees and expenses for independent certified public accountants retained by Primerica (including the

expenses of any comfort letters or costs associated with the delivery by independent certified public accountants of a comfort letter or comfort letters), (vii) the reasonable fees and disbursements of not more than two firms of attorneys acting as legal counsel for all of the selling stockholders, collectively, (viii) the fees and expenses of any registrar and transfer agent or any depositary, (ix) the underwriting fees, discounts and commissions applicable to any Common Stock sold for the account of Primerica and (x) the cost of preparing all documentation in connection therewith. Except as otherwise provided in clause (ix) of this Section 2.7, Primerica shall have no obligation to pay any underwriting fees, discounts, commissions or expenses attributable to the sale of Registrable Securities, including the fees and expenses of any underwriters and such underwriters' counsel or the costs and expenses of any insurance regulatory filings resulting from such sale.

Section 2.8. Conversion of Other Securities. If any holder of Registrable Securities offers any options, rights, warrants or other securities issued by it or any other person that are offered with, convertible into or exercisable or exchangeable for any Registrable Securities, the Registrable Securities underlying such options, rights, warrants or other securities shall be eligible for registration pursuant to Sections 2.1 and 2.2 hereof.

Section 2.9. Rule 144; Rule 144A. If and for so long as Primerica is subject to the reporting requirements of the Exchange Act, Primerica shall take such measures and file such information, documents and reports as shall be required by the SEC as a condition to the availability of Rule 144 or Rule 144A (or any successor provisions) under the Securities Act.

Section 2.10. Transfer of Registration Rights.

(a) Any member of the Citi Affiliated Group and, subject to Section 4.2 of the Purchase Agreement, any of Warburg or any of its Affiliates may transfer all or any portion of its rights under this Agreement to any transferee of Registrable Securities constituting not less than 5% of the outstanding shares of Common Stock (each, a "transferee") of Registrable Securities; provided, however, that no such minimum share assignment requirement shall be necessary for an assignment by a Holder which is (A) a partnership to its partners in accordance with partnership interests, (B) a limited liability company to its members in accordance with their interest in the limited liability company, or (C) a corporation to its stockholders in accordance with their interests in the corporation. Any transfer of registration rights pursuant to this Section 2.10 shall be effective upon receipt by Primerica of written notice from such Holder stating the name and address of any transferee and identifying the amount of Registrable Securities with respect to which the rights under this Agreement are being transferred and the nature of the rights so transferred. In connection with any such transfer, the term "Holder," "Warburg," "Citi" or "member of the Citi Affiliated Group" as used in this Agreement shall, where appropriate to assign such rights and obligations to such transferee, be deemed to refer to or include the transferee holder of such Registrable Securities. Any member of the Citi Affiliated Group, and Warburg and its Affiliates, may exercise their rights hereunder in such proportion as they shall agree among themselves.

(b) After such transfer, each Holder shall retain its rights under this Agreement with respect to all other Registrable Securities owned by such Holder.

(c) Upon the request of any Holder, Primerica shall execute a Registration Rights Agreement with such transferee or a proposed transferee substantially similar to this Agreement.

Section 2.11. Free Writing Prospectuses. Primerica shall not permit any officer, director, underwriter, broker or other Person acting on behalf of Primerica to use any free writing prospectus (as defined in Rule 405 under the Securities Act) in connection with any registration statement covering Registrable Securities without the prior written consent of the Selling Holders and any underwriter.

Section 2.12. Certain Additional Agreements. If any Registration Statement or comparable statement under state "blue sky" laws refers to any Holder by name or otherwise as the Holder of any securities of Primerica, then such Holder shall have the right to require (a) the insertion therein of language, in form and substance satisfactory to such Holder and Primerica, to the effect that the holding by such Holder of such securities is not to be construed as a recommendation by such Holder of the investment quality of Primerica's securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of Primerica, or (b) in the event that such reference to such Holder by name or otherwise is not in the judgment of Primerica, as advised by counsel, required by the Securities Act or any similar federal statute or any state "blue sky" or securities law then in force, the deletion of the reference to such Holder; provided, however, that if any Registration Statement refers to any Holder by name or otherwise as the holder of any securities of Primerica and if in such Holder's sole and exclusive judgment, such Holder is or might be deemed to be an underwriter or a controlling Person of Primerica, such Holder shall have the right to require (i) the insertion therein of language, in form and substance reasonably satisfactory to such Holder and Primerica and presented to Primerica in writing, to the effect that the holding by such Holder of such securities is not to be construed as a recommendation by such Holder of the investment quality of Primerica's securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of Primerica, or (ii) in the event that such reference to such Holder by name or otherwise is not required by the Securities Act or any similar federal statute or any state "blue sky" or securities law then in force, the deletion of the reference to such Holder; provided that with respect to this clause (ii), if reasonably requested by Primerica, such Holder shall furnish to Primerica an opinion of counsel to such effect, which opinion of counsel shall be reasonably satisfactory to Primerica.

Section 2.13. Other Registration Rights. Without the prior written consent of both Citi and Warburg (provided that (a) the consent of Citi shall not be required in the event that the Citi Affiliated Group shall cease to own Common Stock representing at least five percent of the outstanding Common Stock and (b) the consent of Warburg shall not be required in the event that Warburg and its Affiliates shall cease to own Common Stock representing at least five percent of the outstanding Common Stock), Primerica shall not grant to any Person the right to have securities of Primerica owned by them to be registered with the SEC for resale in an Underwritten Offering or otherwise, except such rights as (i) are not more favorable than the rights granted herein to the Holders, (ii) are not inconsistent with the rights granted to the Holders and (iii) do not adversely affect the priorities set forth herein of the Holders. The foregoing covenant shall not apply to registration on Form S-8 or any successor form thereto for the registration of securities issuable pursuant to employee benefit plans.

Section 2.14. Indemnification.

(a) Indemnification by the Company. The Company shall indemnify and hold harmless, to the fullest extent permitted by Law, each Selling Holder whose Registrable Securities are covered by a Registration Statement or Prospectus, the officers, directors, partners (limited and general), members, managers, shareholders, accountants, attorneys, agents and employees of each of them, each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) each such Selling Holder and the officers, directors, partners (limited and general), members, managers, shareholders, accountants, attorneys, agents and employees of each such controlling Person, and each underwriter (including any Holder that is deemed to be an underwriter pursuant to any SEC comments or policies), if any, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) such underwriter (collectively, "**Holder Indemnitees**"), from and against any and all losses, claims, damages, liabilities, expenses (including, without limitation, costs of preparation and reasonable attorneys' fees and any other reasonable fees or expenses incurred by such party in connection with any investigation or Action), judgments, fines, penalties, charges and amounts paid in settlement (collectively, "**Losses**"), as incurred, arising out of or based upon (i) any untrue statement (or alleged untrue statement) of a material fact contained in any applicable Registration Statement or any amendment of or supplement to any of the foregoing or other document incident to any such registration, qualification, or compliance, or the omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement (or alleged untrue statement) of a material fact contained in any preliminary or final Prospectus, any document incorporated by reference therein or any Issuer Free Writing Prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (iii) any violation by the Company of any Law applicable in connection with any such registration, qualification, or compliance; provided, that the Company will not be liable to a Selling Holder or underwriter, as the case may be, in any such case to the extent that any such Loss arises out of or is based on any untrue statement or omission by such Selling Holder or underwriter, as the case may be, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement (or in any preliminary or final Prospectus contained

therein, any document incorporated by reference therein or Issuer Free Writing Prospectus related thereto), or any amendment of or supplement to any of the foregoing or other document in reliance upon and in conformity with written information furnished to the Company by such Selling Holder specifically for inclusion in such document, which information shall specifically be set forth in a separate letter signed by the Selling Holders that shall be requested by the Company prior to the effectiveness of any Registration Statement in which a Selling Holder is participating by registering Registrable Securities; and provided, further, that the Company will not be liable to any Person who participates as an underwriter in any underwritten offering or sale of Registrable Securities, or to any Person who is a Selling Holder in any non-underwritten offering or sale of Registrable Securities, or any other Person, if any, who controls such underwriter or Selling Holder within the meaning of the Securities Act, under the indemnity agreement in this Section 2.14 with respect to any preliminary Prospectus or the final Prospectus (including any amended or supplemented preliminary or final Prospectus), as the case may be, to the extent that any such loss, claim, damage or liability of such underwriter, Selling Holder or controlling Person results from the fact that such underwriter or Selling Holder sold Registrable Securities to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final Prospectus as then amended or supplemented, whichever is most recent, if the Company has previously furnished copies thereof to such underwriter or selling Holder and such final Prospectus, as then amended or supplemented, has corrected any such misstatement or omission (such failure to send or deliver, a "Delivery Failure"). Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder Indemnitee or any other Holder and shall survive the transfer of such securities. The foregoing indemnity agreement is in addition to any liability that the Company may otherwise have to each Holder Indemnitee.

(b) Indemnification by Selling Holders. In connection with any Registration Statement in which a Selling Holder is participating by registering Registrable Securities, such Selling Holder agrees, severally and not jointly with any other Person, to indemnify and hold harmless, to the fullest extent permitted by Law, the Company, the officers and directors of the Company, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Company, and each underwriter, if any, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) such underwriter (collectively, "**Company Indemnitees**"), from and against all Losses, as incurred, arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained in any such Registration Statement (or in any preliminary or final Prospectus contained therein, any document incorporated by reference therein or Issuer Free Writing Prospectus related thereto) or any amendment of or supplement to any of the foregoing, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a final or preliminary Prospectus, in light of the circumstances under which they were made) not misleading, in each case solely to the extent that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement (or in any preliminary or final Prospectus contained therein, any document incorporated by reference therein or Issuer Free Writing Prospectus related thereto), or any amendment of or supplement to any of the foregoing or other document, in reliance upon and in conformity with written information relating to such

Selling Holder furnished to the Company by such Selling Holder expressly for inclusion in such document (all of which information is set forth on Schedule I hereto; for purposes of this Section 2.14 (b), any information relating to any underwriter that is contained in a Registration Statement or Prospectus shall not be deemed to be information relating to a Registration Indemnitee), or (ii) a Delivery Failure (other than any Delivery Failure related to an Underwritten Offering); provided, that no Selling Holder will be liable to any Person who participates as an underwriter in any underwritten offering or sale of Registrable Securities or any other Person, if any, who controls such underwriter within the meaning of the Securities Act, under the indemnity agreement in this Section 2.14 with respect to any preliminary Prospectus or the final Prospectus (including any amended or supplemented preliminary or final Prospectus), as the case may be, to the extent that any such loss, claim, damage or liability of such underwriter or controlling Person results from the fact that such underwriter sold Registrable Securities to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final Prospectus as then amended or supplemented, whichever is most recent, if the Company has previously furnished copies thereof to such underwriter and such final Prospectus, as then amended or supplemented, has corrected any such misstatement or omission. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any of its directors, officers or controlling Persons. The Company may require as a condition to its including Registrable Securities in any Registration Statement filed hereunder that the holder thereof acknowledge its agreement to be bound by the provisions of this Agreement (including this Section 2.14) applicable to it.

(c) Conduct of Indemnification Proceedings. If any Person shall be entitled to indemnity hereunder (an "**indemnified party**"), such indemnified party shall give prompt notice to the party from which such indemnity is sought (the "**indemnifying party**") of any claim or of the commencement of any Action with respect to which such indemnified party seeks indemnification or contribution pursuant hereto; provided, however, that the delay or failure to so notify the indemnifying party shall not relieve the indemnifying party from any obligation or liability except to the extent that the indemnifying party has been actually prejudiced by such delay or failure. The indemnifying party shall have the right, exercisable by giving written notice to an indemnified party promptly after the receipt of written notice from such indemnified party of such claim or Action, to assume, at the indemnifying party's expense, the defense of any such Action, with counsel reasonably satisfactory to such indemnified party; provided, however, that an indemnified party shall have the right to employ separate counsel in any such Action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless: (i) the indemnifying party agrees to pay such fees and expenses; (ii) the indemnifying party fails promptly to assume, or in the event of a conflict of interest cannot assume, the defense of such Action or fails to employ counsel reasonably satisfactory to such indemnified party, in which case the indemnified party shall also have the right to employ counsel and to assume the defense of such Action; or (iii) in the indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such Action; provided, further, however, that the indemnifying party shall not, in connection with any one such Action or separate but substantially similar or related Actions in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one firm of attorneys (together with appropriate

local counsel) at any time for all of the indemnified parties, or for fees and expenses that are not reasonable. Whether or not such defense is assumed by the indemnifying party, such indemnified party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld or delayed). The indemnifying party shall not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by all claimants or plaintiffs to such indemnified party of a release, in form and substance reasonably satisfactory to the indemnified party, from all liability in respect of such claim or litigation.

(d) Contribution.

(i) If the indemnification provided for in this Section 2.14 is unavailable to an indemnified party in respect of any Losses (other than in accordance with its terms), then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such indemnifying party, on the one hand, and indemnified party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been taken by, or relates to information supplied by, such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such action, statement or omission.

(ii) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 2.14(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph.

(iii) No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(iv) The obligation of any Selling Holder obliged to make contribution pursuant to this Section 2.14(d) shall be several and not joint.

(e) Additional Provisions.

(i) Notwithstanding anything to the contrary contained in this Agreement, an Indemnifying party that is a Holder shall not be required to indemnify or contribute any amount in excess of the amount by which the net proceeds from the sale of the Registrable Securities sold by such Holder in the applicable offering exceeds the amount of any damages that such Holder has otherwise been required to pay pursuant to Section 2.14(b).

(ii) The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, manager, partner or controlling Person of such indemnified party and shall survive the transfer of securities.

(iii) The indemnification and contribution required by this Section 2.14 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Loss is incurred.

(iv) To the extent that any of the Selling Holders is, or would be expected to be, deemed to be an underwriter of Registrable Securities pursuant to any SEC comments or policies or any court of law or otherwise, the Company agrees that (i) the indemnification and contribution provisions contained in this Section 2.14 shall be applicable to the benefit of the Selling Holders in their role as deemed underwriter in addition to their capacity as a Selling Holder (so long as the amount for which any other Selling Holder is or becomes responsible does not exceed the amount for which such Selling Holder would be responsible if the Selling Holder were not deemed to be an underwriter of Registrable Securities) and (ii) the Selling Holders and their representatives shall be entitled to conduct the due diligence which they would normally conduct in connection with an offering of securities registered under the Securities Act, including receipt of customary opinions and comfort letters.

ARTICLE III

MISCELLANEOUS

Section 3.1. Other Activities; Nature of Holder Obligations. (a) Notwithstanding anything in this Agreement, none of the provisions of this Agreement shall in any way limit a Holder or any of its Affiliates from engaging in any brokerage, investment advisory, financial advisory, anti-raid advisory, principaling, merger advisory, financing, asset management, trading, market making, arbitrage, investment activity and other similar activities conducted in the ordinary course of their business.

(b) Nature of Holders' Obligations. The obligations of each Holder under this Agreement are several and not joint with the obligations of any other Holder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder under this Agreement, other than as expressly set forth herein. Nothing contained herein, and no action taken by any Holder pursuant hereto or in connection herewith, shall be deemed to constitute the Holders as a partnership, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert or as a group with respect to such obligations or any of the transactions contemplated by this Agreement.

Section 3.2. Adjustments Affecting Registrable Securities. The Company shall not take any action, or permit any change to occur, with respect to its securities which would adversely affect the ability of any Holder of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement.

Section 3.3. Termination. This Agreement shall terminate upon such time as there are no Registrable Securities, except for the provisions of Sections 2.7, 2.14 and this Article III, which shall survive such termination.

Section 3.4. Amendment and Waiver. If any member of the Citi Affiliated Group owns Registrable Securities, no amendment to or waiver of any provision in this Agreement will be effected without the written consent of Citi if such amendment or waiver adversely affects the rights of any member of the Citi Affiliated Group hereunder. If Warburg or any of its affiliates owns Registrable Securities, no amendment to or waiver of any provision in this Agreement will be effected without the written consent of Warburg if such amendment or waiver adversely affects the rights of Warburg or any of its Affiliates (excluding Primerica) hereunder. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

Section 3.5. Severability. If any provision of this Agreement shall be declared by any court of competent jurisdiction to be illegal, void or unenforceable, all other provisions of this Agreement shall not be affected and shall remain in full force and effect.

Section 3.6. Entire Agreement. Except as otherwise expressly set forth herein, this Agreement, the Purchase Agreement and the Intercompany Agreement, together with the several agreements and other documents and instruments referred to herein or therein or annexed hereto or thereto, embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any understandings, agreements or representations by or among the parties, written or oral, prior to the date this agreement is first executed by Citi that may have related to the subject matter hereof in any way.

Section 3.7. Counterparts; Execution by Facsimile Signature. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed by facsimile signature(s).

Section 3.8. Remedies. (a) Each party hereto acknowledges that monetary damages would not be an adequate remedy in the event that any of the covenants or agreements in this Agreement is not performed in accordance with its terms, and it is therefore agreed that, in addition to and without limiting any other remedy or right it may have, the non-breaching party will have the right to seek an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach or threatened breach and enforcing specifically the terms and provisions hereof. Each party hereto agrees not to oppose the granting of such relief in the event a court determines that such a breach has occurred, and to waive any requirement for the securing or posting of any bond in connection with such remedy.

(b) All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

Section 3.9. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next Business Day or (iii) one Business Day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the addresses set forth below or such other address or facsimile number as a party may from time to time specify by notice to the other parties hereto:

If to the Company:

Primerica, Inc.
3120 Breckinridge Blvd.
Duluth, Georgia 30099
Attn: General Counsel
Facsimile: (770) 564-6216.

If to any member of the Citi Affiliated Group:

Citigroup Inc.
399 Park Avenue
New York, NY 10022
Attn: Michael Zuckert
Deputy General Counsel and Managing Director
Facsimile: (212) 793-6300

with copies (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square New York,
New York 10036
Attn: Gregory A. Fernicola
Jeffrey A. Brill
Facsimile: (212) 735-2000

If to Warburg:

Warburg Pincus Equity Partners, L.P.
450 Lexington Avenue
New York, New York 10017-3911
Attention: Michael E. Martin
Daniel Zilbermnn
Facsimile: (212) 716-8626

with a copy to (which copy alone shall not constitute notice):

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019-6150
Attention: Edward D. Herlihy
David K. Lam
Facsimile: (212) 403-2000

Section 3.10. Governing Law; WAIVER OF JURY TRIAL. **This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State and without regard to its conflict of laws principles, other than Section 5-1401 of the New York General Obligations Law.** The parties hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the state and federal courts located in the State of New York for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties hereby agrees not to commence any such action, suit or proceeding other than before one of the above-named courts. **TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREE THAT ANY SUCH LEGAL PROCEEDING WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY**

Section 3.11. Condition to Effectiveness for Warburg. Warburg shall not have any rights or obligations under this Agreement until the closing of the sale of the securities to Warburg pursuant to the Purchase Agreement; neither Citi nor Primerica shall have any obligations to Warburg under this Agreement until such date; and any provisions relating to Warburg in this Agreement shall be inoperative until such date.

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement as of the date first written above.

PRIMERICA, INC.

By: /s/ Peter W. Schneider
Name: Peter W. Schneider
Title: Executive VP and Secretary

CITIGROUP INSURANCE HOLDING CORPORATION

By: /s/ John Gerspach
Name: John Gerspach
Title: President

ATTACHMENT 22

EX-10.41 25 dex1041.htm MONITORING AND REPORTING AGREEMENT, PRIMERICA

Exhibit 10.41

PRIVILEGED AND CONFIDENTIAL

MONITORING AND REPORTING AGREEMENT[1]

This MONITORING AND REPORTING AGREEMENT, dated as of March 31, 2010 (this "Agreement") is entered into by and among Primerica Life Insurance Company, a Massachusetts life insurance company ("PLIC") and Prime Reinsurance Company, Inc. a Vermont special purpose financial captive insurance company ("Prime Re").

WHEREAS, as of the date hereof, PLIC and Prime Re have entered into certain agreements, including (i) that certain 80% Coinsurance Agreement and (ii) that certain 10% Coinsurance Agreement (together, the "Coinsurance Agreements");

WHEREAS, pursuant to such Coinsurance Agreements, PLIC, as the ceding company, has agreed to cede to Prime Re, and Prime Re, as the reinsurer, has agreed to assume from PLIC, certain liabilities relating to the term life insurance policies being reinsured thereunder;

WHEREAS, the parties hereto recognize that, as an 80% and 10% quota share reinsurer, Prime Re has a substantial economic stake in the management and administration of the Reinsured Policies and Covered Liabilities (as such terms are defined in the Coinsurance Agreements); and

WHEREAS, the parties agree that PLIC should have flexibility with respect to the management, administration and financial performance of the Reinsured Policies and Covered Liabilities in accordance with the Coinsurance Agreement;

WHEREAS, the parties have nevertheless agreed that Prime Re shall have the right to monitor the management, administration and financial performance of the Reinsured Policies in accordance with this Agreement;

NOW THEREFORE, in consideration of the respective covenants, agreements, representations and warranties of the parties herein contained in the Coinsurance Agreements and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties agree as follows:

ARTICLE I

MONITOR

Section 1.1 For so long as Citigroup Inc. or any of its affiliates ("Citigroup") remains the ultimate controlling company of Prime Re, PLIC shall allow Prime Re and any reasonable number of counsel, financial advisors, accountants, actuaries and other representatives of Prime Re, reasonable access, upon reasonable advance notice and during normal business hours to the facilities, documents, information, auditors, actuaries, outside advisors and relevant personnel of PLIC related to the management, administration and financial performance of the Reinsured Policies and Covered Liabilities. Such individual (or individuals) representing Prime Re shall be referred to herein as a "Monitor". Prime Re shall ensure that a Monitor, in performing his or her

[1] Substantially similar agreements will be entered into for the NBLIC and PLICC reinsurance transactions.

duties, shall not disrupt the normal operations of PLIC in any material respect. Notwithstanding the foregoing or any other provision of this Agreement, PLIC shall not be obligated to provide such access to any facilities, documents, information, auditors, actuaries, outside advisors and relevant personnel of PLIC to the extent that doing so would violate applicable law or jeopardize the protection of an attorney-client privilege; provided that, in either circumstance, the parties will cooperate in good faith to determine a manner in which information can be shared so as to not violate applicable law or jeopardize the protection of an attorney-client privilege, as applicable.

Section 1.2 All costs and expenses associated with the Monitor or the activities of the Monitor shall be borne by Prime Re; provided, however, Prime Re shall only reimburse PLIC for any reasonable out-of-pocket costs that PLIC incurs in providing assistance to the Monitor in connection with this Agreement.

Section 1.3 Subject to the provisions of Section 2.1, PLIC shall use reasonable best efforts to assist and cooperate with the Monitor in providing access to the relevant experience data, books, records, documents, information and relevant personnel of PLIC related to the Reinsured Policies and Covered Liabilities.

ARTICLE II

ACCESS

Section 2.1 In no event shall any Monitor have access to any portion of PLIC's Network; provided, however, this Section 2.1 shall not be construed in any way whatsoever to (i) supersede the rights of the parties pursuant to the access to books and records provisions contained within Article XII of each of the Coinsurance Agreements or (ii) limit the Monitor's access in any way whatsoever to the data in the Network. "Network" shall mean PLIC's information technology systems (or such systems of a third party operated on behalf of PLIC), including all data they contain and all computer software and hardware related to the Reinsured Policies and Covered Liabilities.

Section 2.2 When a Monitor is at PLIC's facilities, he or she shall comply with all generally applicable policies, procedures and regulations of PLIC, to the extent that such polices, procedures and regulations have been disclosed to Prime Re or such Monitor.

Section 2.3 When any Monitor enters or is within PLIC's premises, such Monitor must establish his or her identity to the satisfaction of security personnel and comply with all security directions given by them, including directions to display any identification cards provided by PLIC.

ARTICLE III

FINANCIAL AND MONITORING REPORTS

Section 3.1 For so long as Citigroup remains the ultimate controlling company of PLIC and Prime Re, PLIC will provide Prime Re with an accurate and complete copy of the Monthly Account Balance Report (as defined in the Coinsurance Agreements) no later than the

third (3rd) business day following the last calendar day of each month, and such other information as may be necessary, in order for each party hereto to record the monthly financial results of the Coinsurance Agreements within the same financial reporting period.

Section 3.2 For so long as Citigroup remains the ultimate controlling company of Prime Re, within twenty (20) business days after the end of each calendar month PLIC shall provide Prime Re with the reports specified on Schedule A attached hereto, in each case in such format as utilized by PLIC at such time.

Section 3.3 For so long as Citigroup remains the ultimate controlling company of Prime Re, within twenty (20) business days after the end of each calendar quarter, PLIC shall provide Prime Re accurate and complete copies of the following: (i) the Quarterly Lapse Report and (ii) the Quarterly Mortality Report in each case in such format as utilized by PLIC at such time.

Section 3.4 For so long as Citigroup remains the ultimate controlling company of Prime Re, in addition to the reports described in Sections 3.1, 3.2 and 3.3 hereto, the parties hereto agree that PLIC shall provide Prime Re copies of any other reports that are produced by PLIC or may reasonably be produced by PLIC relating to the Reinsured Policies and/or Covered Liabilities which Prime Re, in its reasonable discretion, determines are reasonably necessary for its review.

ARTICLE IV

CONFIDENTIALITY

Section 4.1 In performing its monitoring rights under this Agreement, Prime Re will comply (and will cause all Monitors to comply) with the terms and conditions of Section 21.10 of the Coinsurance Agreements regarding Confidential Information (as defined therein).

ARTICLE V

TERMINATION

Section 5.1 This Agreement shall remain in effect until the earlier to occur of (i) the termination of the Coinsurance Agreements, or (ii) Citigroup no longer being the ultimate controlling company of Prime Re.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Prime Re shall indemnify and hold PLIC, its affiliates and their directors, officers, employees and successors (the "PLIC Indemnified Party") harmless against any damages, costs and out-of-pocket expenses (including reasonable attorneys' fees) arising from or in connection with (a) Prime Re's or any Monitor's breach of its confidentiality obligations hereunder, (b) Prime Re's or any Monitor's violation of applicable law in connection with this Agreement, or the information or access provided pursuant to this Agreement, (c) any negligent

or intentional misconduct of Prime Re or any Monitor in connection with any monitoring permitted or access provided under this Agreement or (d) injury to or death of any person, or loss of or damage to tangible property, to the extent caused by the Prime Re or any Monitor.

Section 6.2 This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. This Agreement may not be assigned by the parties hereto without the requirement of the consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 6.3 This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to the choice of law principles thereof.

Section 6.4 This Agreement may not be amended without the prior written consent of all parties hereto. This Agreement may be executed in one or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument.

[*Remainder of page intentionally blank*]

This MONITORING AND REPORTING AGREEMENT is executed by the parties duly authorized officers on the dates indicated below with an effective date of March 31, 2010.

PRIME REINSURANCE COMPANY

By: /s/ Reza Shah
Name: Reza Shah
Title: President

PRIMERICA LIFE INSURANCE COMPANY

By: /s/ Dan Settle
Name: Daniel B. Settle
Title: Executive Vice President

ATTACHMENT 23

EX-10.43 27 dex1043.htm MONITORING AND REPORTING AGREEMENT, PRIMERICA LIFE

Exhibit 10.43

PRIVILEGED AND CONFIDENTIAL

MONITORING AND REPORTING AGREEMENT

This MONITORING AND REPORTING AGREEMENT, dated as of March 31, 2010 (this "Agreement") is entered into by and among Primerica Life Insurance Company of Canada, a life insurance company incorporated under the *Insurance Companies Act* (Canada) ("PLICC") and Financial Reassurance Company 2010 Ltd, a reinsurance company incorporated in Bermuda and registered as an insurer pursuant to the Insurance Act 1978 of Bermuda ("FRAC").

WHEREAS, as of the date hereof, PLICC and FRAC have entered into certain agreements, including that certain Coinsurance Agreement (the "Coinsurance Agreement");

WHEREAS, pursuant to such Coinsurance Agreement, PLICC, as the ceding company, has agreed to cede to FRAC, and FRAC, as the reinsurer, has agreed to assume from PLICC, certain liabilities relating to the term life insurance policies being reinsured thereunder;

WHEREAS, the parties hereto recognize that, as an 80% quota share reinsurer, FRAC has a substantial economic stake in the management and administration of the Reinsured Policies and Covered Liabilities (as such terms are defined in the Coinsurance Agreement); and

WHEREAS, the parties agree that PLICC should have flexibility with respect to the management, administration and financial performance of the Reinsured Policies and Covered Liabilities in accordance with the Coinsurance Agreement;

WHEREAS, the parties have nevertheless agreed that FRAC shall have the right to monitor the management, administration and financial performance of the Reinsured Policies in accordance with this Agreement;

NOW THEREFORE, in consideration of the respective covenants, agreements, representations and warranties of the parties herein contained in the Coinsurance Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties agree as follows:

ARTICLE I

MONITOR

Section 1.1 For so long as Citigroup Inc. or any of its affiliates ("Citigroup") remains the ultimate controlling company of FRAC, PLICC shall allow FRAC and any reasonable number of counsel, financial advisors, accountants, actuaries and other representatives of FRAC, reasonable access, upon reasonable advance notice and during normal business hours to the facilities, documents, information, auditors, actuaries, outside advisors and relevant personnel of PLICC related to the management, administration and financial performance of the Reinsured Policies and Covered Liabilities. Such individual (or individuals) representing FRAC shall be referred to herein as a "Monitor". FRAC shall ensure that a Monitor, in performing his or her duties, shall not disrupt the normal operations of PLICC in any material respect. Notwithstanding the foregoing or any other provision of this Agreement, PLICC shall not be obligated to provide such access to any facilities, documents, information, auditors, actuaries,

outside advisors and relevant personnel of PLICC to the extent that doing so would violate applicable law or jeopardize the protection of an attorney-client privilege; provided that, in either circumstance, the parties will cooperate in good faith to determine a manner in which information can be shared so as to not violate applicable law or jeopardize the protection of an attorney-client privilege, as applicable.

Section 1.2 All costs and expenses associated with the Monitor or the activities of the Monitor shall be borne by FRAC; provided, however, FRAC shall only reimburse PLICC for any reasonable out-of-pocket costs that PLICC incurs in providing assistance to the Monitor in connection with this Agreement.

Section 1.3 Subject to the provisions of Section 2.1, PLICC shall use reasonable best efforts to assist and cooperate with the Monitor in providing access to the relevant experience data, books, records, documents, information and relevant personnel of PLICC related to the Reinsured Policies and Covered Liabilities.

ARTICLE II

ACCESS

Section 2.1 In no event shall any Monitor have access to any portion of PLICC's Network; provided, however, this Section 2.1 shall not be construed in any way whatsoever to (i) supersede the rights of the parties pursuant to the access to books and records provisions contained within Article XII of each of the Coinsurance Agreement or (ii) limit the Monitor's access in any way whatsoever to the data in the Network. "Network" shall mean PLICC's information technology systems (or such systems of a third party operated on behalf of PLICC), including all data they contain and all computer software and hardware related to the Reinsured Policies and Covered Liabilities.

Section 2.2 When a Monitor is at PLICC's facilities, he or she shall comply with all generally applicable policies, procedures and regulations of PLICC, to the extent that such polices, procedures and regulations have been disclosed to FRAC or such Monitor.

Section 2.3 When any Monitor enters or is within PLICC's premises, such Monitor must establish his or her identity to the satisfaction of security personnel and comply with all security directions given by them, including directions to display any identification cards provided by PLICC.

ARTICLE III

FINANCIAL AND MONITORING REPORTS

Section 3.1 For so long as Citigroup remains the ultimate controlling company of PLICC and FRAC, PLICC will provide FRAC with an accurate and complete copy of the Monthly Account Balance Report (as defined in the Coinsurance Agreement) no later than the third (3rd) business day following the last calendar day of each month, and such other information as may be necessary, in order for each party hereto to record the monthly financial results of the Coinsurance Agreement within the same financial reporting period.

Section 3.2 For so long as Citigroup remains the ultimate controlling company of FRAC, within twenty (20) business days after the end of each calendar month PLICC shall provide FRAC with the reports specified on Schedule A attached hereto (unless otherwise provided pursuant to the terms of the Coinsurance Agreement with respect to any EOT reports listed in Schedule A), in each case in such format as utilized by PLICC at such time.

Section 3.3 For so long as Citigroup remains the ultimate controlling company of FRAC, within twenty (20) business days after the end of each calendar quarter, PLICC shall provide FRAC accurate and complete copies of the following: (i) the Quarterly Lapse Report and (ii) the Quarterly Mortality Report, in each case in such format as utilized by PLICC at such time.

Section 3.4 For so long as Citigroup remains the ultimate controlling company of FRAC, within twenty (20) business days after the end of each semi-annual period, beginning with June 30, 2010, PLICC shall provide FRAC accurate and complete copies of the following: (i) the Cancellation Service Complaints Summary Report and (ii) the Complaints Written Report, in each case in such format as utilized by PLICC at such time.

Section 3.5 For so long as Citigroup remains the ultimate controlling company of FRAC, in addition to the reports described in Sections 3.1, 3.2 and 3.3 hereto, the parties hereto agree that PLICC shall provide FRAC copies of any other reports that are produced by PLICC or may reasonably be produced by PLICC relating to the Reinsured Policies and/or Covered Liabilities which FRAC, in its reasonable discretion, determines are reasonably necessary for its review.

ARTICLE IV

CONFIDENTIALITY

Section 4.1 In performing its monitoring rights under this Agreement, FRAC will comply (and will cause all Monitors to comply) with the terms and conditions of Section 21.10 of the Coinsurance Agreement regarding Confidential Information (as defined therein).

ARTICLE V

TERMINATION

Section 5.1 This Agreement shall remain in effect until the earlier to occur of (i) the termination of the Coinsurance Agreement, or (ii) Citigroup no longer being the ultimate controlling company of FRAC.

ARTICLE VI

MISCELLANEOUS

Section 6.1 FRAC shall indemnify and hold PLICC, its affiliates and their directors, officers, employees and successors (the "PLICC Indemnified Party") harmless against any damages, costs and out-of-pocket expenses (including reasonable attorneys' fees) arising from or in connection with (a) FRAC's or any Monitor's breach of its confidentiality obligations

hereunder, (b) FRAC's or any Monitor's violation of applicable law in connection with this Agreement, or the information or access provided pursuant to this Agreement, (c) any negligent or intentional misconduct of FRAC or any Monitor in connection with any monitoring permitted or access provided under this Agreement or (d) injury to or death of any person, or loss of or damage to tangible property, to the extent caused by the FRAC or any Monitor.

Section 6.2 This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. This Agreement may not be assigned by the parties hereto without the requirement of the consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 6.3 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada, without regard to the choice of law principles thereof.

Section 6.4 This Agreement may not be amended without the prior written consent of all parties hereto. This Agreement may be executed in one or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument.

[*Remainder of page intentionally blank*]

This MONITORING AND REPORTING AGREEMENT is executed by the parties duly authorized officers on the dates indicated below with an effective date of March 31, 2010.

FINANCIAL REASSURANCE COMPANY 2010 LTD

By: /s/ Reza Shah
Name: Reza Shah
Title: President

PRIMERICA LIFE INSURANCE COMPANY OF CANADA

By: /s/ John A. Adams
Name: John A. Adams
Title: EVP and CEO

ATTACHMENT 24

EX-10.45 28 dex1045.htm STOCK PURCHASE PLAN

Exhibit 10.45

PRIMERICA, INC.
STOCK PURCHASE PLAN FOR AGENTS AND EMPLOYEES

1. Purpose

The name of this plan is the Primerica, Inc. Stock Purchase Plan for Agents and Employees (the "Plan"). The purpose of the Plan is to offer Authorized Persons the opportunity to share in the growth of the Company through ownership of Common Stock.

2. Definitions

"Agents" shall mean independent contractor sales representatives of Primerica Financial Services, Inc., Primerica Financial Services Ltd., or any of their affiliates.

"Authorized Persons" shall mean such Eligible Persons who are authorized in writing by the Committee to participate in the Plan as provided in Section 5 of the Plan.

"Board" shall mean the Board of Directors of the Company.

"Business Day" shall mean any day other than Saturday, Sunday, or any other day that the New York Stock Exchange or the Service Provider is closed.

"Committee" shall mean the Compensation Committee of the Board or any other person or committee having delegated authority over the administration of the Plan by the Committee or, in the absence of such committee, the full Board.

"Common Stock" shall mean the common stock of the Company, par value $.01 per share.

"Company" shall mean Primerica, Inc., a Delaware corporation.

"Death Notice" shall mean a written notice of the death of a Participant as described in Section 9 (g) of the Plan that is provided to the Service Provider.

"Eligible Person" shall mean (i) any Employee, (ii) any member of the Board or the board of directors of any subsidiary of the Company, or (iii) any person performing services for the Company or any of its subsidiaries in the capacity of a consultant or otherwise, including Agents.

"Employees" shall mean employees of the Company or any of its subsidiaries.

"Fractional Amount" shall mean an amount equal to the Net Proceeds of the sale of the fractional share of a Participant who requests the sale or withdrawal of all of his or her shares as described in Sections 9(b), 9(e) and 12 of the Plan, or of a Participant for whom the Committee has terminated the holding of shares by the Service Provider pursuant to Section 9(f) of the Plan.

"MSSB" shall mean Morgan Stanley Smith Barney, LLC.

"Net Proceeds" shall mean the proceeds of the sale of a Participant's shares pursuant to Section 9 (b), 9(e), 9(f) or 12 of the Plan, less any applicable brokerage fees, Service Provider fees, transfer taxes and other fees in connection with the sale of such shares, as provided in Section 14 of the Plan.

"Participant" shall mean an Authorized Person who participates in the Plan.

"Participant Contributions" shall mean the amount specified by a Participant pursuant to Section 6(b) of the Plan to be used to purchase Common Stock under the Plan each month.

"Primerica Life" shall mean Primerica Life Insurance Company.

"Program Maximum" shall mean the maximum monthly amount, as determined by the Committee, that a Participant may elect as a Participant Contribution.

"Program Minimum" shall mean the minimum monthly amount, as determined by the Committee, that a Participant may elect as a Participant Contribution.

"Service Provider" shall mean MSSB or such successor broker-dealer, bank, trust company, or other entity designated pursuant to Section 6(c) of the Plan, which will perform such duties as described in the Plan.

"Service Provider's Website" shall mean the Service Provider's website, which as of the effective date of the Plan is *www.benefitaccess.com.*

"Stock Purchase Date" shall mean a date on which the Service Provider purchases or causes the purchase of Common Stock for one or more Participants under the Plan.

3. Administration

(a) ***Committee Authority.*** The Plan will be administered by the Committee. The Committee will have responsibility for general operation of the Plan and will have the absolute power and discretion to interpret the provisions of the Plan and to take such other action in connection with the administration of the Plan as it deems necessary or equitable under the circumstances, including adopting such administrative rules, procedures and guidelines governing the Plan as it deems appropriate. The Committee will not, however, have responsibility for the purchase and sale of Common Stock. Any action or inaction by or on behalf of the Committee under the Plan shall be final, binding and conclusive on each Authorized Person, Participant and other person who makes a claim under the Plan.

(b) ***Delegation of Authority.*** To the extent permitted by applicable law, the Committee may at any time delegate to one or more persons or committees some or all of its authority over the administration of the Plan as it deems appropriate under the circumstances. Any such person or committee to whom a duty to perform an administrative function is delegated shall act on behalf of and shall be responsible to the Committee for such function.

4. Available Shares of Common Stock

The aggregate number of shares of Common Stock that may be sold to Participants under the Plan shall not exceed 2,500,000 shares of Common Stock.

5. Eligibility and Participation

(a) ***Eligibility.*** The Plan is open to Eligible Persons who are authorized in writing by the Committee to participate in the Plan as Authorized Persons. Criteria for eligibility and participation in the Plan may be established and changed from time to time in the discretion of the Committee. Such changes may, among other things, (i) expand or narrow the category of Authorized Persons to include or exclude other Eligible Persons, and (ii) expand or narrow the sources available (deductions from certain lines of compensation, contributions by check or ACH, etc.) to fund an Authorized Person's participation in the Plan.

(b) ***Participation.*** An Authorized Person will remain eligible to participate in the Plan until the date on which it is determined that such person ceases to satisfy the Plan's eligibility requirements; provided, however, that the Committee at any time may terminate such person's authorization to participate in the Plan with or without cause in its discretion. Notwithstanding anything to the contrary contained in the Plan, if the offer or sale of Common Stock under the Plan is not permitted by the state or provincial law to which a person is subject, then such person shall not be an Eligible Person and shall not be authorized to participate in the Plan.

6. Enrollment

(a) ***Enrollment Procedure.*** An Authorized Person may obtain information about the program, including a copy of the Plan, an applicable prospectus and certain other documents relating to the Plan, as well as information about the Service Provider, and may enroll in the program, via the Service Provider's Website. An Authorized Person may participate in the Plan (and become a Participant in the Plan) as soon as practicable after the enrollment process is completed. The Service Provider will process the Participant's enrollment and enrollment information will be provided via the Service Provider's website. In addition, the Service Provider will establish a special purpose account for each Participant through which Common Stock will be purchased, held and, if requested by the Participant, sold. Upon enrollment, no further action will be required of the Participant in connection with the Plan, other than completion of the required W-9 form, unless the Participant wishes to change the terms of his or her participation in the Plan.

(b) ***Participant Contributions.*** A Participant must specify during enrollment his or her Participant Contribution, to be used to purchase Common Stock under the Plan. A Participant may elect to have as a Participant Contribution any amount that equals or exceeds the Program Minimum, but not more than the Program Maximum.

(c) ***Service Provider.*** MSSB has been initially designated as the Service Provider that will purchase and sell Common Stock or cause purchases and sales of Common Stock for the Participants, keep records, provide account information to Participants, and perform other duties relating to the Plan. The Service Provider has informed the Company that it will perform the duties of the Service Provider as described in the Plan. The Service Provider may be replaced at any time with a broker-dealer, bank, trust company, or other entity designated by the Committee in its discretion as provided in Section 21 of the Plan.

7. Purchase of Stock

(a) ***Participant Contributions to Service Provider.*** All Participant Contributions will be forwarded by the Company to the Service Provider at the end of each month.

(b) ***Service Provider Purchase of Stock.*** The Service Provider will apply all Participant Contributions received to the purchase of Common Stock on behalf of the Participants. Such purchases will be made at least monthly on a Stock Purchase Date. No interest will be paid to a Participant on any Participant Contributions under the Plan.

(c) ***No Loans or Company Contributions.*** No loans or advances will be made by the Company or its subsidiaries to Participants for the purpose of purchasing Common Stock under the Plan. No contributions toward the purchase price of Common Stock purchased under the Plan will be made by the Company or its subsidiaries.

(d) ***Purchase Procedure.*** The Service Provider will purchase or cause the purchase of Common Stock on behalf of the Participants under the Plan on any securities exchange where such shares are traded, or, in the Committee's discretion, in negotiated transactions. The Service Provider may use any broker it selects to execute purchases and sales under the Plan; provided, however, that if the Committee instructs the Service Provider to use a specific broker for such purposes, the Service Provider will do so. The Company may designate MSSB to act as broker.

(e) ***Suspension to Comply with Applicable Laws.*** Notwithstanding anything to the contrary contained in the Plan, the Service Provider will suspend purchases of Common Stock if necessary to comply with applicable provisions of the federal or provincial securities laws or other laws and regulations.

(f) ***Fractional Shares.*** If application of a Participant Contribution to the purchase of Common Stock does not result in the purchase of an exact number of whole shares for a Participant, the purchase for the Participant's account may include the purchase of a fractional share interest (computed to four decimal places). Fractional share interests will be entitled to proportional dividend income but a Participant will not be entitled to vote such fractional share interests.

(g) ***Purchase Price.*** The purchase price of shares of Common Stock purchased under the Plan for a Participant on a Stock Purchase Date will be the weighted average purchase price actually paid for all shares purchased by the Service Provider on behalf of Participants on such date.

(h) ***Allocation of Stock to Accounts.*** The Service Provider will allocate the Common Stock that it has purchased for a Participant to his or her account as soon as practicable after such purchase and will hold such Common Stock in such account. However, a Participant may withdraw shares of Common Stock held by the Service Provider at any time, as provided in Section 11 of the Plan.

8. Change or Suspension of Contribution

A Participant may elect to change the amount of his or her Participant Contribution via the Service Provider's Website. The change will become effective as soon as practicable after the Company is informed of the change by the Service Provider. No change of election will be permitted that would result in a Participant Contribution of more than the Program Maximum or less than the Program Minimum.

9. Termination of Participation

(a) ***Termination by Participant.*** Participation in the Plan may be terminated by a Participant at any time. Such termination will be effective as soon as practicable following receipt of notice of the termination by the Company; provided, however, that (i) if the effective date of such termination occurs on or before a Stock Purchase Date with respect to which any Participant Contribution of the Participant is then held by the Service Provider, then any such amount will be applied by the Service Provider toward the purchase of Common Stock on such Stock Purchase Date, and (ii) if the effective date of such termination occurs on or before a Stock Purchase Date with respect to which any cash dividends relating to the shares of such Participant are then held by the Service Provider, such dividends will be applied by the Service Provider toward the purchase of Common Stock on such Stock Purchase Date as provided in Section 13 of the Plan.

(b) ***Sale of Shares.*** If a Participant requests at the time of termination that the Service Provider sell all, or a portion (whole shares only), of the Participant's shares, the Service Provider will cause such sale as soon as practicable following receipt by the Service Provider of such request and will remit to the Participant as soon as practicable an amount equal to the Net Proceeds.

(c) ***Service Provider Holding of Shares.*** If a Participant at the time of termination does not make a request for the sale or withdrawal of shares, then the Service Provider will continue to hold such Participant's shares unless and until the termination of the Plan or unless and until the Participant or the Committee directs otherwise. Such terminating Participant will continue to have the right to give written instructions to the Service Provider in the manner set forth in this Section and in Sections 11 and 12 of the Plan to sell or deliver some or all of such shares, and the Service Provider will follow such instructions as if such Participant remained a Participant in the Plan. Dividends received on shares held under the Plan will be reinvested in Common Stock unless the former Participant informs the Service Provider to the contrary. Shares so held by the Service Provider on behalf of a terminating Participant will be subject to the same rights and limitations set forth herein as if such terminating Participant had not terminated his or her participation in the Plan.

(d) ***Fractional Shares.*** If a Participant requests the withdrawal of all of his or her shares, the Service Provider will sell or cause the sale of any fractional share in the Participant's account as soon as practicable after receipt of such request and will remit to such Participant the Fractional Amount.

(e) ***Committee Discretion to Terminate Participation.*** The Committee may, at any time and in its discretion, terminate (i) any Participant's participation in the Plan, or (ii) the holding of shares by the Service Provider for any Participant who has terminated participation in the Plan, by causing the Company or Service Provider to provide notice to such Participant, and if the Committee exercises its discretion to terminate the holding of shares by such Participant, by causing the Service Provider to deliver to such Participant certificates representing such Participant's whole shares, subject to such Participant paying the current prevailing costs for the issuance of any such certificates, and such Participant's Fractional Amount, if any.

(f) ***Death.*** A Participant's participation in the Plan automatically will terminate upon receipt of a Death Notice. Such Death Notice must contain evidence acceptable to the Service Provider and Committee of (i) the Participant's death, and (ii) the identity of the person duly authorized to serve as the estate representative. All shares will remain in the Participant's account until otherwise requested by the Participant's estate.

(g) ***Authorized Person Cessation.*** A Participant's participation in the Plan automatically will be terminated if the Participant ceases to be an Authorized Person. The Company will notify the Participant and the Service Provider of such termination as soon as practicable after such termination. Unless instructed otherwise, the Service Provider will terminate the Participant's account in the manner described above as if the Participant had delivered a termination notice and had not requested the sale or withdrawal of any of the Participant's shares.

10. Reenrollment

A Participant who terminates participation under the Plan may re-enroll in the Plan, unless at the time of such re-enrollment such Participant is no longer an Authorized Person. The Committee, in its discretion, may expand or narrow the requirements for an Authorized Person's reenrollment in the Plan.

11. Withdrawal of Shares

Without terminating participation in the Plan, a Participant may obtain possession of certificates representing some or all of the whole shares held by the Service Provider in the Participant's account by sending a written request thereof to the Service Provider requesting that such certificates be sent to the Participant with such forms as may be required by the Service Provider. As soon as practicable after receipt of such notice, the Service Provider will forward such certificates, issued in the name of the Participant or such Participant's nominee, to the Participant. The Participant will be required to pay the current prevailing costs for the issuance of any such certificates.

12. Sale of Stock

With or without terminating participation in the Plan, a Participant may sell all, or a portion (whole shares only), of the shares held by the Service Provider in the Participant's account via the Service Provider's Website. As soon as practicable, the Service Provider will cause such shares to be sold. Such shares may be sold on any securities exchange where such shares are traded or by negotiated transactions, and may be subject to such terms, including, without restriction, price and delivery, as to which the Service Provider may agree. Unless

otherwise allowed by the Service Provider, no Participant shall have any authority or power to direct the time or price at which such shares are sold, or to select the broker or dealer through or from whom sales are to be made. The Participant will be obligated to pay certain costs relating to such sale as set forth in Section 14 of the Plan.

13. Dividend Investment

Cash dividends, if any, paid on all shares of Common Stock held on the dividend record date by the Service Provider on behalf of each Participant under the Plan automatically will be reinvested in Common Stock, unless the Participant timely informs the Service Provider to the contrary. The Company will pay over to the Service Provider all cash dividends payable on shares of Common Stock held on behalf of the Participants. The Service Provider will apply all dividends so received to the purchase of Common Stock on behalf of the Participants who have not informed the Service Provider to the contrary as soon as practicable after receipt of such dividends in the manner set forth in Section 7(d) of the Plan. The Service Provider will hold such cash dividends pending the purchase of Common Stock.

Participants must contact a Customer Service Representative at 1-800-367-4777 at least 48 hours prior to the dividend record date in order to suspend dividend reinvestment beginning with that dividend record date. The Service Provider will then remit the amount of the dividends to such Participants, by check, as soon as practicable after such Participants' dividends are received from the Company.

14. Cost of Participation

There will be no service, administrative, brokerage or other fees or charges to Participants in connection with purchases of Common Stock under the Plan. All such costs will be paid by the Company or its affiliates. However, a Participant will be obligated to pay any brokerage fees, transfer or similar taxes and other fees, including, without restriction, Service Provider fees, in connection with the sale or withdrawal of shares in his or her Plan account. The Service Provider will deduct an amount equal to such fees and taxes from the amount due the Participant. Initially, the Service Provider has indicated that brokerage fees will be $0.06 per share for transactions up to and including 10,000 shares, and $0.05 per share for transactions of 10,001 or more shares, and that Service Provider fees will be not less than $35 per transaction, plus any prevailing service fee (currently $5) and transaction fee. Brokerage fees and Service Provider fees are subject to change at any time without advance notice to Participants, and Participants will be notified of such an such change as soon as practicable after the change becomes effective.

15. Account Establishment

The Service Provider will establish a special purpose account for each enrolled Participant through which Company Stock will be purchased, held and, if requested by the Participant, sold. Neither funds nor shares of Common Stock held by the Service Provider or its nominee for a Participant under the Plan may be pledged, assigned, borrowed against, or hypothecated or otherwise encumbered by the Participant.

16. Account Balances

The Service Provider will provide to each Participant a year-end statement that includes information concerning the Participant's account, including the balance of the number of shares of Common Stock in such Participant's account. If a Participant has account activity, then the Service Provider is expected to provide a confirmation reflecting that activity, for example, detailing shares purchased or sold for such Participant's account, the purchase price or sale price for such shares, and the amount of Common Stock held by the Service Provider for the Participant's account. In addition, the Service Provider will provide to each Participant an annual tax information statement reporting dividends paid on shares held in such Participant's account. The Service Provider will provide to each Participant copies of all stockholder communications (excluding proxy materials) that the Company sends to all recordholders of Common Stock.

17. Voting

The Service Provider will provide to the Company's transfer agent and registrar of Common Stock, or such other designee identified by the Company, a list of Participants and the number of shares held in each Participant's account. The transfer agent and registrar, or such designee, shall provide to each Participant proxy materials (including a form of voting instructions) relating to the shares of Common Stock held in such Participant's account, if any, as of the record date set by the Company. Such shares will be voted as indicated by the Participant on the voting instructions. If the voting instructions are not returned or if they are returned unsigned by the registered owner, none of the Participant's shares will be voted. Fractional shares will not be voted.

18. Corporate Actions

(a) ***Stock Dividends and Splits.*** Any stock dividends or split shares of Common Stock distributed on shares held by the Service Provider for a Participant under the Plan will be retained by the Service Provider on behalf of, and credited to the account of, such Participant in the Plan.

(b) ***Other Rights to Shares.*** If holders of Common Stock are offered rights to subscribe for additional shares or other securities, such rights will be issued to a Participant based on the number of whole shares held under the Plan for the account of such Participant.

19. Limitation on Liability

Neither the Company, Primerica Life, the Service Provider nor any of their respective subsidiaries, affiliates, directors, officers or Employees, nor the Committee nor any of its members, shall be liable in connection with the Plan for any act or omission absent its own gross negligence or willful misconduct, or for the prices at which shares are purchased or sold for a Participant's account or the times at which such purchase or sales are made. Neither the Company, Primerica Life, their affiliates, the Committee nor any member of the Committee will be liable for any act or omission by the Service Provider, or for any failure of the Service Provider to perform any of its obligations set forth in the Plan or for Service Provider's failure otherwise to comply with the provisions contained in the Plan.

20. Notices

Any notice, instruction, request or election which by any provision of the Plan is required or permitted to be given or made by a Participant to the Company must be in writing by mail or overnight courier to the Company at the address set forth in the prospectus applicable to the Participant, or such other address as the Company furnishes to the Participant, and will be deemed to have been sufficiently given or made when received by the Company, provided, however, that if the date of receipt is a Saturday, Sunday, or legal holiday in the State of Georgia on which the Company does not conduct business, receipt will be deemed to have occurred on the next regular business day.

Any notice, instruction, request or election which by any provision of the Plan is required or permitted to be given or made by a Participant or the Company to the Service Provider in writing must be delivered by mail or overnight courier addressed to:

Morgan Stanley Smith Barney LLC
Attn.: Stock Plan Services
100 Citibank Drive
Building 3, Second Floor
San Antonio, TX 78245

or by facsimile transmission to:

Fax Number: (210) 357-8480

or such other address as the Service Provider will furnish to the Participants and the Company, and will be deemed to have been sufficiently given or made when received by the Service Provider, provided, however, that if the date of receipt is not a Business Day, receipt will be deemed to have occurred on the next Business Day. Notwithstanding anything to the contrary contained in this Section, any notice, instruction, request or election may be conveyed by the Company to the Service Provider by any electronic medium mutually agreed upon by the Company and the Service Provider.

Any notice that is required by any provision of the Plan to be given by the Company or the Service Provider to a Participant will be in writing, and will be deemed to have been sufficiently given when made available to Participant via the Service Provider's Website or other form of electronic communications that is utilized by the Company in the ordinary course of business such as, in the case of Agents, Primerica Online, and in the case of Employees, via Company e-mail. Any certificate or check that is required by any provision of the Plan to be given by the Service Provider to a Participant will be deemed to have been sufficiently given when deposited postage prepaid in a post office letter box addressed to the Participant at his or her address as it last appears on the records of the Service Provider.

21. Amendment, Suspension, Termination and Successor Service Provider

The Committee may amend, modify, suspend or terminate the Plan at any time. The Committee also may replace the Service Provider, with or without cause, with a successor Service Provider upon mailing notice to the Service Provider, the Company and each Participant

for whom the Service Provider continues to hold shares of Common Stock under the Plan. Such action will be effective at the time of such mailing, unless otherwise stated in such notice. No termination date has been established for the Plan by the Company.

22. Effective Date

The effective date of the Plan is April 1, 2010.

23. General Provisions

(a) ***Company Right to Adopt Other Plans.*** Nothing contained in the Plan will prevent the Company from adopting other or additional purchase plan arrangements, subject to stockholder approval if such approval is required by applicable law, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of the Plan will not confer upon any person any right to continued employment or other contractual association (as agent or otherwise) with the Company, nor will it interfere in any way with the right of the Company to terminate the employment or agency of any person at any time.

(b) ***No Assignment of Participation.*** A Participant's participation under the Plan may not be assigned or transferred in whole or in part either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy, divorce, or in any other manner.

(c) ***Tax Withholding.*** The Company and its subsidiaries will have the right to deduct from any payment made under the Plan any federal, state or local income or other taxes required by law to be withheld with respect to such payment.

(d) ***Acceptance of Plan and Administration.*** By enrolling in the Plan, each Participant and each person claiming under or through a Participant will be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, any action taken under the Plan by the Company, its subsidiaries, the Service Provider or the Committee.

(e) ***Impermissible Purchases and Sales.*** Common Stock purchased under the Plan may not be purchased on margin. No Participant may purchase, sell or engage in other transactions relating to Common Stock held under the Plan by direct communication with a broker used by the Service Provider under the Plan.

(f) ***Governing Law.*** The terms and conditions of the Plan and its operation, and all communications made by or to any person pursuant to or with respect to the Plan will be governed and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws principles.

ATTACHMENT 25

EX-4.3 6 dex43.htm NOTE AGREEMENT

EXHIBIT 4.3

EXECUTION COPY

Primerica, Inc.

$300,000,000

5.5% Notes due March 31, 2015

Note Agreement

Dated April 1, 2010

Table of Contents

5.5% Notes due March 31, 2015

April 1, 2010

Citigroup Insurance Holding Corporation
399 Park Avenue
New York, New York 10022

Ladies and Gentlemen:

Primerica, Inc., a Delaware corporation (the "**Company**"), and each Subsidiary of the Company listed on the signature pages from time to time hereto with respect to Section 18.11 (the "**Subsidiary Guarantors**"), agrees with Citigroup Insurance Holding Corporation, a Georgia corporation (the "**Purchaser**""), as follows:

Section 1. Authorization of Notes.

The Company has authorized the issuance of $300,000,000 aggregate principal amount of its 5.5% Notes due March 31, 2015 (the "**Notes**", such term to include any such notes issued in substitution therefor pursuant to Section 12). The Notes shall be substantially in the form set out in Exhibit 1. Certain capitalized and other terms used in this Agreement are defined in Schedule A; and references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

Section 2. Issuance of Notes.

Subject to the terms and conditions of the Exchange and Transfer Agreement, dated as of March 31, 2010, by and between the Company and the Purchaser (the "**Exchange Agreement**"), the Company will issue the Notes to the Purchaser pursuant to Section 1(b) of the Exchange Agreement.

Section 3. Closing Items.

Prior to or as of the date of original issuance of the Notes (the "**Issuance Date**"), the following closing conditions shall be satisfied:

Section 3.1 Secretary's Certificate. The Company shall have delivered to the Purchaser a certificate of its Secretary or Assistant Secretary, dated as of the Issuance Date, certifying as to the board resolutions and other corporate proceedings relating to the authorization, execution and delivery of the Notes and this Agreement.

Section 3.2 Opinions of Counsel. The Purchaser shall have received opinions in form and substance reasonably satisfactory to the Purchaser, dated as of the Issuance Date, from Skadden, Arps, Slate, Meagher & Flom LLP, covering such matters as reasonably requested by the Purchaser.

Section 4. Representations and Warranties of the Company.

On the date of this Agreement, the Company represents and warrants to the Purchaser that, after giving effect to the Transactions (as defined in the Company's registration statement on Form S-1 (No. 333-162918) filed with the SEC (the "**Registration Statement**")):

Section 4.1 Organization; Power and Authority. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the Notes and to perform the provisions hereof and thereof.

Section 4.2 Authorization, Etc. This Agreement and the Notes have been duly authorized by all necessary corporate action on the part of the Company and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 4.3 Organization and Ownership of Shares of Subsidiaries. (a) Exhibit 21.1 to the Registration Statement contains a complete and correct list of the Company's Significant Subsidiaries, showing, as to each such Subsidiary, the correct name thereof. The Company owns, directly or indirectly, 100% of the shares of each class of capital stock or similar equity interests outstanding of each such Subsidiary.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Exhibit 21.1 to the Registration Statement as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except as otherwise would not reasonably be expected to have a Material Adverse Effect).

(c) Each Subsidiary identified in Exhibit 21.1 to the Registration Statement is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

Section 4.4 Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Company of this Agreement and the Notes will not (i) contravene, result in any breach of, or constitute a default under, any corporate charter or by-laws of the Company or any Subsidiary, (ii) contravene, result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, or any other agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, except for any contravention, breach or default as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (iii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary or (iv) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

Section 4.5 Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement or the Notes.

Section 4.6 Litigation; Observance of Agreements, Statutes and Orders. Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including Environmental Laws or the USA Patriot Act) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 4.7 Private Offering by the Company. Neither the Company nor anyone acting on its behalf (excluding, however, the Purchaser and its Affiliates other than the Company and its Subsidiaries) has offered the Notes or any similar securities for sale to, or solicited any

offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any person other than the Purchaser. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

Section 5. Representations of the Purchaser.

Section 5.1 Acquisition for Investment. The Purchaser represents that it is acquiring the Notes for its own account and not with a view to the distribution thereof, *provided* that the disposition of the Purchaser of its property shall at all times be within such Purchaser's control. The Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

Section 6. Information as to Company.

Section 6.1 Financial and Business Information. So long as any of the Notes are outstanding, the Company shall deliver to each holder of Notes that is not an Affiliate of the Company ("**Non-Affiliate Holder**") and is an Institutional Investor:

(a) *Quarterly Statements* — within 60 days (or such shorter period as is 15 days greater than the period applicable to the filing of the Company's Quarterly Report on Form 10-Q (the "**Form 10-Q**") with the SEC, to the extent the Company is required to file a Form 10-Q) after the end of each quarterly fiscal period in each fiscal year of the Company, regardless of whether the Company is subject to the filing requirements thereof (other than (i) the quarterly period ended March 31, 2010 for which the 60-day period above shall be extended until the date the Form 10-Q for such period is actually filed and (ii) the last quarterly fiscal period of each such fiscal year, for which no quarterly statement shall be required), duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly

presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, *provided* that delivery within the time period specified above of copies of the Company's Form 10-Q prepared in compliance with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 6.1(a), *provided, further*, that the Company shall be deemed to have made such delivery of such Form 10-Q if it shall have timely made such Form 10-Q available on "EDGAR" or on the Company's home page on the worldwide web (at the date of this Agreement located at: http//www.primerica.com) (such availability being referred to as "**Electronic Delivery**");

(b) *Annual Statements* — within 105 days (or such shorter period as is 15 days greater than the period applicable to the filing of the Company's Annual Report on Form 10-K (the "**Form 10-K**") with the SEC, to the extent the Company is required to file a Form 10-K) after the end of each fiscal year of the Company, regardless of whether the Company is subject to the filing requirements thereof, duplicate copies of

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that the delivery within the time period specified above of the Company's Form 10-K for such fiscal year prepared in accordance with the requirements therefor and filed with the SEC shall be deemed to satisfy the requirements of this Section 6.1(b), *provided, further*, that the Company shall be deemed to have made such delivery of such Form 10-K if it shall have timely made Electronic Delivery thereof;

(c) *SEC and Other Reports* — promptly upon their becoming available (with Electronic Delivery satisfying this requirement), one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to its principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to its public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits), and each prospectus and all amendments thereto filed by the Company or any Subsidiary with the SEC and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material;

(d) *Notice of Default or Event of Default* — promptly, and in any event within five Business Days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any holder of Notes has given any notice or taken any action in good faith with respect to a claimed default hereunder or that any Person has given any notice or taken any action in good faith with respect to a claimed Default of the type referred to in Section 10(d), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) *Notices from Governmental Authority* — promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any Federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect; and

(f) *Requested Information* — with reasonable promptness, such other data and information relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Notes (in a manner so as to not interfere with the normal business operations of the Company or any of its Subsidiaries).

Section 6.2 Officer's Certificate. Each set of financial statements delivered to a holder of Notes pursuant to Section 6.1 (a) or Section 6.1(b) shall be accompanied by a certificate of a Senior Financial Officer setting forth (which, in the case of Electronic Delivery of any such financial statements, shall be by separate delivery of such certificate to each holder of Notes that is a Non-Affiliate Holder and an Institutional Investor promptly following such Electronic Delivery) a statement that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

Section 6.3 Visitation. The Company shall permit the representatives of each holder of Notes that is a Non-Affiliate Holder and an Institutional Investor, if a Default or Event of Default then exists, at the expense of the Company and upon reasonable prior notice to the Company, to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be reasonably requested (in a manner so as to not interfere with the normal business operations of the Company or any of its Subsidiaries).

Section 6.4 Limitation on Provision of Information to Competitors. Notwithstanding anything in this Agreement to the contrary, the Company shall not be required to provide to any Competitor information that the Company deems in its sole discretion to be competitively sensitive information. For the avoidance of doubt, to the extent any Competitor has any information or visitation rights pursuant to this Section 6, such rights shall be limited by the foregoing sentence.

Section 7. Payment and Redemption of the Notes.

Section 7.1 Maturity. As provided therein, the entire unpaid principal balance of the Notes shall be due and payable on the stated maturity date thereof.

Section 7.2 Optional Redemption. The Company may, at its option, upon notice as provided below, redeem at any time all, or from time to time any part of, the Notes, at 100% of the principal amount so redeemed. The Company will give each holder of Notes written notice of each optional redemption under this Section 7.2 not less than 30 days and not more than 60 days prior to the date fixed for such redemption; *provided*, that such notice may state that it is conditioned upon the occurrence of one or more events specified therein, in which case such notice shall be deemed to be automatically revoked by the Company if such condition is not satisfied. Each such notice shall specify the date fixed for redemption (which shall be a Business Day), the aggregate principal amount of the Notes to be redeemed on such date, the principal amount of each Note held by such holder to be redeemed (determined in accordance with Section 7.3), and the interest to be paid on the redemption date with respect to such principal amount being redeemed.

Section 7.3 Allocation of Partial Redemptions. In the case of each partial redemption of the Notes, the principal amount of the Notes to be redeemed shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

Section 7.4 Maturity; Surrender, Etc. In the case of each redemption of Notes pursuant to this Section 7, the principal amount of each Note to be redeemed shall mature and become due and payable on the date fixed for such redemption (which shall be a Business Day), together with interest on such principal amount accrued to and excluding such date. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or redeemed in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any redeemed principal amount of any Note. Any Note redeemed in part shall be surrendered to the Company if the Company so requests, and the Company shall issue a new Note in principal amount equal to and in exchange for the unredeemed portion of the principal of the Note so surrendered.

Section 7.5 Change of Control. (a) In the event that a Change of Control (as defined below) shall occur, each holder of Notes, if such holder makes a timely election in accordance

with the instructions determined by the Company pursuant to Section 7.5(c) hereof, shall have the right to require the Company to purchase such holder's Notes at a price in cash equal to 101% of the outstanding principal amount plus accrued and unpaid interest to and excluding the date of purchase, in accordance with Section 7.5(c) hereof.

(b) As used herein, "**Change of Control**" means the occurrence of any of the following events:

(i) a majority of the members of the Company's board of directors (other than vacant seats) are, at any time, neither (A) nominated by, or whose election was approved by, the board of directors of the Company nor (B) appointed by directors so nominated or elected; or

(ii) the consummation of any transaction resulting in any person or entity (other than Citigroup Inc., Warburg Pincus LLC or any of their respective Affiliates) becoming the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Company's issued and outstanding voting securities.

(c) Within 30 days following any Change of Control, the Company shall mail by first-class mail a notice (the "**Change of Control Notice**") to each holder of the Notes, stating:

(i) that a Change of Control has occurred and that such holder of the Notes has the right to require the Company to purchase such holder's Notes at a price in cash equal to 101% of the outstanding principal amount thereof plus accrued and unpaid interest to and excluding the date of purchase;

(ii) a description of such Change of Control;

(iii) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date the Change of Control Notice is mailed); and

(iv) the instructions determined by the Company, consistent with this Section 7.5(c), that such holder must follow to exercise its rights pursuant to this Section 7.5(c).

(d) Holders of the Notes electing to have their Notes purchased by the Company pursuant to this Section 7.5 must surrender such Notes to the Company in accordance with the instructions determined by the Company pursuant to Section 7.5 (c) hereof in order to receive the purchase price.

Section 8. Affirmative Covenants. The Company covenants that so long as any of the Notes are outstanding:

Section 8.1 Payment of Taxes and Assessments. The Company will, and will cause each of its Significant Subsidiaries to, pay and discharge all taxes, assessments, governmental charges, or levies imposed on it or any of its properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent, *provided* that neither the Company nor any Significant Subsidiary need pay any such tax, assessment, charge, levy or claim if (i) the amount, applicability or validity thereof is contested by the Company or such Significant Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Significant Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Significant Subsidiary or (ii) the nonpayment of all such taxes, assessments, charges, levies and claims in the aggregate could not reasonably be expected to have a Material Adverse Effect.

Section 8.2 Corporate Existence, Etc. Subject to Section 9.1, the Company will at all times preserve and keep in full force and effect its corporate existence, rights and franchises unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such right or franchise could not, individually or in the aggregate, reasonably expected to have a Material Adverse Effect.

Section 8.3 Offices. The Company shall maintain an office or agency where the Notes may be surrendered for registration, exchange or presentation for payment and where notices to the Company may be served.

Section 8.4 Refinancing of Indebtedness.

(a) From the (x) first anniversary of the Issuance Date until the second anniversary of the Issuance Date (the "**Initial Period**") on at least two occasions mutually agreeable to the Company and the Citi Affiliate (as defined below) and (y) second anniversary of the Issuance Date to the fourth anniversary of the Issuance Date (the "**Second Period**"), on at least one additional occasion mutually agreeable to the Company and the Citi Affiliate, the Company shall use its commercially reasonable efforts to arrange and consummate an offering of investment grade debt securities, trust preferred securities, surplus notes, hybrids or convertible debt of the Company or a subsidiary of the Company generating net cash proceeds (after deducting fees and expenses incurred in connection with such offering) equal to or greater than the aggregate amount owing at such time under the Notes (the "**Refinancing Indebtedness**") to be used to refinance the Notes; *provided*, that, in no event shall the Company be required to undertake, arrange or consummate an offering of such securities if the terms (including economics) and conditions thereof are not, in the good faith judgment of the Company after consultation with the Citi Affiliate, the same as or better for the Company than those of the Notes (other than (A) the optional redemption provisions (including make-whole provisions) which shall be no worse for the Company than then-prevailing market terms for similar securities of issuers of similar credit quality and (B)(i) the tenor of the Refinancing Indebtedness, which shall be equal to or longer than five years from the date of the original issuance of the Refinancing Indebtedness and (ii) any change in interest rate that is (x) directly related to any increase in tenor of the Refinancing Indebtedness as compared to the tenor of the Notes and (y) reasonably acceptable to the Company).

(b) The Company shall offer to use a broker dealer Affiliate of Citigroup Inc. (as designated by Citigroup Inc., the "**Citi Affiliate**") to market the Refinancing Indebtedness offered up to the later of (A) the end of the Initial Period and (B) one year after the Company receives an investment grade rating from Moody's Investors Service, Inc. and Standard & Poor's, as a sole bookrunning underwriter or placement agent.

(c) Subject to the expiration of the provisions in Section 8.4(b), the Company shall offer to use the Citi Affiliate to market the Refinancing Indebtedness offered during the Second Period as a bookrunning underwriter or placement agent (but not necessarily sole bookrunning underwriter or placement agent).

(d) The fee payable to the Citi Affiliate in connection with marketing the Refinancing Indebtedness pursuant to Sections 8.4(b) and (c) will be the lesser of 1% of the gross proceeds from the sale of the Refinancing Indebtedness and the rate then prevailing in the market charged by underwriters with similar roles in the offerings of similar securities of issuers of similar credit quality.

Section 9. Negative Covenants.

The Company covenants that so long as any of the Notes are outstanding, without the consent of the holder or holders of more than 50% in aggregate principal amount of the Notes at the time outstanding:

Section 9.1 Merger, Consolidation, Etc. The Company will not consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of related transactions to any Person unless:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Company, as the case may be, shall be a corporation organized under the laws of the United States or any State thereof (including the District of Columbia), and, if the Company is not such corporation, such corporation shall have expressly assumed in writing the due and punctual performance and observance of each covenant and condition of this Agreement and the Notes; and

(b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Such conveyance, transfer or lease of all or substantially all of the assets of the Company shall have the effect of releasing the Company or any successor corporation that shall theretofore have become such in the manner prescribed in this Section 9.1 from all of its liabilities under this Agreement and the Notes.

Section 9.2 Liens. The Company shall not incur Liens on the capital stock of Significant Subsidiaries securing Indebtedness for borrowed money unless the Company's obligations under the Notes are secured equally and ratably therewith; *provided*, however, that the Company may incur Liens on the capital stock of Significant Subsidiaries securing Indebtedness for borrowed money with an aggregate principal amount at any time outstanding up to 10% of Net Tangible Book Value. The limitations set forth in this Section 9.2 shall not apply to Liens (i) existing on any capital stock prior to the acquisition thereof or existing on any capital stock of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary, *provided*, that such Liens were not created in contemplation of such acquisition or such Person becoming a Subsidiary, or (ii) incurred in connection with any financing transaction effected pursuant to or for the purposes of complying with any minimum regulatory or statutory capital and reserve requirements applicable to the Company or its Subsidiaries (including, without limitation, any reserve funding securitization or reserve financing).

Section 9.3 Significant Subsidiaries. The Company shall not sell, transfer or otherwise dispose of the capital stock of any Significant Subsidiary other than (i) to the Company or any of its Wholly-Owned Subsidiaries, (ii) for at least fair value (as determined by the Company's board of directors, acting in good faith) or (iii) to comply with an order of a court or regulatory authority of competent jurisdiction, other than an order issued at the Company's request or at the request of any of the Company's Subsidiaries.

Section 10. Events of Default.

An "**Event of Default**" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or premium on any Note when the same becomes due and payable, whether at maturity or at a date fixed for redemption or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than 30 days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any covenant or agreement contained herein (other than those referred to in Sections 10(a) and (b)) and such default is not remedied within 60 days after the Company receiving written notice of such default from the holder or holders of at least 25% in aggregate principal amount of the Notes at the time outstanding (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 10 (c)); or

(d) the Company or any Significant Subsidiary is in default in the payment of principal on any Indebtedness on or after the date of final maturity thereof (whether at the stated maturity or redemption date or as a result of the acceleration thereof), in each case, subject to the expiration of applicable cure periods, if any, and the total principal amount of such unpaid Indebtedness is at least $25,000,000; *provided*, such default shall be an Event of Default only if such default is continuing 30 days following the Company's receipt of written notice of such default from the holder or holders of at least 25% in aggregate principal amount of Notes at the time outstanding (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 10(d)); or

(e) the Company or any Significant Subsidiary (i) admits in writing its inability to pay its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any insolvency, bankruptcy, receivership, liquidation, conservatorship, dissolution, rehabilitation or reorganization or other similar proceeding or law of any jurisdiction, (iii) makes a general assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property or (v) is adjudicated as insolvent or to be liquidated; or

(f) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Significant Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Significant Subsidiaries, or any such petition shall be filed against the Company or any of its Significant Subsidiaries, and, in each case, such order or petition shall not be dismissed within 60 days.

Section 11. Remedies on Default, Etc.

Section 11.1 Acceleration. (a) If an Event of Default with respect to the Company described in Section 10(e) or (f) (other than an Event of Default described in clause (i) of Section 10(e)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the holder or holders of more than 25% in aggregate principal amount of the Notes at the time outstanding may at any time, at its or their option, by written notice to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) Upon any Notes becoming due and payable under this Section 11.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus all accrued and unpaid interest thereon, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived.

Section 11.2 Other Remedies. Notwithstanding any other provision of this Agreement, the holder of any Note shall have the right to receive payment of principal of and interest on the Notes held by such holder, on or after the respective due dates expressed or provided for in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, and such right shall not be impaired or affected without the consent of such holder.

Section 11.3 No Waivers or Election of Remedies, Expenses, Etc. No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. The Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all reasonable costs and expenses of such holder incurred following the occurrence of a Default or an Event of Default in any enforcement or collection under this Section 11, including reasonable attorneys' fees, expenses and disbursements.

Section 12. Registration; Exchange; Substitution of Notes.

Section 12.1 Registration of Notes. The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note, promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of the Notes.

Section 12.2 Transfer and Exchange of Notes. Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 16(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address, tax identification number and other information reasonably satisfactory to the Company that no registration under the Securities Act is required in connection with such transfer (which may include a legal opinion of counsel reasonably satisfactory to the Company) for notices of each transferee of such Note or part thereof), within ten Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate

principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $1,000,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than $1,000,000.

Section 12.3 Replacement of Notes. Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 16(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it, or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter, the Company at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

Section 13. Payments on Notes.

Section 13.1 Place of Payment. Subject to Section 13.2, payments of principal and interest becoming due and payable on the Notes shall be made in Duluth, Georgia at the principal office of the Company in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in the United States.

Section 13.2 Home Office Payment. So long as the Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 13.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal and interest by the method and at the address specified below the Purchaser's name at the beginning of this Agreement, or by such other reasonable method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made prior to, concurrently with or reasonably promptly after payment or redemption in full of any Note, such Purchaser shall surrender such

Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 13.1. Prior to any sale or other disposition of any Note held by the Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 12.2. The Company will afford the benefits of this Section 13.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by the Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchaser has made in this Section 13.2.

Section 14. Survival of Representations and Warranties; Entire Agreement.

All representations and warranties contained herein are made as of the date of this Agreement (unless specifically addressing matters only as of a particular date, then as of that date) and shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by the Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of the Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement (but excluding statements contained in any certificate delivered pursuant to Section 6 to the extent such statements relate to the condition (including financial position) or transactions of the Company or any Subsidiary on or prior to April 15, 2010) shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between the Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 15. Amendment and Waiver.

Section 15.1 Requirements. This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the holder or holders of more than 50% in aggregate principal amount of the Notes at the time outstanding, except that (a) for so long as the Purchaser is a holder of a Note, no amendment or waiver of any of the provisions of Sections 15.1(a) and 17 hereof, or any defined term as it is used therein, will be effective as to the Purchaser unless consented to by the Purchaser in writing, and (b) no amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 11 relating to acceleration, change the amount or time of any payment of principal of, or reduce the rate or change the time of payment or method of computation of interest on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend any of Sections 10(a), 10(b) or 11. Notwithstanding the foregoing, this Agreement may be amended by the Company, without the consent of any holder of any Note, to add any Subsidiary of the Company as a Subsidiary Guarantor under Section 18.11.

Section 15.2 Delivery. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 15 to each holder of outstanding Notes reasonably promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

Section 15.3 Binding Effect, etc. Any amendment or waiver consented to as provided in this Section 15 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note.

Section 15.4 Notes Held by Company, etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates under the Control of the Company shall be deemed not to be outstanding.

Section 16. Notices.

Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally or by facsimile, with confirmation of receipt, (b) on the first business day following the date of dispatch if delivered by a recognized next-day courier service or (c) on the third business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid:

(i) if to the Purchaser or its nominee, to the Purchaser or nominee at the address specified below the Purchaser's name at the beginning of this Agreement, or at such other address as the Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at 3120 Breckinridge Blvd., Duluth, Georgia 30099, to the attention of the General Counsel, or at such other address as the Company shall have specified to the holder of each Note in writing.

Section 17. Substitution of Purchaser; Assignment and Transfer.

(a) **Substitution of Purchaser.** The Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to acquire hereunder, by written notice to the Company, which notice shall be signed by both the Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the *representations* set forth in Section 5. Upon receipt of such notice, any reference to the Purchaser in this Agreement (other than in this Section 17), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 17), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

(b) **Assignment and Transfer.** The holders of the Notes may, upon written notice to the Company, assign, participate, grant security interests in, or otherwise transfer any portion of the Notes, and may assign any of its rights or delegate any of its duties hereunder. Upon such notice, the Company shall transfer or exchange any Note pursuant to the procedures and subject to the conditions set forth in Section 12.2.

Section 18. Miscellaneous.

Section 18.1 Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including any subsequent holder of a Note) whether so expressed or not.

Section 18.2 Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 7.4 that the notice of any optional redemption specify a Business Day as the date fixed for such redemption), any payment of principal of or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

Section 18.3 Accounting Terms. All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP.

Section 18.4 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such

prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 18.5 Construction, etc. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

Section 18.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 18.7 Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Section 18.8 Jurisdiction and Process; Waiver of Jury Trial. (a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 18.8(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to it at its address specified in Section 16 or at such other address of which such holder shall then have been notified pursuant to said Section. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it.

(c) Nothing in this Section 18.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Notes or any other document executed in connection herewith or therewith.

Section 18.9 Immunity. A director, officer, employee, incorporator or stockholder of the Company or any Subsidiary Guarantor (other than the Company or another Subsidiary Guarantor) shall not have any liability for any obligations of the Company or any Subsidiary Guarantor under the Notes or the Subsidiary Guaranty or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each holder of the Notes waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Notes.

Section 18.10 Interpretation. All headings used herein are used for convenience only and shall not be used to construe or interpret this Agreement or the Notes. Whenever the words "include," "includes" or "including" are used herein, they shall be deemed to be followed by the words "without limitation." When a reference herein is made to a "party" or "parties," such reference shall be to a party or parties to this Agreement unless otherwise indicated. Unless the context requires otherwise, the terms "hereof," "herein," "hereby," "hereto" and derivative or similar words in this Agreement refer to this entire Agreement. Unless the context requires otherwise, words in this Agreement using the singular or plural number also include the plural or singular number, respectively, and the use of any gender herein shall be deemed to include the other genders. When a reference is made to a Section, such reference shall be to a Section of this Agreement, unless otherwise indicated. References to "dollars" or "$" are to U.S. dollars. References to days, months or years shall mean calendar days, months or years unless specified otherwise.

Section 18.11 Guaranty. Each of the Subsidiary Guarantors hereby absolutely, unconditionally and irrevocably guarantees, each as a primary obligor and not merely as surety, the full and punctual payment and performance of all obligations of the Company under the Notes and this Agreement, whether such obligations are absolute or contingent, now existing or subsequently arising, now due or hereafter falling due, monetary or otherwise, as if it were a direct obligor of the Notes. Each of the Subsidiary Guarantors agrees that this is a guarantee of payment and performance when due and not of collection. The Purchaser and each holder of Notes acknowledges and agrees that the obligations of the Subsidiary Guarantors will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Subsidiary Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from, or payments made by or on behalf of any other Subsidiary Guarantor in respect of the obligations of such other Subsidiary Guarantor under this Section 18.11, result in the obligations of the Subsidiary Guarantor under its guarantee not constituting a fraudulent transfer or conveyance. In the event of any sale or other disposition of all or substantially all of the assets of any Subsidiary Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of the

capital stock of any Subsidiary Guarantor following which such Person is no longer a Subsidiary of the Company, in each case to a Person that is not a Subsidiary of the Company, then such Subsidiary Guarantor will be automatically released and relieved of any obligations under this Section 18.11, without any further act by any Person. Notwithstanding the foregoing, the Purchaser and each holder of Notes hereby agrees to execute any agreement or instrument (at the expense of the Company) that the Company reasonably requests in order to evidence such release.

Section 19. Confidential Information. For the purposes of this Section 19, "Confidential Information" means information delivered to any Non-Affiliate Holder by or on behalf of the Company or any Subsidiary of the Company in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by the Non-Affiliate Holder as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to the Non-Affiliate Holder prior to the time of the delivery of such information to such Non-Affiliate Holder by or on behalf of the Company or any Subsidiary thereof (other than through disclosure by (x) the Company or any Subsidiary or (y) a Person who was under a duty of confidentiality to the Company), (b) subsequently becomes publicly known through no act or omission by the Non-Affiliate Holder or any person acting on the holder's behalf, (c) otherwise becomes known to the Non-Affiliate Holder other than through disclosure by (x) the Company or any Subsidiary or (y) a Person who was under a duty of confidentiality to the Company or (d) constitutes financial statements delivered to the Non-Affiliate Holder under Section 6.1 that are otherwise publicly available. Each Non-Affiliate Holder will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such holder in good faith to protect confidential information of third parties delivered to such holder, provided that each Non-Affiliate Holder may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and Affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes and such Persons are informed of and agree to be bound by the provisions of this Section 19), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 19, (iii) any other Non-Affiliate Holder that is an Institutional Investor, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 19), (v) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law, regulation, the rules of an applicable securities exchange or compulsory legal process or upon the request or demand of any regulatory authority having jurisdiction over such Non-Affiliate Holder (in which case each such holder agrees, and agrees to direct its Affiliates and their respective directors, officers, employees, agents, attorneys, trustees, financial advisors and other professional advisors, to the extent permitted by law, to inform the Company as promptly as practicable thereof so that it may seek a protective order or other appropriate remedy, in each case at the Company's own expense, and/or waive compliance with the terms of this Section 19, it being understood that if such protective order or other remedy is not obtained, or the Company does not waive compliance

with the provisions hereof, each such holder agrees to furnish only that portion of such information which it is legally required or requested to furnish and to use reasonable efforts to obtain assurances that confidential treatment will be accorded to such information) or (z) if an Event of Default has occurred and is continuing, to the extent the Non-Affiliate Holder may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under the holder's Notes and this Agreement. Each Non-Affiliate Holder, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 19 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any Non-Affiliate Holder of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 19.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you, the Company and, solely with respect to Section 18.11, the Subsidiary Guarantors.

Very truly yours,

PRIMERICA, INC.

By /s/ Peter W. Schneider
Name: Peter W. Schneider
Title: Executive Vice President and Secretary

[SIGNATURE PAGE TO NOTE AGREEMENT]

Solely for purposes of Section 18.11:
PRIMERICA FINANCIAL SERVICES AGENCY OF NEW YORK, INC.,
as Subsidiary Guarantor

By: /s/ Rick L. Mathis
Name: Rick L. Mathis
Title: Assistant Vice President

Solely for purposes of Section 18.11:
PRIMERICA SHAREHOLDER SERVICES, INC.,
as Subsidiary Guarantor

By: /s/ D. Gentry Rose
Name: D. Gentry Rose
Title: Senior Vice President

Solely for purposes of Section 18.11:
PRIMERICA FINANCIAL SERVICES INC.,
as Subsidiary Guarantor

By: /s/ Rick L. Mathis
Name: Rick L. Mathis
Title: Executive Vice President

Solely for purposes of Section 18.11:
PRIMERICA CLIENT SERVICES, INC.,
as Subsidiary Guarantor

By: /s/ D. Gentry Rose
Name: D. Gentry Rose
Title: Treasurer

[SIGNATURE PAGE TO NOTE AGREEMENT]

Solely for purposes of Section 18.11:
PRIMERICA INSURANCE MARKETING SERVICES OF PUERTO RICO INC.,
as Subsidiary Guarantor

By: /s/ D. Gentry Rose
Name: D. Gentry Rose
Title: Treasurer

Solely for purposes of Section 18.11:
PRIMERICA SERVICES INC.,
as Subsidiary Guarantor

By: /s/ Rick L. Mathis
Name: Rick L. Mathis
Title: Executive Vice President

[SIGNATURE PAGE TO NOTE AGREEMENT]

This Agreement is hereby accepted and agreed to as of the date thereof.

CITIGROUP INSURANCE HOLDING CORPORATION

By /s/ John Gerspach
Name: John Gerspach
Title: President

[SIGNATURE PAGE TO NOTE AGREEMENT]

Schedule A

Defined Terms

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"**Affiliate**" means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Company, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any corporation of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition and in Section 15.4, "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"**Agreement**" means this Note Agreement, dated as of April 1, 2010, by and between the Purchaser, the Company and the Subsidiary Guarantors, as it may from time to time be amended or supplemented.

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed.

"**Capital Lease**" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"**Change of Control**" is defined in Section 7.5.

"**Change of Control Notice**" is defined in Section 7.5(c).

"**Competitor**" means any Person that directly (or indirectly through any Affiliate of such Person) manufactures or distributes life insurance products.

"**Default**" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"**Electronic Delivery**" is defined in Section 6.1(a).

"**Environmental Laws**" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to Hazardous Materials.

"**Event of Default**" is defined in Section 10.

"**Exchange Agreement**" is defined in Section 2.

"**Form 10-K**" is defined in Section 6.1(b).

"**Form 10-Q**" is defined in Section 6.1(a).

"**GAAP**" means generally accepted accounting principles as in effect from time to time in the United States of America.

"**Governmental Authority**" means

(a) the government of

(i) the United States of America or any State or other political subdivision thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"**Guaranty**" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"**Hazardous Material**" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"**holder**" means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 12.1.

"**Indebtedness**" with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases;

(d) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money); and

(f) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (e) hereof.

"Initial Period" is defined in Section 8.4(a).

"Institutional Investor" means (a) the Purchaser, (b) any holder of a Note holding (together with one or more of its Affiliates) more than 20% of the aggregate principal amount of the Notes then outstanding or (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

"Issuance Date" is defined in Section 3.

"Lien" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"Material" means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement and the Notes, or (c) the validity or enforceability of this Agreement and the Notes.

"**Net Tangible Book Value**" means, at any date, all amounts that would, on a consolidated basis and in conformity with GAAP, represent total assets, less intangible assets, reduced by our total liabilities; *provided* that deferred policy acquisition costs shall not be considered intangible assets for purposes of this definition.

"**Non-Affiliate Holders**" is defined in Section 6.1.

"**Notes**" is defined in Section 1.

"**Person**" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

"**property**" or "**properties**" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"**Purchaser**" is defined in the first paragraph of this Agreement.

"**Refinancing Indebtedness**" is defined in Section 8.4(a).

"**Registration Statement**" is defined in Section 4.

"**Responsible Officer**" means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"**SEC**" shall mean the Securities and Exchange Commission of the United States, or any successor thereto.

"**Second Period**" is defined as Section 8.4(a).

"**Securities**" or "**Security**" shall have the meaning specified in Section 2(1) of the Securities Act.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**Senior Financial Officer**" means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company or persons serving in comparable positions.

"**Significant Subsidiary**" shall have the meaning given such term pursuant to Regulation S-X of the Securities Act.

"**Subsidiary**" means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

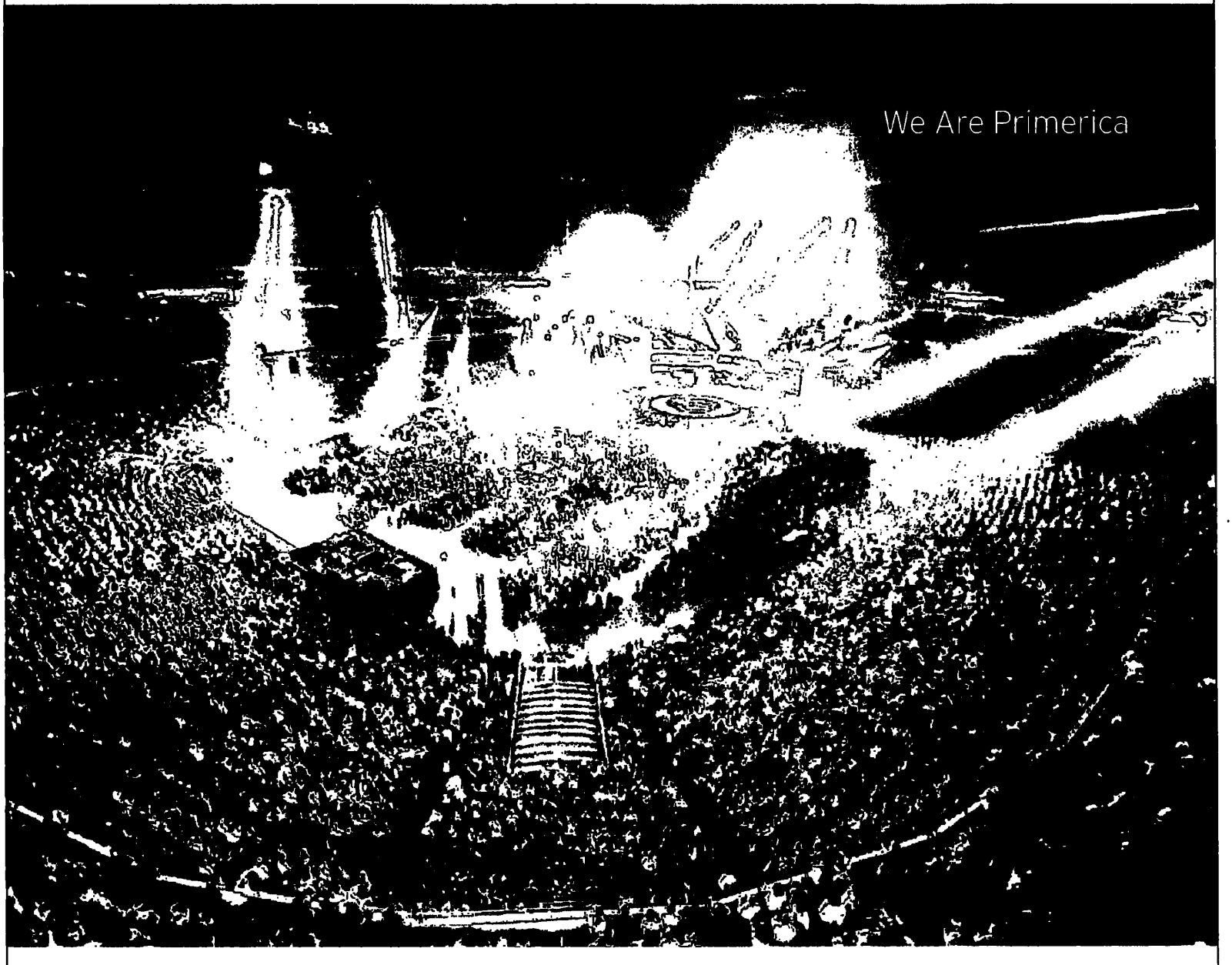
"**Subsidiary Guarantor**" is defined in the introductory paragraph of this Agreement.

"**USA Patriot Act**" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**Wholly-Owned Subsidiary**" means, at any time, any Subsidiary one hundred percent of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Subsidiaries at such time.

ATTACHMENT 26

2011 Annual Report



PRIMERICA®

Cover: Approximately 40,000 people from all over the U.S., Canada and Puerto Rico gathered in the Georgia Dome for Primerica's 2011 Convention. The company launched a string of initiatives that would change the way representatives do business, including innovative new products, technology and incentive programs.

Message to Stockholders

Primerica is a Main Street company driven by a mission to help Main Street families become financially independent. As the largest independent financial services marketing organization in North America, we are uniquely positioned to effectively reach and assist Main Street families with their personal finances. There has never been a bigger need for what Primerica does to help underserved middle-income families become properly protected, debt free and financially independent through our product offerings and entrepreneurial business opportunity.

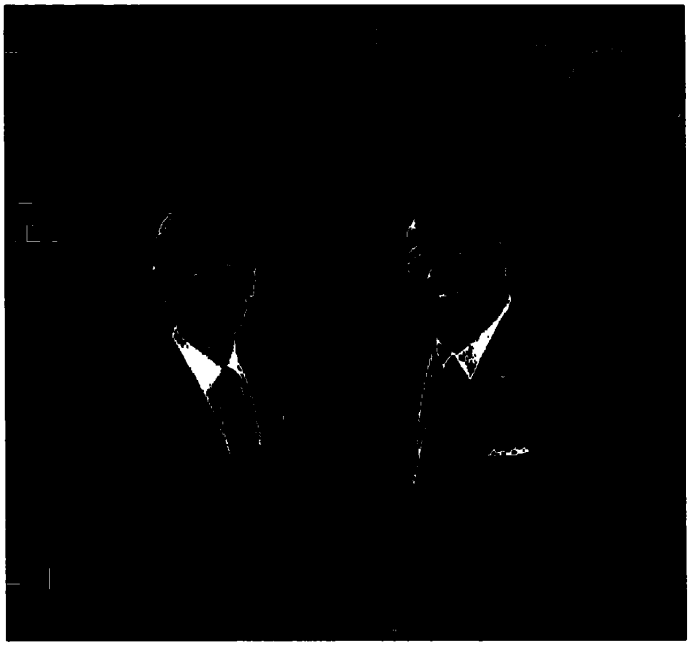
2011 Distribution Accomplishments

In 2011, we enhanced our product offerings and the sales process for our clients while expanding the business opportunity for our independent representatives. We focused on developing incentives, new technology and product enhancements that would create energy and enthusiasm in our representatives and drive momentum and growth in the future.

In our Term Life Insurance Segment, we launched Term-Now – a new rapid issue term life insurance product for clients purchasing face amounts of $250,000 and below. The new Term-Now online application process includes database queries as part of the underwriting process, replacing the previous, longer and more invasive underwriting process. We also moved our online sales tools from a device-specific system to an Internet-based system, allowing representatives to use their current web-based devices to give sales presentations and take online applications. These initiatives created a fundamental change in how our representatives transact business. Now more than 80% of life insurance applications are submitted electronically, up significantly from 55% prior to the TermNow product launch.

In 2011, our Term Life business outperformed the life insurance industry as our life insurance policies issued increased 6% from 2010, while the MIB Life Index reported the industry's life application activity was flat in 2011 over the prior year. And, according to LIMRA, term life policies issued in 2011 compared to 2010 declined 4% compared with Primerica's 6% increase in issued term life policies.

In 2011 Primerica's life insurance companies paid more than $1 billion in death claims.



Co-CEOs Rick Williams and John Addison

Investment and Savings Products (ISP) sales were very strong in 2011, up 18% driven by a 43% year-over-year increase in variable annuity sales. During the year, we continued to execute on our strategy of expanding our ISP product portfolio by adding managed accounts and indexed annuities to our product offerings. Managed accounts provide our clients the opportunity to have an actively managed investment while rewarding our representatives for developing lasting client relationships. We believe long-term, indexed annuities are a good fit for our business because they expand our offerings for conservative-minded investors and work well with our sales force structure.

In June, our convention provided the environment and platform to launch new products, technology initiatives and incentive programs that led to significant activity during the second half of the year. The last time we held a convention was in 2007, when Primerica and the U.S. economy were in a fundamentally different place. Four years later, as a public company, this convention was another celebration of our independence with approximately

Primerica's new TermNow product, launched in 2011, is a rapid-issue term life insurance product. Representatives can take an application on an iPad and a policy is issued within an average of less than 60 seconds.

40,000 people from the United States, Canada and Puerto Rico in attendance. Our conventions have historically increased the energy level, excitement and sense of team within the sales force but this convention truly surpassed our expectations. The energetic environment paired with the revolutionary announcements created excitement that led to a past-convention recruiting record. Recruiting finished the year up 6%, outpacing the direct sales industry that was down 1% in recruiting in 2011 from 2010, according to the Direct Selling Association. We continue to build on the business enhancements announced at the convention to generate distribution and sales growth.

2011 Capital Strategy Accomplishments

Significant strides were made on our capital management strategy in 2011. The $200 million share repurchase we completed in November allowed us to cancel approximately 12% of total shares outstanding, was accretive to earnings per share and brought us closer to our longer-term Risk Based Capital (RBC) objective of 300%-350%. This capital deployment also enabled Citi to completely divest its Primerica shares in a secondary offering in December, less than two years after completion of our initial public offering (IPO). The two Citi secondary offerings during the year allowed us to attract new investors, provide additional float in the stock and more fully consider open market share repurchases as part of our long-term capital strategy.

In addition to providing shareholder value with the stock repurchase in 2011, we increased our quarterly cash dividend as we took the first step in our long-term goal to align our dividend return with our peers. We also completed most of the administrative work needed for a triple X reserve financing solution and continue to work diligently with our regulators to obtain approval. A triple X transaction would allow us to deploy approximately $150 million of capital for share repurchases.

During the year, S&P affirmed Primerica Life Insurance Company's (PLIC) stable AA- financial strength rating and assigned Primerica, Inc. (PRI) an A- counterparty credit rating for senior unsecured debt. Moody's assigned an A2 insurance financial strength rating to PLIC and a Baa2 senior unsecured debt rating to PRI. A.M. Best affirmed PLIC's A+ financial strength rating,

Primerica broke ground on its new international headquarters in 2011. The majority of our employees will move to the state-of-the-art 345,000 square-foot facility beginning April 2013. This new facility will allow us to maximize business efficiencies and enhance our services to our sales force as well as our clients.

Agency	Financial Strength (PLIC)	Senior Unsecured Debt (PRI)
Standard & Poor's	AA-, stable outlook	A-, stable outlook
Moody's	A2, stable outlook	Baa2, stable outlook
A.M. Best Company	A+, stable outlook	a-, stable outlook

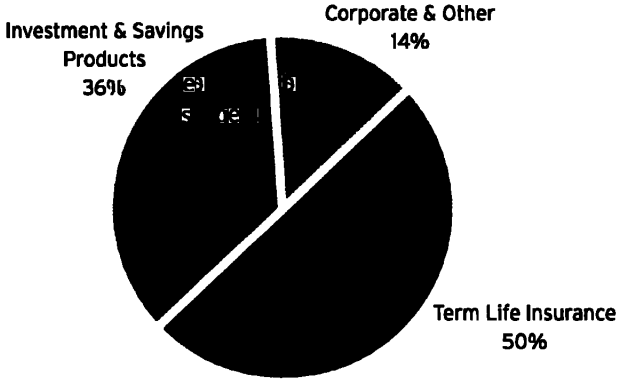
improved our outlook to stable and assigned PRI a senior unsecured debt rating of a-. With these ratings, we are well-positioned to approach the debt market at an opportune time. The ability to access the debt market would enable us to increase our low 17.4% debt to capital ratio to the 20-25% range to help maximize capital efficiency.

2011 Performance

We are proud of what we were able to accomplish in 2011 as we focused on building Primerica for the future by pursuing opportunities to grow our existing businesses while seeking to enhance shareholder value over time. Our business continued to perform well in 2011, driven primarily by a 27% increase in Term Life net premium revenue on an operating basis and an 18% increase in ISP sales compared with 2010. Net income was $178.3 million in 2011, compared with $257.8 million for 2010. Note that net income for the first quarter of 2010 did not reflect the impact of the Citi reinsurance and reorganization transactions. Adjusted to reflect the impact of these transactions as well as other operating adjustments, net operating income was up 10% to $177.1 million for 2011, compared with $161.5 million for 2010. Our net operating income growth demonstrates the flexibility and resilience of our unique business model as our predominantly cash generative ISP fee-based income complemented the growth in our capital intensive New Term Life business.

Our capital structure remained solid during the year as our adjusted book value per share increased 12% to $20.46 from $18.33 in 2010. At the end of the year, Primerica Life Insurance Company's statutory RBC ratio was 426%, showing that the company remains well positioned to support existing operations and fund future growth. Our invested asset to adjusted equity ratio of 1.6x remains beneficially low in this low interest rate environment. We are less reliant on investment income as a source of earnings and our capital position is less sensitive to asset risk than companies that underwrite interest-sensitive products.

$1.10 Billion of Revenue in 2011 (by Segment)



Looking Ahead

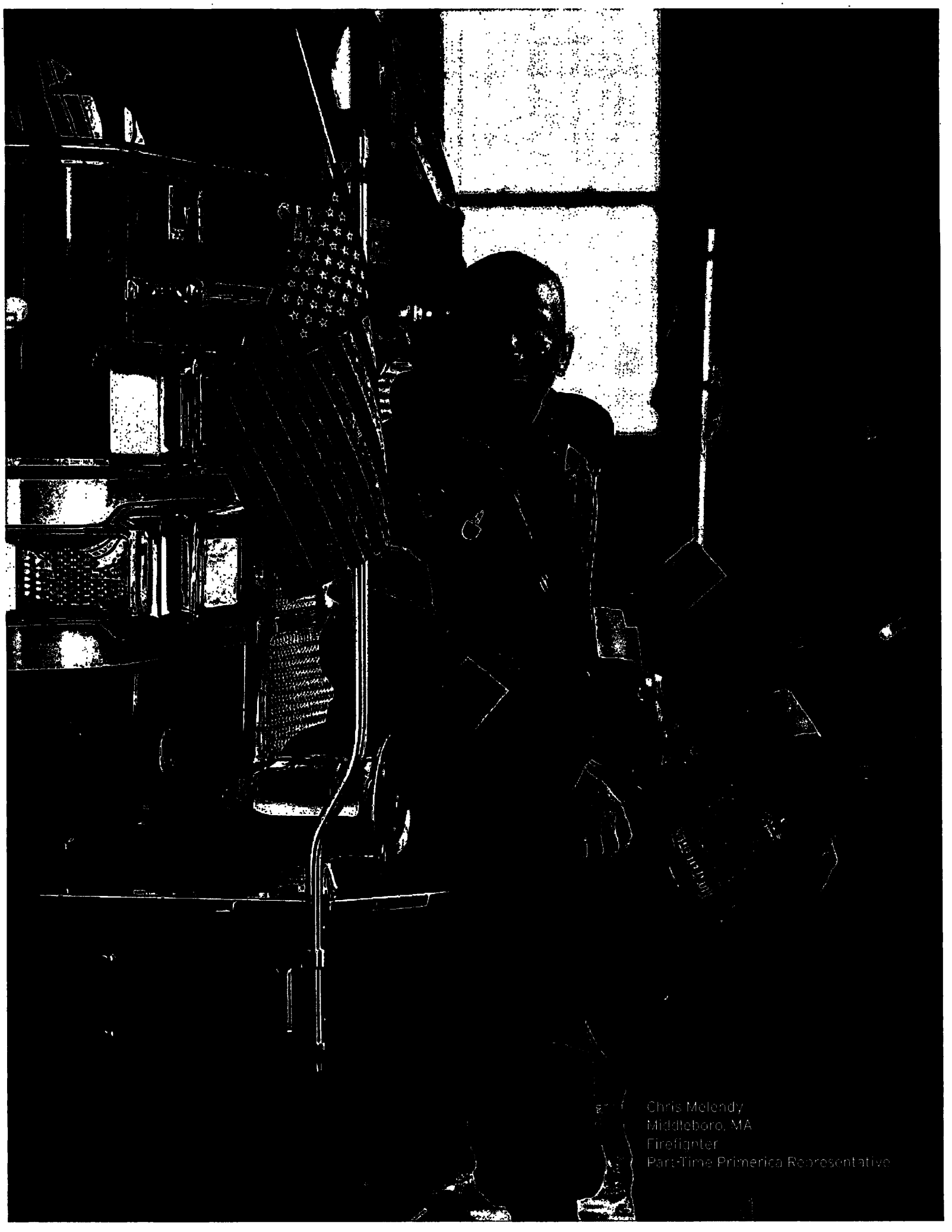
As we move forward, our continued financial strength and conservative balance sheet position us well to improve returns on capital through continued execution of the capital strategy we began in 2011. Our unique distribution model provides the opportunity to grow our business by catering to the needs of vastly underserved Main Street families. We are focused on supporting and building our sales force to drive continued performance and positive financial results going forward. We plan to follow through on the business enhancements delivered in 2011 and focus on growing distribution through refined sales force incentives and sales tools to help more Main Street families, like the ones highlighted in this report, navigate their financial situations. We believe every family in North America deserves a chance to be financially independent.

As stewards of this business for more than 30 years now, we remain committed to building Primerica for the future to create value and enhance the return for our sales force, employees, clients, and stockholders.

Sincerely,

Rick Williams
Chairman of the Board and
Co-Chief Executive Officer

John Addison
Chairman of Primerica Distribution and
Co-Chief Executive Officer



Chris Melendy
Middleboro, MA
Firefighter
Part-Time Primerica Representative

We believe

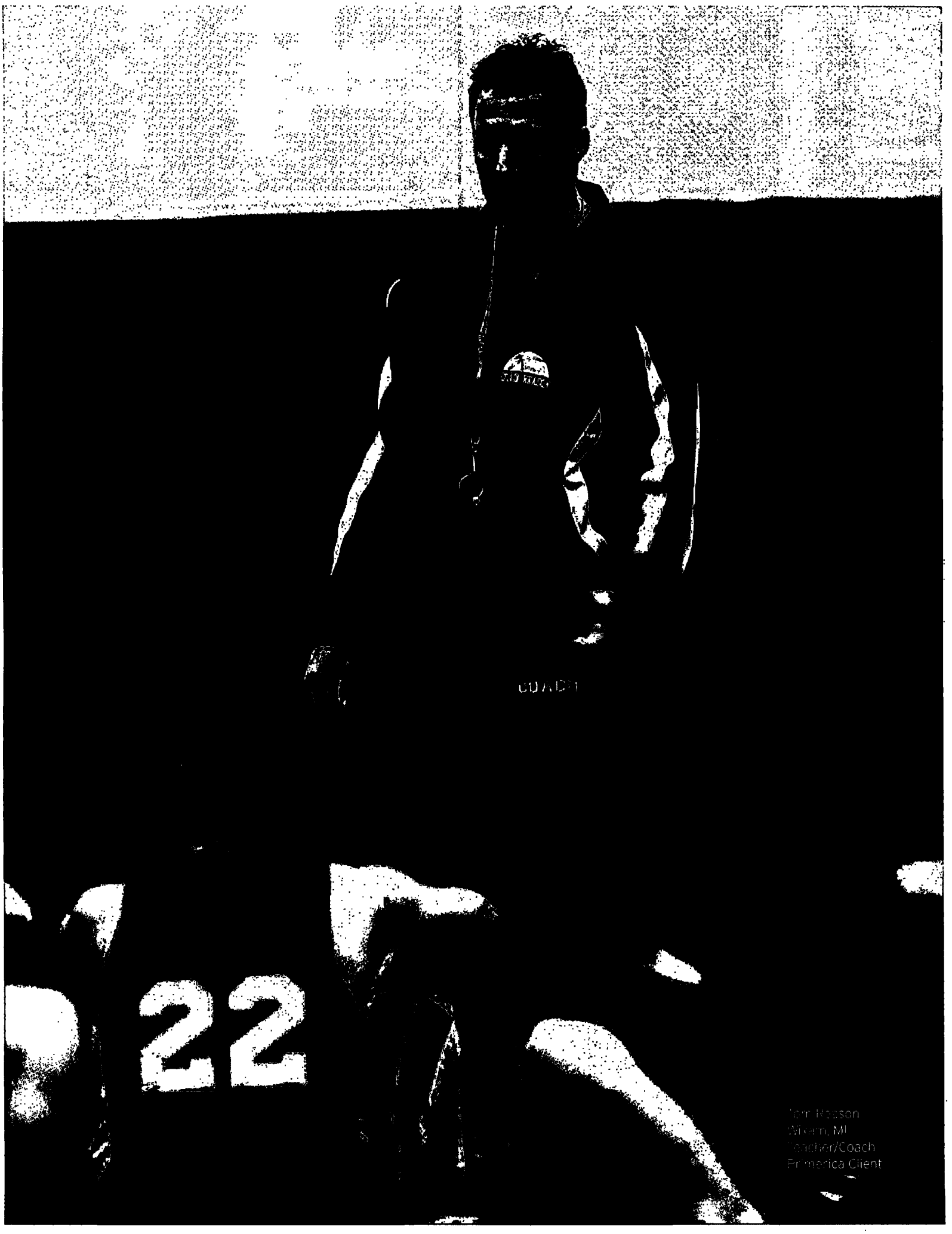
that all people need to understand how money works.

Primerica is about education. We believe that there are no "secrets" to financial security ... and financial education isn't just for the wealthy. Primerica's goal is to educate hardworking families on simple concepts that can change their financial future forever.

Chris Melendy of Middlaboro, MA, became a firefighter because he wanted to make a difference. He joined Primerica part-time to do the same thing. "Over the years, I've seen a lot of my fellow firefighters being taken advantage of financially and I am passionate about changing that. We see our Primerica business as a way that I can turn my passion for helping people into a business that will pay me a potentially unlimited income for doing just that!"

Our representatives take the time to meet with families one-on-one in their own homes, at their convenience. We sit down with them and teach our clients simple financial principles such as the Rule of 72, pay yourself first, buy term and invest the difference, the power of compound interest and more. Our mission is to help families become properly protected, debt free and financially independent, and we take that mission seriously.

We don't follow the fads. We lay a foundation. We're a Main Street company for Main Street North America.



Jon Hasson
Miami, MI
Teacher/Coach
Primerica Client

We believe

families have a right to simple solutions to their financial challenges.

Thirty-five years ago, Primerica began a revolutionary crusade to transform the life insurance industry with a simple philosophy called "buy term and invest the difference." This philosophy encourages families to purchase affordable term life insurance so they can get the protection they need at a price they can afford and have more money to invest in their future.

We're not a "product of the month" kind of company. Our principles, philosophy and products have stood the test of time. We've proudly been part of the solution, not the problem. We've focused on helping underserved Main Street families become financially independent. Our solutions are available to everyone, no matter what their "bottom line" is.

Tom Reason of Wixam, MI, a self-described "middle-income Joe," saved more than $300 a month on his family's life insurance by replacing a whole life policy with a Primerica term insurance policy. "Our Primerica representative, Jeff Sarandrea, showed us how we can take that money and fund an IRA - and that's going to really change our future for the better. It was like finding money!"

Our simple solutions for Main Street families have been the foundation for our success even as we expanded over the years. Today, Primerica is perfectly positioned for growth and ready to transform the financial services industry, because Main Street families need our help now more than ever before.


Angie Reed
Atlanta, GA
Primerica Regional Vice President

We believe

leaders come from all backgrounds and all walks of life.

Primerica offers average and ordinary individuals a chance to build their own business and change their lives. Our leaders come from many different backgrounds. You'll find former coaches, teachers, firefighters and bookkeepers – each working side by side to build a Primerica business.

Our business opportunity is available to anyone who wants to achieve their dreams, regardless of their employment background, education level, age or ethnicity. Many people dream of starting a business but feel they don't have enough money or business experience. With Primerica, our representatives are in business for themselves, but not by themselves. For a nominal cost, they can follow their dreams of becoming an entrepreneur.

"I was intrigued by the Primerica business opportunity because it presented a way for me to potentially earn the kind of income I wanted while making a difference in my community," recalls former real estate agent Angie Reed of Atlanta, GA.

Primerica provides an opportunity for future entrepreneurs to start a business part-time and earn extra money while they keep their full-time jobs. The full-time opportunity provides the potential for unlimited income. At Primerica, there's always room at the top. It's a place where average and ordinary people can help others and have extraordinary success.

Hagen and Courtney Harrison
Staff Sergeant, United States Air Force
Pinnacle Client

We believe

every family in North America deserves a chance to be financially independent.

Primerica teaches Main Street families the basic financial concepts that most people don't learn in school. A lot of people think long-term security is impossible on their income. But Primerica helps families understand that, no matter what a person's income level, he or she can achieve financial security if they teke the time to learn a few simple principles.

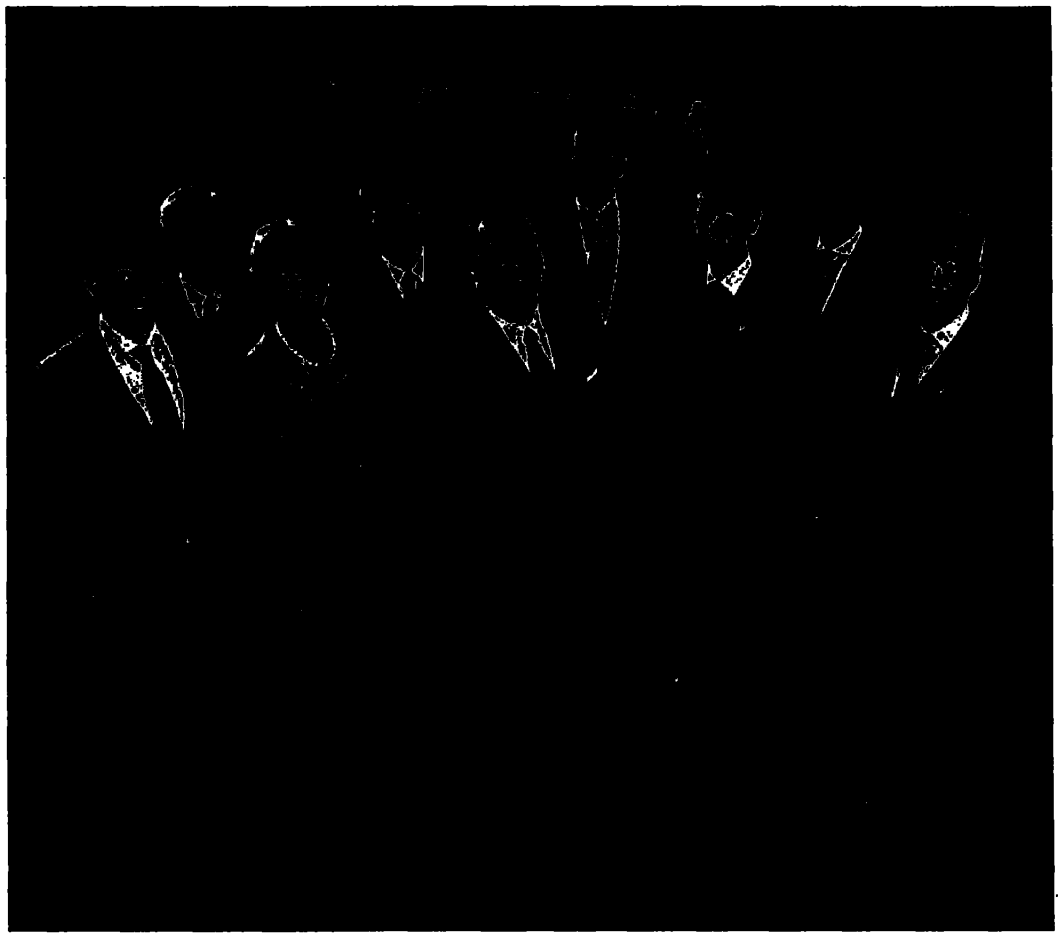
While other financial services companies ignore this market and focus on the wealthy, Primerica doesn't. We have the distribution system in place to meet the needs of this vastly underserved market.

We help them understand the difference between a Traditional and a Roth IRA. We show them how to take advantage of tax-deferred saving and the power of dollar-cost averaging. While other companies have large minimum investment requirements, Primerica helps families get started on a systematic investment program for as little as $50 each month.

Hagan Harrison of Warner Robins, GA, says he and his wife Courtney hadn't thought much about their finances before they were introduced to Primerica's solutions. "We had never really thought about starting to plan for our future before Primerica. But thanks to what our representative did for us, we're off to a good start for a great retirement some day."

Primerica believes that getting started is the first step toward financial independence.

Board of Directors



Left to right: D. Zilberman, R. McCullough, B. Yastine, J. Babbit, J. Addison, P. G. Benson, D. R. Williams, M. Mason, M. Martin

John A. Addison, Jr.
Chairman of Primerica Distribution and Co-CEO, Primerica, Inc.

Joel M. Babbit
CEO, Mother Nature Network

P. George Benson
President, The College of Charleston

Michael E. Martin
Partner, Warburg Pincus & Co.
Managing Director, Warburg Pincus LLC

Mark Mason
Chief Operating Officer, Citi Holdings

Robert F. McCullough
Former Senior Partner of Invesco Ltd.

D. Richard Williams
Chairman of the Board
and Co-CEO, Primerica, Inc.

Barbara A. Yastine
Chief Administrative Officer, Ally Financial, Inc.

Daniel Zilberman
Partner, Warburg Pincus & Co.
Managing Director, Warburg Pincus LLC

Executive Officers

Left to right: G. Williams, G. Pitts, D. R. Williams, J. Fendler, J. Addison, M. Adams, C. Britt, P. Schneider, A. Rand, W. Kelly

Michael Adams
Executive Vice President and
Chief Business Technology Officer

John A. Addison, Jr.
Chairman of Primerica Distribution
and Co-CEO and Director, Primerica, Inc.

Chess Britt
Executive Vice President and
Chief Marketing Officer

Jeffrey S. Fendler
President of Primerica Life

William A. Kelly
President of PFS Investments

Gregory C. Pitts
Executive Vice President and
Chief Operating Officer

Alison S. Rand
Executive Vice President and
Chief Financial Officer

Peter W. Schneider
Executive Vice President, General Counsel,
Corporate Secretary and Chief Administrative Officer

D. Richard Williams
Chairman of the Board
and Co-CEO, Primerica, Inc.

Glenn J. Williams
President


PRIMERICA

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-34680

Primerica, Inc.

(Exact name of registrant as specified in its charter)

Delaware	27-1204330
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3120 Breckinridge Boulevard Duluth, Georgia	30099
(Address of principal executive offices)	(ZIP Code)

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

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

Title of each class	Name of each exchange on which registered
Common Stock, $.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2011, was $842,037,313. The number of shares of the registrant's Common Stock outstanding at January 31, 2012, with $.01 par value, was 64,938,806.

Documents Incorporated By Reference

Certain information contained in the Proxy Statement for the Company's Annual Meeting of Stockholders to be held on May 16, 2012 is incorporated by reference into Part III hereof.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Investors are cautioned that certain statements contained in this report as well as some statements in periodic press releases and some oral statements made by our officials during our presentations are "forward-looking" statements. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, and may contain the words "expect," "intend," "plan," "anticipate," "estimate," "believe," "will be," "will continue," "will likely result," and similar expressions, or future conditional verbs such as "may," "will," "should," "would," and "could." In addition, any statement concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible actions taken by us or our subsidiaries are also forward-looking statements. These forward-looking statements involve external risks and uncertainties, including, but not limited to, those described under the section entitled "Risk Factors" included herein.

Forward-looking statements are based on current expectations and projections about future events and are inherently subject to a variety of risks and uncertainties, many of which are beyond the control of our management team. All forward-looking statements in this report and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by these risks and uncertainties. These 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;
- changes to the independent contractor status of our sales representatives;
- our or our sales representatives' violation of, or non-compliance, with laws and regulations;
- our or our sales representatives' failure to protect the confidentiality of client information;
- differences between our actual experience and our expectations regarding mortality, persistency, expenses and investment yields as reflected in the pricing for our insurance policies;
- the occurrence of a catastrophic event that causes a large number of premature deaths of our insureds;
- changes in federal and state legislation and regulation, including other legislation or regulation that affects our insurance and investment product businesses;
- our failure to meet risk-based capital standards or other minimum capital or surplus requirements;
- a downgrade or potential downgrade in our insurance subsidiaries' financial strength ratings or in our investment grade credit ratings for the senior unsecured debt that we may elect to offer pursuant to our existing shelf registration statement at some time in the future;
- the effects of credit deterioration and interest rate fluctuations on our invested asset portfolio;
- incorrectly valuing our investments;
- inadequate or unaffordable reinsurance or the failure of our reinsurers to perform their obligations;
- changes in accounting for deferred policy acquisition costs of insurance entities and other changes in accounting standards;
- the failure of our investment products to remain competitive with other investment options;

- heightened standards of conduct or more stringent licensing requirements for our sales representatives;
- inadequate policies and procedures regarding suitability review of client transactions;
- the failure of, or legal challenges to, the support tools we provide to our sales force;
- the inability of our subsidiaries to pay dividends or make distributions;
- the effects of economic down cycles in the United States and Canada;
- our ability to generate and maintain a sufficient amount of capital;
- our non-compliance with the covenants of our note payable;
- legal and regulatory investigations and actions concerning us or our sales representatives;
- the competitive environment;
- the loss of key personnel;
- the failure of our information technology systems, breach of our information security or failure of our business continuity plan;
- fluctuations in Canadian currency exchange rates; and
- conflicts of interest due to the significant interest in us held by certain private equity funds managed by Warburg Pincus LLC.

Developments in any of these areas could cause actual results to differ materially from those anticipated or projected or cause a significant reduction in the market price of our common stock.

The foregoing list of risks and uncertainties may not contain all of the risks and uncertainties that could affect us. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report may not in fact occur. Accordingly, undue reliance should not be placed on these statements. We undertake no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, except as otherwise required by law.

PART I

ITEM 1. BUSINESS.

Primerica, Inc. ("Primerica", "we" or the "Parent Company") is a leading distributor of financial products to middle income households in the United States and Canada with approximately 91,000 licensed sales representatives at December 31, 2011. We assist our clients in meeting their needs for 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 more than 4.3 million lives and approximately 2 million clients maintained investment accounts with us at December 31, 2011. Our distribution model uniquely positions us to reach underserved middle income consumers in a cost effective manner and has proven itself in both favorable and challenging economic environments.

Our mission is to serve middle income families by helping them make informed financial decisions and providing them with a strategy and means to gain financial independence. Our distribution model is designed to:

- *Address our clients' financial needs.* Our sales representatives use our proprietary financial needs analysis tool ("FNA") and an educational approach to demonstrate how our products can assist clients to provide financial protection for their families, save for their retirement and other needs and manage their debt. Typically, our clients are the friends, family members and personal acquaintances of our sales representatives. Meetings are generally held in informal, face-to-face settings, usually in the clients' homes.
- *Provide a business opportunity.* We provide an entrepreneurial business opportunity for individuals to distribute our financial products. Low entry costs and the ability to begin part-time allow our sales representatives to supplement their income by starting their own independent businesses without incurring significant start-up costs or leaving their current jobs. Our unique compensation structure, technology, training and back-office processing are designed to enable our sales representatives to successfully grow their independent businesses.

Corporate Structure

We conduct our core business activities in the United States through three principal entities, all of which are direct or indirect wholly owned subsidiaries of the Parent Company:

- Primerica Financial Services, Inc. ("PFS"), our general agency and marketing company;
- Primerica Life Insurance Company ("Primerica Life"), our principal life insurance underwriting company; and
- PFS Investments Inc. ("PFS Investments"), our investment and savings products company and broker-dealer.

Primerica Life is domiciled in Massachusetts and its wholly owned subsidiary, National Benefit Life Insurance Company ("NBLIC"), is a New York life insurance underwriting company.

We conduct our principal business activities in Canada through two principal entities, both of which are indirect wholly owned subsidiaries of the Parent Company:

- Primerica Life Insurance Company of Canada ("Primerica Life Canada"), our Canadian life insurance underwriting company; and
- PFSL Investments Canada Ltd. ("PFSL Investments Canada"), our Canadian licensed mutual fund dealer.

Primerica, Inc. was incorporated in the United States as a Delaware corporation in October 2009 to serve as a holding company for the Primerica businesses. Our businesses, which prior to April 1, 2010 were wholly owned indirect subsidiaries of Citigroup Inc. ("Citi"), were transferred to us by Citi on April 1, 2010 in a reorganization pursuant to which we completed

an initial public offering in April 2010 (the "IPO"). For a description of our corporate reorganization, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – The Transactions."

In November 2011, we repurchased from Citi approximately 8.9 million shares of our common stock at a price of $22.42 per share, for a total purchase price of approximately $200.0 million. The per-share purchase price was determined based on the volume-weighted average price per share of Primerica, Inc. common stock during the seven-day period prior to execution of the repurchase agreement. We funded this repurchase with funds made available by a dividend from Primerica Life to the Parent Company.

In April 2011, Citi sold 12.0 million shares of our common stock in an underwritten public offering at a price of $22.75 per share. In December 2011, Citi sold approximately 8.1 million shares of our common stock, representing all of its remaining shares of our common stock, in an underwritten public offering at a price of $22.29 per share. We did not receive any proceeds from the sale of these shares.

Our Clients

Our clients are generally middle income consumers, which we define as households with $30,000 to $100,000 of annual income. According to the 2009 U.S. Census Bureau Current Population Survey, the latest period for which data is available, approximately 50% of U.S. households fall in this range. We believe that we understand the financial needs of the middle income segment well:

- *They have inadequate or no life insurance coverage.* Individual life insurance sales in the United States declined from 12.5 million policy sales in 1975 to 6.7 million policy sales in 2010, the latest period for which data is available, according to LIMRA, a worldwide association of insurance and financial services companies. We believe that term life insurance, which we have provided to middle income clients for many years, is generally the best option for them to meet their life insurance needs due to its lower initial cost versus cash value life insurance.
- *They need help saving for retirement and other personal goals.* The current economic environment has intensified the challenges of middle income families to save for retirement and other goals. By developing personalized savings programs for our clients using our proprietary FNA tool and offering a wide range of mutual funds, annuities and segregated fund products sponsored and managed by reputable firms, our sales representatives are well equipped to help clients develop long-term savings plans to address their financial needs.
- *They need to reduce their consumer debt.* Many middle income families have numerous debt obligations from credit cards, auto loans, and home mortgages. We help our clients address these financial burdens by providing personalized client-driven debt management techniques that can help them reduce and ultimately pay off their debts.
- *They prefer to meet face-to-face when considering financial products.* Historically, middle income consumers have indicated a preference to meet face-to-face when considering financial products or services. As such, we have designed our business model to address this preference in a cost-effective manner.

Our Distribution Model

Our distribution model, which borrows aspects from franchising, direct sales and traditional insurance agencies – is designed to reach and serve middle income consumers efficiently. Key characteristics of our unique distribution model include:

- *Independent entrepreneurs:* Our sales representatives are independent

contractors building and operating their own businesses. This business-within-a-business approach means that our sales representatives are entrepreneurs who take responsibility for selling products, recruiting sales representatives, setting their own schedules and managing and paying the expenses associated with their sales activities, including office rent and administrative overhead.

- *Part-time opportunity:* By offering a flexible part-time opportunity, we are able to attract a significant number of recruits who desire to earn supplemental income and generally concentrate on smaller-sized transactions typical of middle income consumers. Virtually all of our sales representatives begin selling our products on a part-time basis, which enables them to hold jobs while exploring an opportunity with us.
- *Incentive to build distribution:* When a sale is made, the selling representative receives a commission, as does the representative who recruited him or her, which we refer to as override compensation. Override compensation is paid through several levels of the selling representative's recruitment and supervisory organization. This structure motivates existing sales representatives to grow our sales force and ensures their success by providing them with commission income from the sales completed by their recruits.
- *Sales force leadership:* A sales representative who has built a successful organization can achieve the sales designation of Regional Vice President ("RVP") and can earn higher compensation and bonuses. RVPs are independent contractors who open and operate offices for their sales organizations and devote their full attention to their Primerica businesses. RVPs also support and monitor the part-time sales representatives on whose sales they earn override commissions in compliance with applicable regulatory requirements. RVPs' efforts to expand their businesses are a primary driver of our success.
- *Innovative compensation system:* We have developed an innovative system for compensating our independent sales force that is primarily tied to, and contingent upon, product sales. We advance to our representatives a significant portion of their insurance commissions upon their submission of an insurance application and the first month's premium payment. In addition to being a source of motivation, this upfront payment provides our sales representatives with immediate cash flow to offset costs associated with originating the business. In addition, monthly production bonuses are paid to sales representatives whose downline sales organizations meet certain sales levels. With compensation predominantly tied to sales activity, our compensation approach accommodates varying degrees of individual productivity, which allows us to effectively use a large group of part-time representatives while providing a variable cost structure. In addition, we incentivize our RVPs with equity compensation, which aligns their interests with those of our stockholders.
- *Large dynamic sales force:* The members of our sales force primarily target and serve their friends, family members and personal acquaintances through individually driven networking activities. We believe that this warm markets approach is an effective way to distribute our products because it facilitates face-to-face interaction initiated by a trusted acquaintance of the prospective client, which is difficult to replicate using other distribution approaches. Due to the large size of our sales force, attrition and our active recruiting of new sales representatives, our sales force is constantly renewing itself, which allows us to continually access an expanding base of prospective clients without engaging costly media channels.

- *Motivational culture:* Through sales force recognition events and contests, we seek to create a culture that inspires and rewards our sales representatives for their personal successes and those of their sales organizations. We believe this motivational environment is a major reason that many sales representatives join and achieve success in our business.

Structure and Scalability of Our Sales Force

New sales representatives are recruited by existing sales representatives. When these new recruits join our sales force, they are assigned an upline relationship with the sales representative who recruited them and with the recruiting sales representative's respective upline RVP organization. As new sales representatives are successful in recruiting other sales representatives, they begin to build their own organization of sales representatives who become their downline sales representatives. We encourage our sales representatives to bring in new recruits to build their own sales organizations, enabling them to earn override commissions on sales made by members of their downline organization. Members of our sales force view building their own downline organizations as building their own business within a business.

While the substantial majority of our sales representatives are part-time, approximately 4,000 served as RVPs at December 31, 2011. RVPs establish and maintain their own offices, which we refer to as field offices. Additionally, they are responsible for funding the costs of their administrative staff, marketing materials, travel and training and exclusive recognition events for the sales representatives in their respective downline organizations. Field offices provide a location for conducting recruiting meetings, training events and sales-related meetings, disseminating our Internet-streamed TV programming, conducting compliance functions, and housing field office business records.

Our sales-related expenses are largely variable costs that fluctuate with product sales volume. Sales-related expenses consist primarily of sales commissions and incentive programs for our sales representatives as well as costs associated with information technology, compliance, administrative activities, sales management and training.

With support provided by our home office staff, RVPs play a major role in training, motivating and monitoring our sales representatives. Because the primary determinant of a sales representative's compensation is the size and productivity of his or her downline organization, our distribution model provides financial rewards to our sales representatives who successfully recruit, support and monitor productive sales representatives. Furthermore, we have developed proprietary tools and technology to enable our RVPs to reduce the time spent on administrative responsibilities associated with their sales organization so they can devote more time to the sales and recruiting activities that drive our growth. We believe that our tools and technology, coupled with our equity incentive award program, further incentivize our sales representatives to become RVPs.

To encourage our most successful RVPs to build large downline sales organizations that generate strong sales volumes, we established the Primerica Ownership Program to provide certain qualifying RVPs a contractual right, upon meeting certain criteria, to sell their Primerica business to another RVP or transfer it to a qualifying family member.

Both the structure of our sales force and the capacity of our support capabilities provide us with a high degree of scalability as we grow our business. Our support systems and technology are capable of supporting a large sales force and a high volume of transactions. In addition, by sharing training and compliance activities with our RVPs, we are able to grow without incurring proportionate overhead expenses, which accommodates an increase in sales representatives, clients, product sales and transactions.

Recruitment of Sales Representatives

Recruiting sales representatives is undertaken by our existing sales representatives, who identify prospects and share with them the benefits of associating with our organization. Our sales representatives showcase our organization as dynamic and capable of improving lives by demonstrating the success achieved by the members of our sales force.

After the initial contact, prospective recruits typically are invited to an opportunity meeting, which is conducted by an RVP. The objective of an opportunity meeting is to inform recruits about our mission and their opportunity to join our sales force. At the conclusion of each opportunity meeting, prospective recruits are asked to complete an application and pay a $99 fee to commence their pre-licensing training and licensing examination preparation programs. While recruits are not obligated to purchase any of our products to become a sales representative, they often elect to do so.

Our sales force is our sole distribution channel and our success depends on the ongoing recruitment, training and licensing of new sales representatives. Recruits often become our clients or provide us with access to their friends, family members and personal acquaintances. As a result, we continually work to improve our systematic approach to recruiting and training new sales representatives so they can obtain the licensing and skills necessary for success.

Similar to other distribution systems that rely upon part-time sales representatives, and typical of the life insurance industry generally, we experience wide disparities in the productivity of individual sales representatives. Many new recruits do not get licensed, mainly due to the time commitment required to obtain licenses and various regulatory hurdles. Many of our licensed sales representatives are only marginally active in our business. As a result, we plan for this disparate level of productivity and view a continuous recruiting cycle as a key component of our distribution model. Our distribution model is designed to address the varying productivity associated with part-time sales representatives by paying production-based compensation, emphasizing recruiting, and continuing initiatives to address barriers to licensing new recruits. By providing override commissions to sales representatives on the sales generated by their downline sales organization, our compensation structure aligns the interests of our sales representatives with our interest in recruiting new representatives and maximizing their success.

The following table provides information on new recruits and sales representatives:

	Year ended December 31,		
	2011	2010	2009
Number of new recruits	244,756	231,390	221,920
Number of newly insurance-licensed sales representatives	33,711	34,488	37,629
Number of insurance-licensed sales representatives, at period end (1)	91,176	94,850	99,785
Average number of insurance-licensed sales representatives during period	91,855	96,840	100,569

(1) A change in the methodology for terminating agents resulted in an immaterial increase in the size of the year-end 2011 sales force relative to what it would have been under the prior methodology.

We define new recruits as individuals who have submitted an application to join our sales force, together with payment of a fee to commence their pre-licensing training. We may not approve certain new recruits to join our sales force, and others elect to withdraw from our sales force prior to becoming active in our business.

On average, it requires approximately three months for our sales representatives to complete the necessary applications and pre-licensing coursework and to pass the applicable state or provincial examinations to

obtain a license to sell our term life insurance products. As a result, individuals recruited to join our sales force within a given fiscal period may not become licensed sales representatives until a subsequent period.

We have launched several initiatives that are designed to maintain and increase our recruiting, licensing and sales activity, including:

- implementing a bonus program that provides incentives to new recruits to get licensed and make sales quickly;
- providing our sales force with the ability to register new recruits almost instantaneously using their mobile devices, which allows our new recruits to get started in pre-licensing activities and building their businesses immediately;
- developing a wide array of courses, training tools and incentives that assist and encourage new recruits to obtain the requisite licenses; and
- working with industry and trade associations to address unnecessary regulatory barriers to licensing qualified candidates, including efforts to modify state licensing laws and regulations.

Sales Force Motivation, Training and Communication

Motivating, training and communicating with our sales force are critical to our success and that of our sales force.

Motivation. Through our proven system of sales force recognition events, contests, and communications, we provide incentives that drive our results. Motivation is driven in part by our sales representatives' belief that they can achieve higher levels of financial success by building their own businesses as Primerica sales representatives. The opportunity to help others address financial challenges is also a significant source of motivation for many of our sales representatives, as well as for our management and home office employees.

We motivate our sales representatives to succeed in our business by:

- compensating our sales representatives for product sales by them and their downline organizations;
- helping our sales representatives learn financial fundamentals so they can confidently and effectively assist our clients;
- reducing the administrative burden on our sales force, which allows them to devote more of their time to building a downline organization and selling products; and
- creating a culture in which sales representatives are encouraged to achieve goals through the recognition of their sales and recruiting achievements as well as those of their sales organizations.

To help our sales representatives understand that they are part of a larger enterprise than their field office, we conduct numerous local, regional and national meetings. These meetings are a vehicle to inform and motivate our sales force. For example, in January 2012 we conducted ten regional meetings across the United States and Canada and in June 2011, approximately 40,000 people attended our national convention at the Georgia Dome in Atlanta. We believe the fact that so many of our new recruits and sales representatives elect to attend our meetings at their own expense demonstrates their commitment to our organization and mission.

Training. Our sales representatives must hold licenses to sell most of our products. Our in-house insurance licensing center offers a significant number of classroom, online and correspondence insurance pre-licensing classes to meet applicable state and provincial licensing requirements and prepare recruits to pass applicable licensing exams. For those representatives who wish to sell our investment and savings products, we contract with third-party training firms to conduct exam preparation.

We continue to develop courses, tools and incentives to help new recruits become licensed sales representatives. Among other tools, we provide to our sales force, generally at no cost to them, an online exam simulator, exam preparation review classes in addition to state or province mandated life insurance pre-licensing classes, and life insurance exam review videos. We also developed an interactive tool on Primerica Online ("POL"), our intranet website, that provides new recruits with a step-by-step guide to building their Primerica businesses.

Other internal training program opportunities include sales, management skills, business ownership, product and compliance training modules and videos. Additionally, many RVPs conduct sales training either on nights or weekends, providing new recruits a convenient opportunity to attend training outside of weekday jobs or family commitments.

Communication. We communicate with our sales force through multiple channels, including:

- POL, which is designed to be a support system for our sales force. POL provides sales representatives with access to their Primerica e-mail, bulletins and alerts, business tracking tools and real-time updates on their pending life applications and new recruits. We also use POL to provide real-time recognition of sales representatives' successes and scoreboards for sales force production, contests and trips. POL also is a gateway to our product providers and product support. Over 140,000 of our sales representatives, both licensed and not-yet licensed, subscribed to POL at December 31, 2011. Subscribers generally pay a $25 monthly fee to subscribe to POL, which helps cover the cost of maintaining this support system.
- our in-house TV network, which is broadcast by Internet-streaming video. We create original broadcasts and videos that enable senior management to update our sales force and provide training and motivational presentations. We broadcast a live weekly program hosted by home office management and selected RVPs that focuses on new developments and provides motivational messages to our sales force. We also broadcast a training-oriented program to our sales force on a weekly basis and profile successful sales representatives, allowing these individuals to share their secrets for success with our other sales representatives.
- our publications department, which produces materials to support, motivate and inform our sales force. We sell recruiting materials, sales pieces, business cards and stationery and provide total communications services, including web design, print presentations, graphic design and script writing. We also produce a weekly mailing that includes materials promoting our current incentives, as well as the latest news about our product offerings.
- our GoSolo® voice messaging tool and mass texting, which allow us to widely distribute motivational and informational voice messages, broadcasts and text messages to our sales force. GoSolo® is a subscription service provided by a third party.

Sales Force Support and Tools

Our information systems and technology are designed to support a sales and distribution model that relies on a large group of predominantly part-time representatives to assist them in building their own businesses. We provide our sales representatives with sales tools that allow both new and experienced sales representatives to offer financial information and products to their clients. The most significant of these tools are:

- *Our Financial Needs Analysis:* Our FNA is a proprietary, web-based, needs-based analysis tool. The FNA gives our sales

representatives the ability to collect and synthesize client financial data and develop a financial analysis for the client that is easily understood. The FNA, while not a financial plan, provides our clients with a personalized explanation of how our products work and introduces prudent financial concepts, such as regular saving and accelerating the repayment of high cost credit card debt to help them reach their financial goals. The FNA provides clients with a snapshot of their current financial position and identifies their life insurance, savings and debt management needs.

- *Our Point-of-Sale Application Tool:* Our web-based, point-of-sale software, TurboApps, is an internally developed system that streamlines the application process for our insurance products. This application populates client information from the FNA to eliminate redundant data collection and provides real-time feedback to eliminate incomplete and illegible applications. Integrated with our paperless field office management system described below and with our home office systems, TurboApps allows our RVPs and us to realize the efficiencies of straight-through-processing of application data and other information collected on our sales representatives' mobile devices, which results in expedited processing of our life insurance product sales. TurboApps also supports our recruiting activity and our U.S. mutual fund product sales. We developed the web-based versions of TurboApps to take advantage of the proliferation of portable devices and wireless Internet connections, including smartphones, laptop computers and tablets. We have also introduced our first edition of the Primerica App, which allows our representatives to provide an insurance quote when they do not have access to the Internet.
- *Virtual Base Shop:* In an effort to ease the administrative burden on RVPs and simplify sales force operations, we make available to RVPs a secure Intranet-based paperless field office management system as part of the POL subscription. This virtual office is designed to automate the RVP's administrative responsibilities and can be accessed by all sales representatives in an RVP's immediate downline sales organization, which we refer to as his or her base shop.
- *Our Morningstar Investment Presentation Tools:* We have licensed from Morningstar two web-based sales presentation tools, Portfolio Solutions and Morningstar® Hypothetical Illustrator℠. In addition, we have contracted with Ibbotson Associates Advisors, LLC, a leading asset allocation advisory firm, to build detailed asset allocation portfolios. These tools allow our sales representatives to illustrate for clients and prospective clients the long-term benefits of proper asset allocation and the potential wealth creation over specific time horizons. We believe these tools offer the benefit of objective third-party advice from an industry leader and help establish the credibility of both our sales representatives and products.
- *Client Account Manager:* We also use Client Account Manager, a portfolio management tool that assists our sales representatives with monitoring individual client investment accounts. Client Account Manager provides our sales representatives with additional product sales opportunities for our investment and savings products by providing better access to detailed account information for active client accounts and accounts that our representatives have inherited upon departure of the representative who established the relationship. We believe that Client Account Manager enables better service and more relevant client contact to present additional investment recommendations and product opportunities.

We also make available other technology to support our sales force in managing their businesses and in serving our clients, including:

- a toll-free sales support call center to address questions and assist with paperwork, underwriting and licensing;
- a tele-underwriting process that allows clients to provide needed medical information without disclosing it to our sales representatives; and
- POL for tracking the status of pending life insurance applications and the progress of their new recruits in their training and licensing efforts.

Performance-Based Compensation Structure

Our compensation system is rooted in our origin as an insurance agency. Our sales representatives can earn compensation in multiple ways, including:

- sales commissions and fees based on their personal sales and client assets under management;
- override commissions based on sales by the sales representatives and fees based on client assets under management in their downline organizations;
- bonuses and other compensation, including equity-based compensation, based on their own sales performance, the aggregate sales performance of their downline organizations and other criteria; and
- participation in our contests and other incentive programs.

Our compensation system pays a commission to the selling representative who actually sells the product and override commissions to several levels of the selling representative's upline organization. With respect to term life insurance sales, commissions are calculated based on the total first-year premium (excluding policy fee) for all policies and riders. To motivate our sales force, we compensate them for term life insurance product sales as quickly as possible. We advance a majority of the insurance commission upon the submission of a completed application and the first month's premium payment. The remainder of the life insurance sales commission is paid upon receipt of the first 12 months of premium. As the client makes his or her premium payments, the commission is earned by the sales representative and the commission advance is recovered. If premium payments are not made by the client and the policy terminates, any outstanding advance commission is charged back to the sales representative. The chargeback would equal that portion of the advance that was made, but not earned, by the representative because the client did not pay the full premium for the period of time for which the advance was made to the representative. Chargebacks, which occur in the normal course of business, may be recovered by reducing any amounts otherwise payable to the sales representative.

Sales representatives and their upline organizations are contractually obligated to repay us any commission advances that are ultimately not earned due to the underlying policy lapsing prior to the full commission being earned. Additionally, we hold back a portion of the commissions earned by our sales representatives as a reserve out of which we may recover chargebacks. The amounts held back are referred to as deferred compensation account commissions ("DCA commissions"). DCA commissions are available to reduce amounts owed to the Company by sales representatives. DCA commissions also provide an upline sales representative with a cushion against the chargeback obligations of their downline sales representatives. DCA commissions, unless applied to amounts owed, are ultimately released to the sales representatives.

Generally, commissions are not paid after the first year with respect to a policy. One of our riders provides for coverage increases each year. For such riders, commissions in the second year and thereafter are only paid with

respect to the premium increase related to the increased coverage. Renewal commissions are paid on some older in-force policies. At the end of the policy duration, compensation is paid on conversions.

We also pay compensation to our sales force for the sale of mutual funds, annuities, long-term care insurance, prepaid legal protection and our Primerica DebtWatchers™ products, and for the referral of customers seeking auto and home insurance. For most mutual funds (non-managed accounts) and annuity products, commissions are paid both on the sale and on the total of assets under management and are calculated based on the dealer re-allowance and trail compensation actually paid to us. For managed account mutual fund products, fees earned are based on the total of assets under management. Long-term care insurance commissions are calculated based on the amount of premium paid. Prepaid legal protection commissions and Primerica DebtWatchers™ commissions are payable in fixed amounts on the sale of the respective product. For auto and homeowners' insurance products, fees are paid for referrals that result in completed applications.

We pay bonuses and other incentive compensation for the sale of certain products. Bonuses are payable to the selling representative or to selected override levels, or both, for achieving specified production levels for the sale of term life insurance, investment and savings products, and prepaid legal protection, and for auto and home insurance referrals. Upon achieving certain goals and building their teams, new representatives can qualify for additional bonuses, which are generally contingent on new recruits completing their first personal sales.

In addition to these methods of compensation, we use a quarterly compensation program under which RVPs can earn equity awards based on various production and sales criteria. Effective deployment of these programs allows us to align the interests of our sales force with those of our stockholders.

Sales Force Licensing

The states, provinces and territories in which our sales representatives operate generally require our sales representatives to obtain and maintain licenses to sell our insurance and securities products. Our sales representatives may also be required to maintain licenses to sell certain of our other financial products. Our sales representatives must pass applicable examinations to be licensed to sell our insurance and securities products. To encourage new recruits to obtain their life licenses, we either pay directly or reimburse the sales representative for certain licensing-related fees and expenses once he or she passes the applicable exam and obtains the applicable life insurance license.

To sell insurance products, our sales representatives must be licensed by their resident state, province or territory and by any other state, province or territory in which they do business. In most states, our sales representatives must be appointed by our applicable insurance subsidiary.

To sell mutual funds, our U.S. sales representatives must be registered with the Financial Industry Regulatory Authority ("FINRA") and licensed as Series 6, and in most states Series 63, registered sales representatives of our broker-dealer subsidiary and by each state in which they sell securities products. To sell variable annuity products, our sales representatives must have these licenses and FINRA registrations and be appointed by the annuity underwriter in the states in which they market annuity products. To sell our managed account product, our representatives must be Series 65 licensed in most states.

Our Canadian sales representatives selling mutual fund products are required to be licensed by the securities commissions in the provinces and territories in which they sell mutual fund products. Our Canadian sales representatives who are licensed to sell our insurance products do not need any further licensing to sell our segregated funds products in Canada. In Canada, sales representatives

who refer clients to a mortgage lender do not have to be licensed as a mortgage broker.

Supervision and Compliance

To ensure compliance with various federal, state, provincial and territorial legal requirements, we and our RVPs share responsibility for maintaining an overall compliance program that involves compliance training and supporting and monitoring the activities of our sales representatives. Our Office of the General Counsel and our Field Supervision Department work with RVPs to develop appropriate compliance procedures and systems.

Generally, all RVPs must obtain a principal license (FINRA Series 26 in the United States and Branch Manager license in Canada) and as a result, they assume supervisory responsibility over the activities of their downline sales organizations. Additional supervision is provided by approximately 490 Offices of Supervisory Jurisdiction ("OSJs"), which are run by select RVPs who receive additional compensation for assuming additional responsibility for supervision and compliance monitoring across all product lines. OSJs are required to periodically inspect our field offices and report any compliance issues they observe to us.

All of our sales representatives are required to participate in our annual compliance meeting, a program administered by our senior management and our legal and compliance staff at which we provide a compliance training overview across all product lines and require the completion of compliance checklists by each of our licensed sales representatives for each product he or she offers. Additionally, our sales representatives receive periodic compliance newsletters regarding new compliance developments and issues of special significance. Furthermore, the OSJs are required to complete an annual training seminar that focuses on securities compliance and field supervision.

Our Compliance Department regularly runs surveillance reports designed to monitor the activity of our sales force. If we detect any unusual or suspicious activity, our Compliance Department commences an investigation and ensures that appropriate action is taken to resolve any issues and address disciplinary action. Our Field Supervision Department regularly assists the OSJs and communicates compliance requirements to them to ensure that they properly discharge their supervisory responsibilities. The Field Supervision Department also periodically inspects OSJ offices.

Our Field Audit Department regularly conducts audits of all sales representative offices, including scheduled and no-notice audits. Our policy is to conduct approximately 90% of the field office audits on a no-notice basis. The Field Audit Department reviews all regulatory-required records that are maintained at our home office. Any compliance deficiencies noted in the audit must be corrected, and we carefully monitor all corrective action. Field offices that fail an audit are subject to a follow-up audit in 150 days. Continued audit deficiencies are addressed through a progressive disciplinary structure that includes fines, reprimands, probations and terminations.

Our Products

We tailor our products to appeal to middle income consumers. We believe our face-to-face delivery of products and the FNA add sufficient value to the client to allow us to compete on the basis of product value and service in addition to price. Reflecting our philosophy of helping middle income clients with their financial product needs and to ensure compatibility with our distribution model, our products generally incorporate the following criteria:

- *Consistent with sound individual finance principles:* Products must be consistent with good personal finance principles for middle income consumers, such as reducing debt, minimizing expenses and encouraging long-term savings.

- *Designed to support client multiple goals:* Products are designed to address and support a broad range of financial goals rather than compete with or cannibalize each other. For example, term life insurance does not compete with mutual funds because term life has no cash value or investment element.
- *Ongoing needs based:* Products must meet the ongoing financial needs of many middle income consumers so that the likelihood of a potential sale is high.
- *Easily understood and sold:* Products must be appropriate for distribution by our sales force, which requires that the application and approval process must be simple to understand and explain, and the likelihood of approval must be sufficiently high to justify the investment of time by our sales representatives.

We use three operating segments to organize, evaluate and manage our business: Term Life Insurance, Investment and Savings Products, and Corporate and Other Distributed Products. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations" and Note 2 to our consolidated and combined financial statements included elsewhere in this report for certain financial information regarding our operating segments and the geographic areas in which we operate.

The following table provides information on our principal products and the principal sources thereof by operating segment.

Operating Segment	Principal Products	Principal Sources of Products (Applicable Geographic Territory)
Term Life Insurance	*Term Life Insurance*	Primerica Life (U.S. (except New York), the District of Columbia and certain territories) NBLIC (New York) Primerica Life Canada (Canada)
Investment and Savings Products	*Mutual Funds*	American Funds (U.S.) Franklin Templeton (U.S.) Invesco (U.S.) Legg Mason Global Asset Management (U.S.) Pioneer Investments (U.S.) AGF Funds (Canada) Concert™ Funds (Canada)
	Managed Accounts	Lockwood Advisors (U.S.)
	Variable Annuities	MetLife Investors and its affiliates (U.S.)
	Fixed Annuities	MetLife Investors USA Life Insurance Company and its affiliates (U.S.) The Lincoln National Life Insurance Company and its affiliates (U.S.)
	Segregated Funds	Primerica Life Canada (Canada)
Corporate and Other Distributed Products	*Primerica DebtWatchers™*	Equifax Consumer Services LLC (U.S. and Canada)
	Long-Term Care Insurance	Genworth Life Insurance Company and its affiliates (U.S.)
	Prepaid Legal Services	Prepaid Legal Services, Inc. (U.S. and Canada)
	Auto and Homeowners' Insurance	Various insurance companies, as offered through Answer Financial, Inc. (U.S.)
	Mortgage Loan referrals (Canada only)	AGF Trust Company (Canada)
	Mail-Order Student Life	NBLIC (U.S., except Alaska, Hawaii, Montana, Washington and the District of Columbia)
	Short-Term Disability Benefit Insurance	NBLIC (New York and New Jersey)

Term Life Insurance Products

Through our three life insurance subsidiaries – Primerica Life, NBLIC and Primerica Life Canada – we offer term life insurance to clients in the United States, its territories, the District of Columbia and Canada. In 2010, the latest period for which data is available, we were the largest provider of individual term life insurance in the United States based on the amount of in-force premiums collected, according to LIMRA.

We believe that term life insurance is a better alternative for middle income clients than cash value life insurance. Term life insurance provides a guaranteed death benefit if the insured dies during the fixed coverage period of an in-force policy, thereby providing financial protection for his or her named beneficiaries in return for the periodic payment of premiums. Term insurance products, which are sometimes referred to as pure protection products, have no savings or investment features. By buying term life insurance rather than cash value life insurance, a policyholder initially pays a lower premium and, as a result, may have funds available to invest for retirement and other needs. We also believe that a person's need for life insurance is inversely proportional to that person's need for retirement savings, a concept we refer to as the theory of decreasing responsibility. Young adults with children, new mortgages and other obligations need to buy higher amounts of insurance to protect their family from the loss of future income resulting from the death of a primary bread winner. With its lower initial premium, term life insurance lets young families buy more coverage for their premium dollar when their needs are greatest and still have the ability to have funds for their retirement and other savings goals.

We design our term life insurance products to be easily understood by, and meet the needs of, our clients. Clients purchasing our term life insurance products generally seek stable, longer-term income protection products for themselves and their families. In response to this demand, we offer term life insurance products with level premium coverage periods that range from 10 to 35 years. Policies remain in force until the expiration of the coverage period or until the policyholder ceases to make premium payments and terminates the policy. Premiums are guaranteed not to rise above a certain amount each year during the life of the policy. The initial guarantee period for policies issued in the United States equals the initial term period, up to a maximum of 20 years. After 20 years, we have the right to raise the premium, subject to limits provided for in the applicable policy. In Canada, the amount of the premium is guaranteed for the entire term of the policy.

Our Custom Advantage term life insurance policies may be customized through the addition of riders to provide coverage for specific protection needs, such as mortgage and college expense protection. These additional riders are available individually for both the primary insured and a spouse. For insureds under the age of 56 who are issued non-rated coverage, we offer an increasing benefit rider that allows for an automatic 10% annual increase in coverage (subject to a maximum lifetime increase of $500,000) without new underwriting. All children under the age of 25 in a family may be insured under one rider for one premium. Providing insurance for an entire family under one policy results in only one policy fee, premium banding for the total coverage on the primary insured and spouse, and reduced administrative expenses. The term premium banding refers to levels of death benefits payable on a term life insurance policy at which the cost to the insured of each $1,000 of death benefits payable decreases. Our premium bands are currently $150,000, $250,000 and $500,000. The death benefits attributable to an insured individual and his or her insured spouse are combined for purposes of determining which premium band will be used to calculate individual premiums. Therefore, the couple together may be charged premiums that are less per person per $1,000 of death benefits payable than they would otherwise be charged as individuals.

At our 2011 national convention, we launched a new rapid issue term life product called TermNow™ for face amounts of $250,000 and below. In the United States, TermNow allows a sales representative to take an online application and, with the client's permission, allows the Company to access databases, including prescription drug, Medical Information Bureau ("MIB"), and motor vehicle records as part of the underwriting process. In Canada, TermNow is underwritten using the online application and MIB data, but the Company uses this data and the client's responses to application questions to determine additional underwriting procedures in lieu of accessing motor vehicle records and prescription drug databases. These new processes replaced the prior process of collecting a saliva sample. Results of these searches are reported in real time to our underwriting system, which then makes a decision about whether or not to rapidly issue a policy.

The average face amount of our in-force policies issued in 2011 was approximately $248,400. The following table sets forth selected information regarding our term life insurance product portfolio:

	Year ended December 31,		
	2011	2010	2009
Life insurance issued:			
Number of policies issued	237,535	223,514	233,837
Face amount issued (in millions)	$ 73,146	$ 74,401	$ 80,497
	December 31,		
	2011	2010	2009
Life insurance in force:			
Number of policies in force	2,316,131	2,311,030	2,332,273
Face amount in force (in millions)	$664,955	$ 656,791	$ 650,195

Pricing and Underwriting. We believe that effective pricing and underwriting are significant drivers of the profitability of our life insurance business and we have established our pricing assumptions to be consistent with our underwriting practices. We set pricing assumptions for expected claims, lapses, investment returns and expenses based on our experience and other factors. These other factors include:

- expected changes from relevant experience due to changes in circumstances, such as (i) revised underwriting procedures affecting future mortality and reinsurance rates, (ii) new product features, and (iii) revised administrative programs affecting sales levels, expenses, and client continuation or termination of policies; and
- observed trends in experience that we expect to continue, such as general mortality improvement in the general population and better or worse policy persistency (the period over which a policy remains in force) due to changing economic conditions.

Under our current underwriting guidelines, we individually assess each insurable adult applicant and place such applicant into one of four risk classifications based on current health, medical history and other factors. Each of these four classifications (preferred plus, preferred, non-tobacco and tobacco) has specific health criteria. We may decline an applicant's request for coverage if his or her health or activities create unacceptable risks for us.

We do not have our sales representatives collect sensitive and personal medical information from an applicant. Our sales representatives ask applicants a series of yes or no questions regarding the applicant's medical history. If we believe that follow up regarding an applicant's medical history is warranted, we use a third-party provider and its trained personnel to contact the applicant by telephone to obtain a detailed medical history. The report resulting from the tele-underwriting process is electronically transmitted to us and is evaluated in our underwriting process. During the underwriting process, we may consider information about the applicant from third-party sources such as the MIB, prescription drug databases, motor vehicle bureaus and physician statements.

To accommodate the significant volume of insurance business that we process, we and our sales force use technology to make our operations more efficient. At our 2011 national convention, we also rolled out a new web-based life insurance application that supports both our existing Custom Advantage term products and TermNow. We designed the web-based application and TermNow product to allow our sales representatives to submit an application via our Intranet, allowing us to underwrite the applicant in real-time and send an approval or additional underwriting notice back to the applicant and representative all within minutes. Approximately 65% of the life insurance applications we received in 2011 were submitted electronically, including through our web-based life insurance application. Our web-based life insurance application ensures that the application is submitted error-free, collects the applicant's electronic signatures and populates the RVP's sales log. For paper applications, we use our proprietary review and screening system to automatically screen that an application meets regulatory and other requirements, as well as alert our application processing staff to any deficiencies with the application. If any deficiencies are noted, our application processing staff telephones the sales representative to obtain the necessary information. Once an application is complete, the pertinent application data is uploaded to our life insurance administrative systems, which manage the underwriting process by electronically analyzing data and recommending underwriting decisions and communicating with the sales representative and third-party providers.

Claims Management. Our insurance subsidiaries processed over 14,000 life insurance benefit claims in 2011 on policies underwritten by us and sold by our sales representatives. These claims fall into three categories: death, waiver of premium (applicable to disabled policyholders who purchased a rider pursuant to which Primerica agrees to waive remaining life insurance premiums during a qualifying disability), or terminal illness. The claim may be reported by our sales representative, a beneficiary or, in the case of terminal illness, the policyholder. Following are the benefits paid by us for each category of claim:

	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
Death	$993,396	$939,107	$942,622
Waiver of premium	25,836	24,136	21,395
Terminal illness (1)	9,654	9,354	9,295

(1) We consider claims paid for terminal illness to be loans made to the beneficiary that are repaid to us upon death of the beneficiary from the death benefit.

In the United States, after coverage has been in force for two years, we may not contest the policy for misrepresentations in the application or the suicide of the insured. In Canada, we have a similar two-year contestability period, but we are permitted to contest insurance fraud at any time. As a matter of policy, we do not contest any coverage issued by us to replace the face amount of another insurance company's individual coverage to the extent the replaced coverage would not be contestable by the replaced company. We believe this approach helps our sales representatives sell replacement policies, as it reassures clients that claims made under their replacement policies are not more likely to be contested as to the face amount replaced. Through our claims administration system, we record, process and pay the appropriate benefit with respect to any reported claim. Our claims system is used by our home office investigators to order medical and investigative reports from third-party providers, calculate amounts due to the beneficiary (including interest) and report payments to the appropriate reinsurance companies.

In 2011, the New York State Department of Financial Services ("NYSDFS") sent industry-wide inquiries to insurers, including NBLIC, instructing them to cross-check their U.S. life insurance policyholders with public death records to identify deceased policyholders for

whom claims had not been filed and report their findings to the NYSDFS. NBLIC has filed reports in response to the inquiry. In accordance with Massachusetts Division of Insurance ("Massachusetts DOI") best practices, Primerica Life, a Massachusetts domestic insurer, has cross-checked public death records and is continuing to review such information. Primerica Life is in the process of contacting the beneficiaries of its insureds who were identified in the public death records search and who have not previously submitted death claims or previously been contacted, and we expect a number of these beneficiaries to receive payment under our policies. In accordance with Massachusetts DOI best practices, Primerica Life will cross-check public death records semi-annually to timely identify potential unreported claims.

Reinsurance. We use reinsurance primarily to reduce the volatility risk with respect to mortality. Since 1994, we have reinsured death benefits in the United States on a first dollar quota share yearly renewable term ("YRT") basis. We pay premiums to each reinsurer based on rates in the applicable agreement.

We automatically reinsure 90% of all U.S. insurance policies that we underwrite with respect to the first $4 million per life of coverage, excluding coverage under certain riders. For all risks in excess of $4 million per life of coverage, we reinsure on a case-by-case, or facultative, basis. With respect to our Canadian insurance policies, we reinsure face amounts above $500,000 per life on an excess loss YRT basis and for all risk in excess of $2 million per life, we reinsure on a facultative basis. We also reinsure substandard cases on a facultative basis to capitalize on the extensive experience some of our reinsurers have with substandard cases. A substandard case has a level of risk that is acceptable to us, but at higher premium rates than a standard case because of the health, habits or occupation of the applicant.

While our reinsurance agreements are expected to continue indefinitely, both we and our reinsurers are entitled to discontinue any reinsurance agreement as to future policies by giving 90 days' advance notice to the other. Each reinsurer's ability to terminate coverage for existing policies is limited to circumstances such as a material breach of contract or nonpayment of premiums by us. Each reinsurer has the right to increase rates with certain restrictions. If a reinsurer increases rates, we have the right to immediately recapture the business. Either party may offset any balance due from the other party. For additional information, see Notes 1 and 5 to our consolidated and combined financial statements.

Financial Strength Ratings. Ratings with respect to financial strength are an important factor in establishing our competitive position and maintaining public confidence in us and our ability to market our products. Ratings organizations review the financial performance and condition of most insurers and provide opinions regarding financial strength, operating performance and ability to meet obligations to policyholders. For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Rating Agencies."

Investment and Savings Products

We believe that middle income families have significant unmet retirement and other savings needs. Using our FNA tool, our sales representatives help our clients understand their current financial situation and how they can use time-tested financial principles, such as prioritizing personal savings, to reach their savings goals. Our products comprise basic saving and investment vehicles that seek to meet the needs of clients in all stages of life.

Through PFS, our U.S. licensed insurance agency; PFS Investments, our U.S. licensed broker-dealer subsidiary; Primerica Life Canada; PFSL Investments Canada, our Canadian licensed dealer; and our licensed sales representatives, we distribute and sell to our clients mutual funds, variable and fixed annuities and segregated funds. As of December 31, 2011, approximately 21,700 of

our sales representatives were licensed to distribute mutual funds in the United States and Canada. As of December 31, 2011, approximately 12,400 of our sales representatives were licensed and appointed to distribute variable and fixed annuities in the United States and approximately 9,000 of our sales representatives were licensed to sell segregated funds in Canada.

Mutual Funds. In the United States, our licensed sales representatives primarily distribute mutual funds from five select asset management firms: American Funds, Franklin Templeton, Invesco, Legg Mason and Pioneer. We have selling agreements with each of these fund companies and a number of other fund companies. These firms have diversified product offerings, including domestic and international stock, bond and money market funds. Each firm has individual funds with long track records and each continually evaluates its fund offerings and adds new funds on a regular basis. Additionally, their product offerings reflect diversified asset classes and varied investment styles. We believe these asset management firms provide funds that meet the investment needs of our clients.

During 2011, four of these fund families (Legg Mason, Invesco, American Funds and Franklin Templeton) accounted for approximately 94% of our mutual fund sales in the United States. Legg Mason and Invesco each have large wholesaling teams that support our sales force in distributing their mutual fund products. Our selling agreements with Legg Mason, Invesco, American Funds and Franklin Templeton all have indefinite terms and provide for termination at will. Each of these agreements authorizes us to receive purchase orders for shares of mutual funds or similar investments underwritten by the fund company and to sell and distribute the shares on behalf of the fund company. All purchase orders are subject to acceptance or rejection by the relevant fund company in its sole discretion. Purchase orders received by the fund company from us are accepted only at the then-applicable public offering price for the shares ordered (the net asset value of the shares plus any applicable sales charge). For sales of shares that we initiate, we are paid commissions based upon the dollar amount of the sales and earn marketing and distribution (12b-1) fees, on mutual fund products sold based on asset values in our client accounts. Pursuant to agreements with Legg Mason, Invesco, and other fund companies, we also receive, as consideration for our mutual fund sales infrastructure, a mutual fund support fee based on one or more of the following: a percentage of fund sales, a percentage of the value of our clients' assets in the funds, or an agreed-upon fixed amount.

In Canada, our sales representatives offer Primerica-branded Concert™ Series funds, which accounted for 47% of our Canadian mutual fund product sales in 2011. Our Concert™ Series of funds are six different asset allocation funds with varying investment objectives ranging from fixed income to aggressive growth. Each Concert™ Series fund is a fund of funds that allocates fund assets among equity and income mutual funds of AGF Funds, a major asset management firm in Canada. The asset allocation within each Concert™ Series fund is determined on a contract basis by Legg Mason. The principal non-proprietary funds that we offer our clients in Canada are funds of AGF Funds, Mackenzie and Invesco Trimark. Sales of these non-proprietary funds accounted for 40% of mutual fund product sales in Canada in 2011. Like our U.S. fund family list, the asset management partners we have chosen in Canada have a diversified offering of stock, bond and money market funds, including domestic and international funds with a variety of investment styles.

A key part of our investment philosophy for our clients is the long-term benefits of dollar cost averaging through systematic investing. To accomplish this, we assist our clients by facilitating monthly contributions to their investment account by bank draft against their checking accounts. As of December 31, 2011, qualified retirement plans for which we serve as

nominee accounted for 71% of client account assets in the United States and 79% of client account assets in Canada. Our high concentration of retirement plan accounts and our systematic savings philosophy are beneficial to us as these accounts tend to have lower redemption rates than the industry and, therefore, generate more recurring asset-based revenues.

Variable Annuities. Our U.S. licensed sales representatives also distribute variable annuities underwritten and provided by two MetLife insurance companies. Variable annuities are insurance products that enable our clients to invest in accounts with attributes similar to mutual funds, but also have benefits not found in mutual funds, including death benefits that protect beneficiaries from losses due to a market downturn and income benefits that guarantee future income payments for the life of the policyholder(s). MetLife bears the insurance risk on the variable annuities that we distribute.

With our assistance, MetLife has developed a series of private label annuity products specifically designed to meet the needs of our clients. We are a party to a selling agreement with MetLife which, among certain other rights, gives them the right to supply us with certain annuity and other insurance products on an exclusive basis until July 2013 and on a non-exclusive basis until July 2015.

Segregated Funds. In Canada, we offer segregated fund products, which are branded as our Common Sense Funds™, that have some of the characteristics of our variable annuity products distributed in the United States. Our Common Sense Funds™ are underwritten by Primerica Life Canada and offer our clients the ability to participate in a diversified managed investment program that can be opened for as little as C$25. While the assets and corresponding liability (reserves) are recognized on our balance sheet, the assets are held in trust for the benefit of the segregated fund contract owners and are not commingled with the general assets of the Company.

The investment objective of segregated funds is long-term capital appreciation combined with some guarantee of principal. Unlike mutual funds, our segregated fund product guarantees clients at least 75% of their net contributions (net of withdrawals) at the earlier of the date of their death or at the segregated fund's maturity date, which is selected by the client. The portfolio consists of both equities and bonds with the equity component consisting of a pool of large cap Canadian equities and the bond component consisting of Canadian federal government zero coupon treasuries. The portion of the segregated fund portfolio allocated to zero coupon treasuries are held in sufficient quantity to satisfy the guarantees payable at the maturity date of the segregated fund. As a result, our potential exposure to market risk is very low as it comes from the guarantees payable upon the death of the client prior to the maturity date. With the guarantee level at 75% and in light of the time until the scheduled maturity of our segregated funds contracts, we currently do not believe it is necessary to allocate any corporate capital as reserves for segregated fund contract benefits.

Many of our Canadian clients invest in segregated funds through a registered retirement savings plan ("RRSP"). An RRSP is similar to an individual retirement account, or IRA, in the United States in that contributions are made to the RRSP on a pre-tax basis and income is earned on a tax-deferred basis. Our Common Sense Funds™ are managed by AGF Funds, one of Canada's leading investment management firms, and a leading provider of our mutual fund products.

Fixed Annuities. To expand our investment and savings product offerings, we entered into an agreement with The Lincoln National Financial Life Insurance Company to offer three fixed indexed annuity products, which we began selling throughout the United States in January 2012. These products combine safety of principal and guaranteed rates of return with additional investment options tied to the S&P 500 Index that allow for higher returns based on the performance of the index. We also sell

fixed annuities underwritten by MetLife Investors USA Insurance Company and its affiliates. Our current offering includes a fixed premium deferred annuity, a single premium immediate annuity and a longevity income guaranteed annuity. The fixed premium deferred annuity allows our clients to accumulate savings on a tax deferred basis with safety of principal and a guaranteed rate of return. The single premium immediate annuity and longevity income guaranteed annuity provide clients with income alternatives during retirement. We believe these fixed annuity products give both our life and securities representatives more ways to assist our clients with their retirement planning needs.

Managed Accounts. In 2011, PFS Investments became a registered investment adviser in the United States and introduced a managed accounts program under a contract with Lockwood Advisors, a registered investment adviser and unit of Bank of New York Mellon. The initial offering consists of a mutual fund advisory program with a $25,000 minimum initial investment. As part of our contract, Lockwood Advisors participated in the design and assists in the ongoing administration of the program, including the investment of client assets on a discretionary basis into one or more asset allocation portfolios. In contrast to our existing mutual fund and annuity business, in an advisory fee program, clients do not pay an upfront commission. Rather, they pay an annual fee based on the value of the assets in their account.

Revenue and Sales Force Compensation. In the United States, we earn revenue from our investment and savings products business in three ways: commissions earned on the sale of such products; fees earned based upon client asset values; and account-based revenue. On the sale of mutual funds (non-managed accounts) and annuities, we earn a dealer reallowance or commission on new purchases as well as trail commissions on the assets held in our clients' accounts, and we pay our sales representatives a percentage of the dealer reallowance and trail commissions we receive. Sales representatives that qualify to offer managed accounts receive a portion of the annual fee we receive as compensation for as long as we retain the account. We also receive marketing and support fees from most of our fund providers. These payments are typically a percentage of sales or a percentage of the total clients' asset values, or a combination of both.

We perform custodial services and receive fees on a per-account basis for serving as a non-bank custodian for certain of our clients' retirement plan accounts for certain of the funds offered in the United States. We also perform recordkeeping services for some of our select U.S. fund companies and receive compensation on a per-account basis for these services. Because the total amount of these fees fluctuates with the number of such accounts, the opening or closing of accounts has a direct impact on our revenues. From time to time, the fund companies for whom we provide these services request that accounts with small balances be closed.

In Canada, we earn revenue from the sales of our investment and savings products in two ways: commissions on mutual fund sales and fees paid based upon clients' asset values (mutual fund trail commissions, and asset management fees from segregated funds and Concert™ Series funds). On the sale of mutual funds, we also earn a dealer reallowance or commission. We pay a percentage of the dealer reallowance and trail commissions we receive from mutual fund sales as compensation to our sales representatives. On the sale of segregated funds, we earn a fee based on total asset value. We pay our sales representatives a sales commission on segregated fund sales and a fee paid quarterly based on clients' asset values.

Other Distributed Products

We offer Primerica DebtWatchers™, long-term care insurance, prepaid legal services, and auto and homeowners' insurance referrals as well as debt consolidation referrals in Canada. While many of these products are Primerica-branded, all of them are underwritten or otherwise provided by a third party.

We offer our Primerica DebtWatchers™ product in the United States and a very similar product in three provinces in Canada. Primerica DebtWatchers™ allows clients to create a simple-to-understand plan for paying off their debt and provides clients with periodic updates of their credit score and other personal credit information. Primerica DebtWatchers™ is co-branded with and supported by a subsidiary of Equifax Inc.

We offer our U.S. clients long-term care insurance, underwritten and provided by Genworth Life Insurance Company and its affiliates. We receive a commission based on our sales of these policies.

We offer our U.S. and Canadian clients a Primerica-branded prepaid legal services program on a subscription basis that is underwritten and provided by Prepaid Legal Services, Inc. The prepaid legal services program offers a network of attorneys in each state, province or territory to assist subscribers with legal matters such as drafting wills, living wills and powers of attorney, trial defense and motor vehicle-related matters. We receive a commission based on our sales of these contracts.

We have an arrangement with Answer Financial, Inc. ("Answer Financial"), an independent insurance agency, whereby our U.S. sales representatives refer clients to Answer Financial to receive multiple, competitive auto and homeowners' insurance quotes. Answer Financial's comparative quote process allows clients to easily identify the underwriter that is most competitively priced for their type of risk. We receive commissions based on completed auto and homeowners' insurance applications and pay our sales representatives a flat referral fee for each completed application.

In Canada, we have a referral program for a debt consolidation loan product offered by a third party lender, AGF Trust Company, and assist clients with developing debt reduction/elimination strategies. Due to regulatory requirements, our sales representatives in Canada only refer clients to the lender and are not involved in the loan application and closing process.

Primerica Financial Services Home Mortgages, Inc. ("Primerica Mortgages"), our U.S. loan brokering company, ceased its loan brokering activities in all states in which it held licenses effective December 31, 2011. As of January 1, 2012, Primerica Mortgages no longer accepts loan requests from U.S. clients. As the pending loan requests are processed by our lender, which we anticipate should be completed by the end of the first quarter of 2012, Primerica Mortgages is commencing the process of surrendering its state licenses and completely exiting the loan brokering business in the United States.

We also offer mail-order student life and short-term disability benefit insurance, which we underwrite through our New York insurance subsidiary, NBLIC. These products are distributed by third parties but not by our sales force.

Regulation

Our operations are subject to extensive laws and governmental regulations, including administrative determinations, court decisions and similar constraints. The purpose of the laws and regulations affecting our operations is primarily to protect our clients and other consumers and not our stockholders. Many of the laws and regulations to which we are subject are regularly re-examined, and existing or future laws and regulations may become more restrictive or otherwise adversely affect our operations.

Insurance and securities regulatory authorities periodically make inquiries regarding compliance by us and our subsidiaries with insurance, securities and other laws and regulations regarding the conduct of our insurance and securities businesses. At any given time, a number of financial or market conduct examinations of our subsidiaries may be ongoing. We cooperate with such inquiries and take corrective action when warranted.

Regulation of Our Insurance Business

Primerica Life, as a Massachusetts domestic insurer, is regulated by the Massachusetts DOI and is licensed to transact business in the United States (except New York), certain territories and the District of Columbia. NBLIC, as a New York domestic insurer, is regulated by the NYSDFS and is licensed to transact business in all 50 states, the District of Columbia and the U.S. Virgin Islands.

State insurance laws and regulations regulate all aspects of our U.S. insurance business. Such regulation is vested in state agencies having broad administrative and, in some instances, discretionary power dealing with many aspects of our business, which may include, among other things, premium rates and increases thereto, reserve requirements, marketing practices, advertising, privacy, policy forms, reinsurance reserve requirements, acquisitions, mergers, and capital adequacy.

Our U.S. insurance subsidiaries are required to file certain annual, quarterly and periodic reports with the supervisory agencies in the jurisdictions in which they do business, and their business and accounts are subject to examination by such agencies at any time. These examinations generally are conducted under National Association of Insurance Commissioners ("NAIC") guidelines. Under the rules of these jurisdictions, insurance companies are examined periodically (generally every three to five years) by one or more of the supervisory agencies on behalf of the states in which they do business. Our most recent insurance department examinations have not produced any significant adverse findings regarding any of our insurance subsidiaries.

Primerica Life Canada is federally incorporated and provincially licensed. It transacts business in all Canadian provinces and territories. Primerica Life Canada is regulated federally by the Office of the Superintendent of Financial Institutions Canada ("OSFI") and provincially by the Superintendents of Insurance for each province and territory. Federal and provincial insurance laws regulate all aspects of our Canadian insurance business. OSFI regulates insurers' corporate governance, financial and prudential oversight, and regulatory compliance, while provincial and territorial regulators oversee insurers' market conduct practices and related compliance.

Our Canadian insurance subsidiary files quarterly and annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") with OSFI in compliance with legal and regulatory requirements. OSFI conducts periodic detailed examinations of insurers' business and financial practices, including the control environment, internal and external auditing and minimum capital adequacy, surpluses and related testing, legislative compliance and appointed actuary requirements. These examinations also address regulatory compliance with anti-money laundering practices, outsourcing, related-party transactions, privacy and corporate governance. Provincial regulators conduct periodic market conduct examinations of insurers doing business in their jurisdiction.

In addition to federal and provincial oversight, Primerica Life Canada is also subject to the guidelines set out by the Canadian Life and Health Insurance Association ("CLHIA"). CLHIA is an industry association that works closely with federal and provincial regulators to establish market conduct guidelines and sound business and financial practices addressing matters such as sales representative suitability and screening, insurance illustrations and partially guaranteed savings products.

The laws and regulations governing our U.S. and Canadian insurance businesses include numerous provisions governing the marketplace activities of insurers, including policy filings, payment of insurance commissions, disclosures, advertising, product replacement, sales and underwriting practices and complaints and claims handling. The state insurance regulatory authorities in the United States and the federal and provincial regulators in Canada generally enforce these provisions through periodic market conduct examinations.

In addition, most U.S. states and Canadian provinces and territories, as well as the Canadian federal government, have laws and regulations governing the financial condition of insurers, including standards of solvency, types and concentration of investments, establishment and maintenance of reserves, reinsurance and requirements of capital adequacy, and the business conduct of insurers, including sales and marketing practices, claim procedures and practices, and policy form content. As discussed previously, U.S. state insurance law and Canadian provincial insurance law also require certain licensing of insurers and their agents.

Insurance Holding Company Regulation; Limitations on Dividends. The states in which our U.S. insurance subsidiaries are domiciled have enacted legislation and adopted regulations regarding insurance holding company systems. These laws require registration of, and periodic reporting by, insurance companies domiciled within the jurisdiction that control, or are controlled by, other corporations or persons so as to constitute an insurance holding company system. These laws also affect the acquisition of control of insurance companies as well as transactions between insurance companies and companies controlling them.

The Parent Company is a holding company that has no significant operations. Our primary asset is the capital stock of our subsidiaries and our primary liability is a $300.0 million note payable to Citi (the "Citi note"). As a result, we depend on dividends or other distributions from our insurance and other subsidiaries as the principal source of cash to meet our obligations, including the payment of interest on, and repayment of, principal of any debt obligations.

The states in which our U.S. insurance subsidiaries are domiciled impose certain restrictions on our insurance subsidiaries' ability to pay dividends to us. In Canada, dividends can be paid subject to the paying insurance company's continuing compliance with regulatory requirements and upon notice to OSFI. We determine the dividend capacity of our insurance subsidiaries using statutory accounting principles ("SAP") in the United States and IFRS in Canada.

The following table sets forth the statutory value of cash and securities dividends paid or payable by our insurance subsidiaries:

	Cash and Securities Dividends Paid or Payable		
	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
Primerica Life	$200,000(1)	$1,447,759	$149,000(2)
NBLIC	–	296,839	–
Primerica Life Canada	–	566,754	–

(1) Used to fund our share repurchase in November 2011.
(2) Dividend declared by Primerica Life in 2009 and paid in 2010.

Due to its negative unassigned surplus position, Primerica Life's 2011 dividend required approval by the Massachusetts DOI. In 2010, Primerica Life's dividend and NBLIC's dividend were both deemed extraordinary. For additional information on dividend capacity and restrictions, see Note 15 to our consolidated and combined financial statements.

Policy and Contract Reserve Sufficiency Analysis. Under the laws and regulations of their jurisdictions of domicile, our U.S. insurance subsidiaries are required to conduct annual analyses of the sufficiency of their life insurance statutory reserves. In addition, other U.S. jurisdictions in which our U.S. subsidiaries are licensed may have certain reserve requirements that differ from those of their domiciliary jurisdictions. In each case, a qualified actuary must submit an opinion that states that the aggregate statutory reserves, when considered in light of the assets held with respect to such reserves, make good and sufficient provision for the associated

contractual obligations and related expenses of the insurer. If such an opinion cannot be provided, the affected insurer must set up additional reserves by moving funds from surplus. Our U.S. insurance subsidiaries most recently submitted these opinions without qualification as of December 31, 2011 to applicable insurance regulatory authorities.

Our Canadian insurance subsidiary also is required to conduct regular analyses of the sufficiency of its life insurance statutory reserves. Life insurance reserving and reporting requirements are completed by our Canadian insurance subsidiary's appointed actuary. Materials provided by the appointed actuary are filed with OSFI as part of our annual filing and are subject to OSFI's review. Based upon this review, OSFI may institute remedial action against our Canadian insurance subsidiary as OSFI deems necessary. Our Canadian insurance subsidiary has not been subject to any such remediation or enforcement by OSFI.

Surplus and Capital Requirements. U.S. insurance regulators have the discretionary authority, in connection with the ongoing licensing of our U.S. insurance subsidiaries, to limit or prohibit the ability of an insurer to issue new policies if, in the regulators' judgment, the insurer is not maintaining a minimum amount of surplus or is in hazardous financial condition. Insurance regulators may also limit the ability of an insurer to issue new life insurance policies and annuity contracts above an amount based upon the face amount and premiums of policies of a similar type issued in the prior year. We do not believe that the current or anticipated levels of statutory surplus of our U.S. insurance subsidiaries present a material risk that any such regulator would limit the amount of new policies that our U.S. insurance subsidiaries may issue.

The NAIC has established risk-based capital ("RBC") standards for U.S. life insurance companies, as well as a model act to be applied at the state level. The model act provides that life insurance companies must submit an annual RBC report to state regulators reporting their RBC based upon four categories of risk: asset risk, insurance risk, interest rate risk and business risk. For each category, the capital requirement is determined by applying factors to various asset, premium and reserve items, with the factor being higher for those items with greater underlying risk and lower for less risky items. The formula is intended to be used by insurance regulators as an early warning tool to identify possible weakly capitalized companies for purposes of initiating further regulatory action. If an insurer's RBC falls below specified levels, the insurer would be subject to different degrees of regulatory action depending upon the level. These actions range from requiring the insurer to propose actions to correct the capital deficiency to placing the insurer under regulatory control. As of December 31, 2011, Primerica Life and NBLIC had combined statutory capital and surplus in excess of the applicable regulatory thresholds.

In Canada, OSFI has authority to request an insurer to enter into a prudential agreement implementing measures to maintain or improve the insurer's safety and soundness. OSFI also may issue orders to an insurer directing it to refrain from unsafe or unsound practices or to take action to remedy financial concerns. OSFI has neither requested that our Canadian insurance subsidiary enter into any prudential agreement nor has OSFI issued any order against our Canadian insurance subsidiary.

In Canada, an insurer's minimum capital requirement is overseen by OSFI and determined as the sum of the capital requirements for five categories of risk: asset default risk, mortality/morbidity/lapse risks, changes in interest rate environment risk, segregated funds risk and foreign exchange risk. As of December 31, 2011, Primerica Life Canada had statutory capital in excess of the applicable regulatory thresholds.

NAIC Pronouncements and Reviews. Although we and our insurance subsidiaries are subject to state insurance regulation, in many instances the state regulations emanate from NAIC model statutes and pronouncements. Certain changes to NAIC model statutes and

pronouncements, particularly as they affect accounting issues, may take effect automatically without affirmative action by a given state. With respect to some financial regulations and guidelines, non-domiciliary states sometimes defer to the interpretation of the insurance department of the state of domicile. However, neither the action of the domiciliary state nor the action of the NAIC is binding on a non-domiciliary state. Accordingly, a non-domiciliary state could choose to follow a different interpretation. In addition, working groups within the NAIC have studied whether to change the accounting standards that relate to certain reinsurance credits, and if changes were made, whether they should be applied retrospectively, prospectively only, or in a phased-in manner. A requirement to reduce the reserve credits on ceded business, if applied retroactively, would have a negative impact on our statutory capital. The NAIC is also currently working on reforming state regulation in various areas, including comprehensive reforms relating to insurance reserves.

The NAIC has established guidelines to assess the financial strength of insurance companies for U.S. state regulatory purposes. The NAIC conducts annual reviews of the financial data of insurance companies primarily through the application of 12 financial ratios prepared on a statutory basis. The annual statements are submitted to state insurance departments to assist them in monitoring insurance companies in their state.

Statutory Accounting Principles. SAP is a basis of accounting developed by U.S. insurance regulators to monitor and regulate the solvency of insurance companies. In developing SAP, insurance regulators were primarily concerned with evaluating an insurer's ability to pay all its current and future obligations to policyholders. As a result, statutory accounting focuses on conservatively valuing the assets and liabilities of insurers, generally in accordance with standards specified by the insurer's domiciliary jurisdiction. Uniform statutory accounting practices are established by the NAIC and generally adopted by regulators in the various U.S. jurisdictions. These accounting principles and related regulations determine, among other things, the amounts our insurance subsidiaries may pay to us as dividends, and they differ somewhat from accounting principles generally accepted in the United States of America ("U.S. GAAP"), which are designed to measure a business on a going-concern basis. Under U.S. GAAP, certain expenses are capitalized when incurred and then amortized over the life of the associated policies. The valuation of assets and liabilities under U.S. GAAP is based in part upon best estimate assumptions made by the insurer. U.S. GAAP-basis stockholders' equity represents both amounts currently available and amounts expected to emerge over the life of the business. As a result, the values for assets, liabilities and equity reflected in financial statements prepared in accordance with U.S. GAAP may be different from those reflected in financial statements prepared under SAP.

State Insurance Guaranty Funds Laws. Under most state insurance guaranty fund laws, insurance companies doing business therein can be assessed up to prescribed limits for policyholder losses incurred by insolvent companies. Most insurance guaranty fund laws currently provide that an assessment may be excused or deferred if it would threaten an insurer's own financial strength. In addition, assessments may be partially offset by credits against future state premium taxes.

Additional Oversight in Canada. In connection with our corporate reorganization, we entered into an undertaking agreement with OSFI pursuant to which we are subject to ongoing obligations to provide OSFI with certain information. In particular, we agreed to provide OSFI with advance notice, if practicable, of: (i) future debt issuances by us that are in an amount greater than 20% of our market capitalization (other than refinancing the $300.0 million Citi note), (ii) any final decision by our board of directors that could result in a material shift of our primary focus on regulated financial services and (iii) any change in ownership made by a beneficial

owner of more than 5% of our common stock in the event that our senior management becomes aware of that fact. We are also required to provide OSFI with copies of our filings with the Securities and Exchange Commission (the "SEC"), material press releases and access to our senior officers and auditors to discuss any prudential concerns OSFI may have concerning Primerica Life Canada. The following items are exempt from the advance notice commitment: (a) matters subject to confidentiality and disclosure restrictions imposed by governmental authorities and (b) matters that management, acting in good faith, deems would have an adverse effect on us. The term of the undertaking agreement is two years, subject to an obligation of OSFI and us to negotiate in good faith sixty days prior to expiration either a renewal or a decision not to renew based on the financial condition of Primerica Life Canada at the time of such negotiation.

The Minister of Finance (Canada) under the Insurance Companies Act (Canada) approved our indirect acquisition of Primerica Life Canada. The Minister expects that a person controlling a federal insurance company will provide ongoing financial, managerial or operational support to its subsidiary should such support prove necessary. The Minister has required us to sign a support principle letter which provides, without limiting the scope of the support principle letter, that this ongoing support may take the form of additional capital, the provision of managerial expertise or the provision of support in such areas as risk management, internal control systems and training. The provision of the support principle letter is intended to ensure that the person controlling the federal insurance company is aware of the importance and relevance of the support principle in the consideration of the application. However, the letter does not create a legal obligation on our part to provide the support.

Our Canadian insurance subsidiary is currently in compliance with the terms of the undertaking agreement and support principle letter.

Regulation of Our Investment and Savings Products Business

PFS Investments is registered with, and regulated by, FINRA and the SEC. It is also subject to regulation by the Municipal Securities Rulemaking Board (the "MSRB") with respect to 529 plans as well as by state securities agencies. PFS Investments operates as an introducing broker-dealer and is registered in all 50 states and with the SEC. As such, it performs the suitability review of investment recommendations in accordance with FINRA requirements, but it does not hold client accounts. U.S. client funds are held by the mutual fund in which such client funds are invested or by MetLife in the case of variable annuities.

The SEC rules and regulations that currently apply to PFS Investments and our registered representatives generally require that we make suitable investment recommendations to our customers and disclose conflicts of interest that might affect the recommendations or advice we provide. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") gave the SEC the power to impose on broker-dealers a heightened standard of conduct (fiduciary duty) that is currently applicable only to investment advisers. As required by the Dodd-Frank Act, the SEC staff submitted a report to Congress in 2010 in which it recommended that the SEC adopt a uniform fiduciary standard of conduct. The timing of any future rulemaking is unclear.

In October 2010, the Department of Labor (the "DOL") published a proposed rule (the "DOL Proposed Rule") that would more broadly define the circumstances under which a person or entity may be considered a fiduciary for purposes of the prohibited transaction rules of Internal Revenue Code Section 4975 ("IRC Section 4975"). Under IRC Section 4975, certain types of compensation paid by third parties with respect to transactions involving assets in qualified accounts, including IRAs, may be prohibited. In September 2011, the DOL withdrew the DOL Proposed Rule, but has

indicated that it will re-propose a similar fiduciary rule in early 2012. If PFS Investments and its securities-licensed representatives are deemed to be fiduciaries under a rule similar to the DOL Proposed Rule, our ability to receive and retain certain types of compensation paid by third parties with respect to both new and existing assets in qualified accounts could be significantly limited. Furthermore, our licensed representatives could be required to obtain additional securities licenses, which they may not be willing or able to obtain. Due to the uncertainty of present facts and circumstances, we currently are unable to determine the impact, if any, on our business, financial position or results of operations. See "Risk Factors – Risks Related to Our Investments and Savings Products Business – If heightened standards of conduct or more stringent licensing requirements, such as those recently proposed by the SEC and proposed and withdrawn by the DOL, are imposed on us or our sales representatives or selling compensation is reduced as a result of new legislation or regulations, it could have a material adverse effect on our business, financial condition and results of operations."

PFS Investments is also approved as a non-bank custodian under Internal Revenue Service ("IRS") regulations and, in that capacity, may act as a custodian or trustee for certain retirement accounts. Our sales representatives who sell securities products through PFS Investments (including, in certain jurisdictions, variable annuities) are required to be registered representatives of PFS Investments. All aspects of PFS Investments' business are regulated, including sales methods and charges, trade practices, the use and safeguarding of customer securities, capital structure, recordkeeping, conduct and supervision of its employees.

In 2011, PFS Investments became an SEC-registered investment adviser and, under the name Primerica Advisors, began offering a managed accounts, or mutual fund advisory, program. In most states, our representatives are required to obtain an additional license to offer this program.

Primerica Shareholder Services, Inc. ("PSS") is registered with the SEC as a transfer agent and, accordingly, is subject to SEC rules and examinations.

PFSL Investments Canada is a mutual fund dealer registered with and regulated by the Mutual Fund Dealers Association of Canada (the "MFDA"), the national self-regulatory organization for the distribution side for the Canadian mutual fund industry. It is also registered with provincial and territorial securities commissions throughout Canada. As a registered mutual fund dealer, PFSL Investments Canada performs the suitability review of mutual fund investment recommendations, and like our U.S. broker-dealer, it does not hold client accounts.

PFSL Investments Canada sales representatives are required to be registered in the provinces and territories in which they do business and are also subject to regulation by the MFDA. These regulators have broad administrative powers, including the power to limit or restrict the conduct of our business and impose censures or fines for failure to comply with the law or regulations.

PFSL Investments Canada is registered as an Investment Fund Manager in connection with our Concert™ Series mutual funds.

Other Laws and Regulations

The USA Patriot Act of 2001 (the "Patriot Act") contains anti-money laundering and financial transparency laws and mandates the implementation of various regulations applicable to broker-dealers and other financial services companies, including insurance companies. The Patriot Act seeks to promote cooperation among financial institutions, regulators and law enforcement entities in identifying parties that may be involved in terrorism or money laundering.

U.S. federal and state laws and regulations require financial institutions, including

insurance companies, to protect the security and confidentiality of consumer financial information and to notify consumers about their policies and practices relating to their collection and disclosure of consumer information and their policies relating to protecting the security and confidentiality of that information. Similarly, federal and state laws and regulations also govern the disclosure and security of consumer health information. In particular, regulations promulgated by the U.S. Department of Health and Human Services regulate the disclosure and use of protected health information by health insurers and others (including certain life insurers), the physical and procedural safeguards employed to protect the security of that information and the electronic storage and transmission of such information. Congress and state legislatures are expected to consider additional legislation relating to privacy and other aspects of consumer information.

The Financial Consumer Agency of Canada ("FCAC"), a Canadian federal regulatory body, is responsible for ensuring that federally regulated financial institutions, which include Primerica Life Canada and PFSL Investments Canada, comply with federal consumer protection laws and regulations, voluntary codes of conduct and their own public commitments. The Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") is Canada's financial intelligence unit. Its mandate includes ensuring that entities subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, comply with reporting, recordkeeping and other obligations under that act. We are also subject to privacy laws under the jurisdiction of federal and provincial privacy commissioners, anti-money laundering laws enforced by FINTRAC and OSFI, and the consumer complaints provisions of federal insurance laws under the mandate of the FCAC, which requires insurers to belong to a complaints ombud-service and file a copy of their complaints handling policy with the FCAC.

Segment Financial and Geographic Disclosures

We have two primary operating segments – Term Life Insurance and Investment and Savings Products. The Term Life Insurance segment includes underwriting profits on our in-force book of term life insurance policies, net of reinsurance, which are underwritten by our life insurance company subsidiaries. The Investment and Savings Products segment includes mutual funds and variable annuities distributed through licensed broker-dealer subsidiaries and includes segregated funds, an individual annuity savings product that we underwrite in Canada through Primerica Life Canada. We also have a Corporate and Other Distributed Products segment, which consists primarily of revenues and expenses related to the distribution of non-core products, prepaid legal services and various insurance products other than our core term life insurance products.

Information regarding operations by segment follows:

	Year ended December 31,		
	2011	2010	2009
	(In thousands)		
Revenues:			
Term life insurance segment	$ 554,995	$808,568	$1,742,065
Investment and savings products segment	396,703	361,807	300,140
Corporate and other distributed products segment	151,395	191,488	178,196
Total revenues	$1,103,093	$1,361,863	$2,220,401
Income (loss) before income taxes:			
Term life insurance segment	$ 194,609	$299,044	$ 659,012
Investment and savings products segment	117,076	113,530	93,404
Corporate and other distributed products segment	(35,841)	(13,431)	7,539
Total income before income taxes	$ 275,844	$ 399,143	$ 759,955

Information regarding operations by country follows:

	Year ended December 31,		
	2011	2010	2009
	(In thousands)		
Revenues by country:			
United States	$ 895,067	$ 1,136,414	$1,922,047
Canada	208,026	225,449	298,354
Total revenues	$1,103,093	$1,361,863	$2,220,401
Income before income taxes by country:			
United States	$ 209,685	$ 317,195	$ 637,355
Canada	66,159	81,948	122,600
Total income before income taxes	$ 275,844	$ 399,143	$ 759,955

Information regarding assets by segment follows:

	December 31,		
	2011	2010	2009
	(In thousands)		
Assets:			
Term life insurance segment	$ 6,137,033	$ 5,738,219	$ 9,016,674
Investment and savings products segment	2,591,137	2,615,916	2,192,583
Corporate and other distributed products segment	1,270,374	1,530,171	2,505,887
Total assets	$9,998,544	$9,884,306	$ 13,715,144

Information regarding long-lived assets by country follows:

	December 31,		
	2011	2010	2009
	(In thousands)		
Long-lived assets:			
United States	$84,550	$90,566	$90,905
Canada	316	1,114	1,265
Total long-lived assets	$84,866	$ 91,680	$ 92,170

For information on risks relating to our Canadian operation, see "Risk Factors" and "Item 7A. Quantitative and Qualitative Information About Market Risks – Canadian Currency Risk."

Competition

We operate in a highly competitive environment with respect to the sale of financial products and, to a lesser extent, for retaining our more productive sales representatives. Because we offer several different financial products, we compete directly with a variety of financial institutions, such as insurance companies and brokers, banks, finance companies, credit unions, broker-dealers, mutual fund companies and other financial products and services companies.

Competitors with respect to our term life insurance products consist both of stock and mutual insurance companies, as well as other financial intermediaries. Competitive factors affecting the sale of life insurance products include the level of premium rates, benefit features, risk selection practices, compensation of sales representatives and financial strength ratings from ratings agencies such as A.M. Best.

In offering our securities products, our sales representatives compete with a range of other advisors, broker-dealers and direct channels, including wirehouses, regional broker-dealers, independent broker-dealers, insurers, banks, asset managers, registered investment advisors, mutual fund companies and other direct distributors. The mutual funds that we offer face competition from other mutual fund families and alternative investment products, such as exchange traded funds. Our annuity products compete with products from numerous other companies. Competitive factors affecting the sale of annuity products include price, product features, investment performance, commission structure, perceived financial strength, claims-paying ratings, service and distribution capabilities.

Information Technology

We have built a sophisticated information technology platform that is designed to support our clients, operations and sales force. Located at our main campus in Duluth, Georgia, our data center houses an enterprise-class IBM mainframe that serves as the repository for all client and sales force data and as a database server for our distributed environment. Our IT infrastructure supports 45 core business applications. Our business applications, many of which are proprietary, are supported by application developers and data center staff at our main campus. Our information security team provides services that include project consulting, threat management, application and infrastructure assessments, secure configuration management and information security administration. This infrastructure also supports a combination of local and remote recovery solutions for business resumption in the event of a disaster.

Employees

As of December 31, 2011, we had 1,784 full-time employees in the United States and 208 full-time employees in Canada. In addition, as of December 31, 2011, we had 468 on-call employees in the United States and 77 on-call employees in Canada who provide certain services on an as-needed hourly basis. None of our employees is a member of any labor union and we have never experienced any business interruption as a result of any labor disputes.

Internet Website

Our website address is *www.primerica.com*. We make available free of charge on our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports as soon as reasonably practicable upon filing such information with, or furnishing it to, the SEC.

ITEM 1A. RISK FACTORS.

Risks Related to Our Distribution Structure

Our failure to continue to attract new recruits, retain sales representatives or license or maintain the licensing of our sales representatives would materially adversely affect our business.

New sales representatives provide us with access to new referrals, enable us to increase sales, expand our client base and provide the next generation of successful sales representatives. As is typical with distribution businesses, we experience a high rate of turnover among our part-time sales representatives, which requires us to attract, retain and motivate a large number of sales representatives. Recruiting is performed by our current sales representatives, and the effectiveness of our recruiting is generally dependent upon our reputation as a provider of a rewarding and potentially lucrative income opportunity, as well as the general competitive and economic environment. The motivation of recruits to complete their training and licensing requirements and to commit to selling our products is largely dependent upon the effectiveness of our compensation and promotional programs and the competitiveness of such programs compared with other companies, including other part-time business opportunities.

If our new business opportunities and products do not generate sufficient interest to attract new recruits, motivate them to become licensed sales representatives and maintain their licenses and incentivize them to sell our products and recruit other new sales representatives, our business would be materially adversely affected.

Furthermore, if we or any other direct sales businesses with a similar distribution structure engage in practices resulting in increased negative public attention for our business, the resulting reputational challenges could adversely affect our ability to attract new recruits. Direct sales companies such as ours can be the subject of negative commentary on website postings, social media and other non-traditional media. This negative commentary can spread inaccurate or incomplete information about the direct sales industry in general or our company in particular, which can make our recruiting more difficult.

Certain of our key RVPs have large sales organizations that include thousands of downline sales representatives. These key RVPs are responsible for attracting, motivating, supporting and assisting the sales representatives in their sales organizations. The loss of one or more key RVPs together with a substantial number of their sales representatives for any reason, including movement to a competitor, or any other event that causes the departure of a large number of sales representatives, could materially adversely affect our financial results and could impair our ability to attract new sales representatives.

There are a number of laws and regulations that could apply to our distribution model, which subject us to the risk that we may have to modify our distribution structure.

In the past, certain direct sales distribution models have been subject to challenge under various laws, including laws relating to business opportunities, franchising, pyramid schemes and unfair or deceptive trade practices.

In general, state business opportunity and franchise laws in the United States prohibit sales of business opportunities or franchises unless the seller provides potential purchasers with a pre-sale disclosure document that has first been filed with a designated state agency and grants purchasers certain legal recourse against sellers of business opportunities and franchises. In Canada, the provinces of Alberta, Ontario, New Brunswick and Prince Edward Island have enacted legislation dealing with franchising, which typically requires mandatory disclosure to prospective franchisees.

We have not been, and are not currently, subject to business opportunity laws because the amounts paid by our new representatives to us: (i) are less than the minimum thresholds set by many state statutes and (ii) are not fees paid for the right to participate in a business, but rather are for bona fide expenses such as state-required insurance examinations and pre-licensing training. We have not been, and are not currently, subject to franchise laws for similar reasons. However, there is a risk that a governmental agency or court could disagree with our assessment or that these laws and regulations could change. In addition, the Federal Trade Commission ("FTC") recently finalized a new Business Opportunity Rule. We do not believe that the FTC's Business Opportunity Rule applies to our company. However, it could be interpreted in a manner inconsistent with our interpretation. Becoming subject to business opportunity or franchise laws or regulations could require us to provide certain disclosures and regulate the manner in which we recruit our sales representatives that may increase the expense of, or adversely impact our success in, recruiting new sales representatives and make it more difficult for us to successfully attract and recruit new sales representatives.

There are various laws and regulations that prohibit fraudulent or deceptive schemes known as pyramid schemes. In general, a pyramid scheme is defined as an arrangement in which new participants are required to pay a fee to participate in the organization and then receive compensation primarily for recruiting other persons to participate, either directly or through sales of goods or services that are merely disguised payments for recruiting others. The application of these laws and regulations to a given set of business practices is inherently fact-based and, therefore, is subject to interpretation by applicable enforcement authorities. Our representatives are paid by commissions based on sales of our products and services to bona fide purchasers, and for this and other reasons we do not believe that we are subject to laws regulating pyramid schemes. Moreover, our representatives are not required to purchase any of the products marketed by us. However, even though we believe that our distribution practices are currently in compliance with, or exempt from, these laws and regulations, there is a risk that a governmental agency or court could disagree with our assessment or that these laws and regulations could change, which may require us to cease our operations in certain jurisdictions or result in other costs or fines.

There are also federal, state and provincial laws of general application, such as the FTC Act, and state or provincial unfair and deceptive trade practices laws that could potentially be invoked to challenge aspects of our recruiting of sales representatives and compensation practices. In particular, our recruiting efforts include promotional materials for recruits that describe the potential opportunity available to them if they join our sales force. These materials, as well as our other recruiting efforts and those of our sales representatives, are subject to scrutiny by the FTC and state and provincial enforcement authorities with respect to misleading statements, including misleading earnings claims made to convince potential new recruits to join our sales force. If claims made by us or by our sales representatives are deemed to be misleading, it could result in violations of the FTC Act or comparable state and provincial statutes prohibiting unfair or deceptive trade practices or result in reputational harm.

Being subject to, or out of compliance with, the aforementioned laws and regulations could require us to change our distribution structure, which could materially adversely affect our business, financial condition and results of operations.

There may be adverse tax and employment law consequences if the independent contractor status of our sales representatives is successfully challenged.

Our sales representatives are independent contractors who operate their own businesses. In the past, we have been successful in defending our company in various contexts before courts and governmental agencies against claims that our sales representatives should be treated like employees. Although we believe that we have properly classified our representatives as independent contractors, there is nevertheless a risk that the IRS or another authority will take a different view. Furthermore, the tests governing the determination of whether an individual is considered to be an independent contractor or an employee are typically fact sensitive and vary from jurisdiction to jurisdiction. Laws and regulations that govern the status and misclassification of independent sales representatives are subject to change or interpretation by various authorities.

The classification of workers as independent contractors has been the subject of federal legislative and regulatory interest over the last several years, with proposals being made that call for greater scrutiny of independent contractor classifications and greater penalties for companies who wrongly classify workers as independent contractors instead of employees. Thus far, none of these proposals has been enacted by the federal government. In July 2011, the DOL issued a statement in which it announced its intention to pursue rulemaking under the Fair Labor Standards Act referred to as "Right to Know" that would require companies utilizing independent contractors to make disclosures to the independent contractors regarding their classification as such and the rationale supporting the classification, as well as a description of their rights under the Fair Labor Standards Act. In September 2011, the Appropriations Committee of the U.S. House of Representatives released a draft funding bill for fiscal 2012 for the DOL that would, if enacted, prohibit the DOL from using any of its funding to develop or promulgate the "Right to Know" rule being considered by the DOL. We cannot predict the outcome of these legislative and regulatory efforts, but the topic of independent contractor classification seems likely to remain active.

If a federal, state or provincial authority enacts legislation or adopts regulations that change the manner in which employees and independent contractors are classified or makes any adverse determination with respect to some or all of our independent contractors, we could incur significant costs in complying with such laws and regulations, including in respect of tax withholding, social security payments and recordkeeping, or we may be required to modify our business model, any of which could have a material adverse effect on our business, financial condition and results of operations. In addition, there is the risk that we may be subject to significant monetary liabilities arising from fines or judgments as a result of any such actual or alleged non-compliance with federal, state, or provincial tax or employment laws or with respect to any applicable employee benefit plan.

Our or our sales representatives' violation of, or non-compliance with, laws and regulations and the related claims and proceedings could expose us to material liabilities.

Extensive federal, state, provincial and territorial laws regulate our products and our relationships with our clients, imposing certain requirements that our sales representatives must follow. The laws and regulations applicable to our business include those promulgated by FINRA, the SEC, the MSRB, the FTC and state insurance and securities regulatory agencies in the United States. In Canada, our business is regulated by OSFI, FINTRAC, FCAC, MFDA, and provincial and territorial insurance regulators and provincial and territorial securities regulators. At any given time, we may have pending state, federal

or provincial examinations or inquiries of our investment and savings products and insurance businesses. In addition to imposing requirements that representatives must follow in their dealings with clients, these laws and regulations generally require us to maintain a system of supervision to attempt to ensure that our sales representatives comply with the requirements to which they are subject. We have developed policies and procedures to comply with these laws and regulations. However, despite these compliance and supervisory efforts, the breadth of our operations and the broad regulatory requirements could result in oversight failures and instances of non-compliance or misconduct on the part of our sales representatives.

From time to time, we are subject to private litigation as a result of alleged misconduct by our sales representatives. Examples include claims that a sales representative's failure to disclose underwriting-related information regarding the insured on an insurance application resulted in the denial of a life insurance policy claim, and with respect to investment and savings products sales, errors or omissions that a representative made in connection with an account. In addition to the potential for non-compliance with laws or misconduct applicable to our existing product offerings, we could experience similar regulatory issues or litigation with respect to new products, such as fixed annuities or our managed accounts products. Non-compliance or misconduct by our sales representatives could result in adverse findings in either examinations or litigation and could subject us to sanctions, monetary liabilities, restrictions on or the loss of the operation of our business, claims against us or reputational harm, any of which could have a material adverse effect on our business, financial condition and results of operations.

Any failure to protect the confidentiality of client information could adversely affect our reputation and have a material adverse effect on our business, financial condition and results of operations.

Pursuant to federal laws, various federal agencies have established rules protecting the privacy and security of personal information. In addition, most states and some provinces have enacted laws, which vary significantly from jurisdiction to jurisdiction, to safeguard the privacy and security of personal information. Many of our sales representatives and employees have access to, and routinely process, personal information of clients through a variety of media, including the Internet and software applications. We rely on various internal processes and controls to protect the confidentiality of client information that is accessible to, or in the possession of, our company, our employees and our sales representatives. It is possible that a sales representative or employee could, intentionally or unintentionally, disclose or misappropriate confidential client information. If we fail to maintain adequate internal controls or if our sales representatives or employees fail to comply with our policies and procedures, misappropriation or intentional or unintentional inappropriate disclosure or misuse of client information could occur. Such internal control inadequacies or non-compliance could materially damage our reputation or lead to civil or criminal penalties, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Insurance Business and Reinsurance

We may face significant losses if our actual experience differs from our expectations regarding mortality or persistency.

We set prices for life insurance policies based upon expected claim payment patterns derived from assumptions we make about the mortality rates, or likelihood of death, of our policyholders in any given year. The long-term profitability of

these products depends upon how our actual mortality rates compare to our pricing assumptions. For example, if mortality rates are higher than those assumed in our pricing assumptions, we could be required to make more death benefit payments under our life insurance policies or to make such payments sooner than we had projected, which may decrease the profitability of our term life insurance products and result in an increase in the cost of our subsequent reinsurance transactions.

The prices and expected future profitability of our life insurance products are also based, in part, upon assumptions related to persistency. Actual persistency that is lower than our persistency assumptions could have an adverse effect on profitability, especially in the early years of a policy, primarily because we would be required to accelerate the amortization of expenses we deferred in connection with the acquisition of the policy. Actual persistency that is higher than our persistency assumptions could have an adverse effect on profitability in the later years of a block of policies because the anticipated claims experience is higher in these later years. If actual persistency is significantly different from that assumed in our pricing assumptions, our reserves for future policy benefits may prove to be inadequate. We are precluded from adjusting premiums on our in-force business during the initial term of the policies, and our ability to adjust premiums on in-force business after the initial policy term is limited to the maximum premium rates in the policy.

Our assumptions and estimates regarding mortality and persistency require us to make numerous judgments and, therefore, are inherently uncertain. We cannot determine with precision the actual persistency or ultimate amounts that we will pay for actual claim payments on a block of policies, the timing of those payments, or whether the assets supporting these contingent future payment obligations will increase to the levels we estimate before payment of claims. If we conclude that our reserves, together with future premiums, are insufficient to cover actual or expected claims payments and the scheduled amortization of our deferred policy acquisition costs ("DAC") assets, we would be required to first accelerate our amortization of the DAC assets and then increase our reserves and incur income statement charges for the period in which we make the determination, which could materially adversely affect our business, financial condition and results of operations.

The occurrence of a catastrophic event could materially adversely affect our business, financial condition and results of operations.

Our insurance operations are exposed to the risk of catastrophic events, which could cause a large number of premature deaths of our insureds. A catastrophic event could also cause significant volatility in global financial markets and disrupt the economy. Although we have ceded a significant majority of our mortality risk to reinsurers since the mid-1990s, a catastrophic event could cause a material adverse effect on our business, financial condition and results of operations. Claims resulting from a catastrophic event could cause substantial volatility in our financial results for any quarter or year and could also materially harm the financial condition of our reinsurers, which would increase the probability of default on reinsurance recoveries. Our ability to write new business could also be adversely affected.

In addition, most of the jurisdictions in which our insurance subsidiaries are admitted to transact business require life insurers doing business within the jurisdiction to participate in guaranty associations, which raise funds to pay contractual benefits owed pursuant to insurance policies issued by impaired, insolvent or failed issuers. It is possible that a catastrophic event could require extraordinary assessments on our insurance companies, which may have a material adverse effect on our business, financial condition and results of operations.

Our insurance business is highly regulated, and statutory and regulatory changes may materially adversely affect our business, financial condition and results of operations.

Life insurance statutes and regulations are generally designed to protect the interests of the public and policyholders. Those interests may conflict with the interests of our stockholders. Currently, in the United States, the power to regulate insurance resides almost exclusively with the states. The laws of the various U.S. jurisdictions grant state insurance regulators broad powers to regulate almost all aspects of our insurance business. Much of this state regulation follows model statutes or regulations developed or amended by the NAIC, which is composed of the insurance commissioners of each U.S. jurisdiction. The NAIC re-examines and amends existing model laws and regulations (including holding company regulations) in addition to determining whether new ones are needed.

The U.S. Congress continues to examine the current condition of U.S. state-based insurance regulation to determine whether to impose federal regulation and to allow optional federal insurance company incorporation. The Dodd-Frank Act created an Office of Federal Insurance Reform that was authorized to, among other things, study methods to modernize and improve insurance regulation, including uniformity and the feasibility of federal regulation. We cannot predict with certainty whether, or in what form, reforms will be enacted and, if so, whether the enacted reforms will materially affect our business. Changes in federal statutes, including the Gramm-Leach-Bliley Act and the McCarran-Ferguson Act, financial services regulation and federal taxation, in addition to changes to state statutes and regulations, may be more restrictive than current requirements or may result in higher costs, and could materially adversely affect our business, financial condition and results of operations.

Provincial and federal insurance laws regulate all aspects of our Canadian insurance business. Changes to provincial or federal statutes and regulations may be more restrictive than current requirements or may result in higher costs, which could materially adversely affect our business, financial condition and results of operations. We have also entered into an undertaking agreement with OSFI in connection with the IPO and our corporate reorganization pursuant to which we have agreed to provide OSFI certain information, including advance notice, where practicable, of certain corporate actions. If we fail to comply with our undertaking to OSFI, or if OSFI determines that our corporate actions do not comply with applicable Canadian law, Primerica Life Canada could face sanctions or fines, and Primerica Life Canada could be subject to increased capital requirements or other requirements deemed appropriate by OSFI.

We received approval from the Minister of Finance (Canada) under the Insurance Companies Act (Canada) in connection with our indirect acquisition of Primerica Life Canada. The Minister expects that a person controlling a federal insurance company will provide ongoing financial, managerial or operational support to its subsidiary should such support prove necessary, and has required us to sign a support principle letter to that effect. This ongoing support may take the form of additional capital, the provision of managerial expertise or the provision of support in such areas as risk management, internal control systems and training. However, the letter does not create a legal obligation on the part of the person to provide the support. In the event that OSFI determines Primerica Life Canada is not receiving adequate support from us under applicable Canadian law, Primerica Life Canada may be subject to increased capital requirements or other requirements deemed appropriate by OSFI.

If there were to be extraordinary changes to statutory or regulatory requirements in the United States or Canada, we may be unable to fully comply with or maintain all required

insurance licenses and approvals. Regulatory authorities have relatively broad discretion to grant, renew and revoke licenses and approvals. If we do not have all requisite licenses and approvals, or do not comply with applicable statutory and regulatory requirements, the regulatory authorities could preclude or temporarily suspend us from carrying on some or all of our insurance activities or impose fines or penalties on us, which could materially adversely affect our business, financial condition and results of operations. We cannot predict with certainty the effect any proposed or future legislation or regulatory initiatives may have on the conduct of our business.

A decline in the regulatory capital ratios of our insurance subsidiaries could result in increased scrutiny by insurance regulators and ratings agencies and have a material adverse effect on our business, financial condition and results of operations.

Each of our U.S. insurance subsidiaries is subject to RBC standards (imposed under the laws of its respective jurisdiction of domicile. The RBC formula for U.S. life insurance companies generally establishes capital requirements relating to insurance, business, asset and interest rate risks. Our U.S. insurance subsidiaries are required to report their results of RBC calculations annually to the applicable state department of insurance and the NAIC. Our Canadian life insurance subsidiary is subject to minimum continuing capital and surplus requirements ("MCCSR"), and Tier 1 capital ratio requirements, and is required to provide its MCCSR and Tier 1 capital ratio calculations to the Canadian regulators. The capitalization of our insurance subsidiaries is maintained at levels in excess of the effective minimum requirements of the NAIC in the United States and OSFI in Canada. In any particular year, statutory capital and surplus amounts and RBC and MCCSR ratios may increase or decrease depending on a variety of factors, including the amount of statutory income or losses generated by our insurance subsidiaries (which is sensitive to equity and credit market conditions), the amount of additional capital our insurance subsidiaries must hold to support business growth, changes in their reserve requirements, the value of certain fixed-income and equity securities in their investment portfolios, the credit ratings of investments held in their portfolios, the value of certain derivative instruments, changes in interest rates, credit market volatility, changes in consumer behavior, as well as changes to the NAIC's RBC formula or the MCCSR calculation of OSFI. Many of these factors are outside of our control.

Our financial strength and credit ratings are significantly influenced by the statutory surplus amounts and RBC and MCCSR ratios of our insurance company subsidiaries. Ratings agencies may change their internal models, effectively increasing or decreasing the amount of statutory capital our insurance subsidiaries must hold to maintain their current ratings. In addition, ratings agencies may downgrade the invested assets held in our portfolio, which could result in a reduction of their capital and surplus. Changes in statutory accounting principles could also adversely impact our insurance subsidiaries' ability to meet minimum RBC, MCCSR and statutory capital and surplus requirements. There is no assurance that our insurance subsidiaries will not need additional capital or, if needed, that we will be able to provide it to maintain the targeted RBC and MCCSR levels to support their business operations.

The failure of any of our insurance subsidiaries to meet its applicable RBC and MCCSR requirements or minimum capital and surplus requirements could subject it to further examination or corrective action imposed by insurance regulators, including limitations on its ability to write additional business, supervision by regulators or seizure or liquidation. Any corrective action imposed could have a material adverse effect on our business, financial condition and results of operations. A decline in RBC or MCCSR also limits the ability

of our insurance subsidiaries to pay dividends or make distributions and could be a factor in causing ratings agencies to downgrade the financial strength ratings of all our insurance subsidiaries. Such downgrades would have an adverse effect on our ability to write new insurance business and, therefore, could have a material adverse effect on our business, financial condition and results of operations.

A ratings downgrade by a ratings organization could materially adversely affect our business, financial condition and results of operations.

Each of our insurance subsidiaries has been assigned a financial strength rating by A.M. Best. Primerica Life currently also has an insurer financial strength rating from Standard & Poor's, Moody's and Fitch. NBLIC and Primerica Life Canada are not rated by Standard & Poor's, Moody's or Fitch.

The financial strength ratings of our insurance subsidiaries are subject to periodic review using, among other things, the ratings agencies' proprietary capital adequacy models, and are subject to revision or withdrawal at any time. Insurance financial strength ratings are directed toward the concerns of policyholders and are not intended for the protection of stockholders or as a recommendation to buy, hold or sell securities. Our financial strength ratings will affect our competitive position relative to other insurance companies. If the financial strength ratings of our insurance subsidiaries fall below certain levels, some of our policyholders may move their business to our competitors. In addition, the models used by ratings agencies to determine financial strength are different from the capital requirements set by insurance regulators.

Ratings organizations review the financial performance and financial conditions of insurance companies, and provide opinions regarding financial strength, operating performance and ability to meet obligations to policyholders. A downgrade in the financial strength ratings of any of our insurance subsidiaries, or the announced potential for a downgrade, could have a material adverse effect on our business, financial condition and results of operations, including by:

- reducing sales of insurance products;
- adversely affecting our relationships with our sales representatives;
- materially increasing the amount of policy cancellations by our policyholders;
- requiring us to reduce prices to remain competitive; and
- adversely affecting our ability to obtain reinsurance at reasonable prices or at all.

If the rating agencies or regulators change their approach to financial strength ratings and statutory capital requirements, we may need to take action to maintain current ratings and capital adequacy ratios, which could have a material adverse effect on our business, financial condition and results of operations.

In addition to financial strength ratings of our insurance subsidiaries, the Parent Company currently has investment grade credit ratings from Standard & Poor's, Moody's, and A.M. Best for the senior unsecured debt that it may elect to offer pursuant to its existing shelf registration statement at some point in the future. These ratings are indicators of a debt issuer's ability to meet the terms of debt obligations and are important factors in its ability to access liquidity in the debt markets. A rating downgrade by a rating agency can occur at any time if the rating agency perceives an adverse change in our financial condition, results of operations or ability to service debt. If such a downgrade occurs, it could have a material adverse effect on our financial condition and results of operations in many ways, including adversely limiting our access to capital in the unsecured debt market and potentially increasing the cost of such debt.

Credit deterioration in, and the effects of interest rate fluctuations on, our invested asset portfolio could materially adversely affect our business, financial condition and results of operations.

A large percentage of our invested asset portfolio is invested in fixed-income securities. As a result, credit deterioration and interest rate fluctuations could materially affect the value and earnings of our invested asset portfolio. Fixed-income securities decline in value if there is no active trading market for the securities or the market's impression of, or the ratings agencies' views on, the credit quality of an issuer worsens. During periods of declining market interest rates, any interest income we receive on variable interest rate investments would decrease and we would be forced to invest the cash we receive as interest, return of principal on our investments and cash from operations in lower-yielding, high-grade instruments or in lower-credit instruments to maintain comparable returns. Issuers of fixed-income securities could also decide to prepay their obligations to borrow at lower market rates, which would increase our reinvestment risk. If interest rates generally increase, the market value of our fixed rate income portfolio decreases. Additionally, if the market value of any security in our invested asset portfolio decreases, we may realize losses if we deem the value of the security to be other-than-temporarily impaired. To the extent that any fluctuations in fair value or interest rates are significant or we recognize impairments that are material, it could have a material adverse effect on our business, financial condition and results of operations.

Valuation of our investments and the determination of whether a decline in the fair value of our invested assets is other-than-temporary are based on methodologies and estimates that may prove to be incorrect.

U.S. GAAP requires that when the fair value of any of our invested assets declines and such decline is deemed to be other-than-temporary, we recognize a loss in either accumulated other comprehensive income or on our statement of income based on certain criteria in the period that such determination is made. Determining the fair value of certain invested assets, particularly those that do not trade on a regular basis, requires an assessment of available data and the use of assumptions and estimates. Once it is determined that the fair value of an asset is below its carrying value, we must determine whether the decline in fair value is other-than-temporary, which is based on subjective factors and involves a variety of assumptions and estimates.

There are certain risks and uncertainties associated with determining whether declines in market value are other-than-temporary. These include significant changes in general economic conditions and business markets, trends in certain industry segments, interest rate fluctuations, rating agency actions, changes in significant accounting estimates and assumptions and legislative actions. In the case of mortgage-and asset-backed securities, there is added uncertainty as to the performance of the underlying collateral assets. To the extent that we are incorrect in our determination of the fair value of our investment securities or our determination that a decline in their value is other-than-temporary, we may realize losses that never actually materialize or may fail to recognize losses within the appropriate reporting period.

The failure by any of our reinsurers to perform its obligations to us could have a material adverse effect on our business, financial condition and results of operations.

We extensively use reinsurance in the United States to diversify our risk and to manage our loss exposure to mortality risk. Reinsurance does not relieve us of our direct liability to our policyholders, even when the reinsurer is liable to us. We, as the insurer, are required to pay the full amount of death benefits even in

circumstances where we are entitled to receive payments from the reinsurer. Due to factors such as insolvency, adverse underwriting results or inadequate investment returns, our reinsurers may not be able to pay the amounts they owe us on a timely basis or at all. Further, reinsurers might refuse or fail to pay losses that we cede to them or might delay payment. Since death benefit claims may be paid long after a policy is issued, we bear credit risk with respect to our reinsurers. The creditworthiness of our reinsurers may change before we can recover amounts to which we are entitled. Any such failure to pay by our reinsurers could have a material adverse effect on our business, financial condition and results of operations.

The failure by the affiliates of Citi who are parties to the Citi reinsurance transactions to perform their obligations to us under our coinsurance agreements could have a material adverse effect on our business, financial condition and results of operations.

Immediately prior to the IPO, we entered into four coinsurance agreements with three reinsurer affiliates of Citi pursuant to which we ceded between 80% and 90% of the risks and rewards of our term life insurance policies that were in force at year-end 2009. Under this arrangement, our current third-party reinsurance agreements remain in place. The largest of these transactions involved two coinsurance agreements between Primerica Life and Prime Reinsurance Company, Inc. ("Prime Re"), then a wholly owned subsidiary of Primerica Life. Pursuant to these reinsurance agreements, we distributed to Citi all of the issued and outstanding common stock of Prime Re. Prime Re was formed solely for the purpose of entering into these reinsurance transactions, had no operating history at the time the coinsurance agreements were executed and does not possess a financial strength rating from any rating agency. The other transactions were between (i) Primerica Life Canada and Financial Reassurance Company 2010 Ltd., a Bermuda reinsurer and wholly owned subsidiary of Citi, formed to operate solely for the purpose of reinsuring Citi-related risks and (ii) NBLIC and American Health and Life Insurance Company ("AHL"), a wholly owned insurance subsidiary of Citi that has a financial strength rating of "A" by A.M. Best. Each of the three reinsurers entered into trust agreements with our respective insurance subsidiaries and a trustee pursuant to which the reinsurer placed assets (primarily treasury and fixed-income securities) in trust for such subsidiary's benefit to secure the reinsurer's obligations to such subsidiary. Each such coinsurance agreement requires each reinsurer to maintain assets in trust sufficient to give the subsidiary full credit for regulatory purposes for the insurance, which amount will not be less than the amount of the reserves for the reinsured liabilities. In addition, in the case of the reinsurance transactions between Prime Re and Primerica Life, Citi has agreed in a capital maintenance agreement to maintain Prime Re's RBC above a specified minimum level, subject to a maximum amount being contributed by Citi. In the case of the reinsurance transaction between NBLIC and AHL, Citi has agreed to over-collateralize the assets in the trust for NBLIC for the life of the coinsurance agreement between NBLIC and AHL. Furthermore, our insurance subsidiaries have the right to recapture the business upon the occurrence of an event of default under their respective coinsurance agreement with the Citi affiliates subject to any applicable cure periods. An event of default includes: (1) a reinsurer insolvency, (2) failure through the fault of the reinsurer to provide full statutory financial statement credit for the reinsurance ceded, (3) a material breach of any covenant, representation or warranty by the reinsurer, (4) failure by the reinsurer to fund the trust account required to be established under the coinsurance agreements in any material respects, or (5) in connection with the coinsurance agreements with Prime Re, failure by Citi to maintain sufficient capital in the reinsurer, pursuant to the capital maintenance agreement between Citi and the reinsurer within 45 calendar days of any

demand for payment by or on behalf of Primerica Life, and any 45-day extension thereof as consented to by Primerica Life, which consent may not be unreasonably conditioned, delayed or withheld, for a total of not more than 90 days to obtain such consent; provided that Primerica Life is not required to consent to extend such period beyond an additional 45 days. While any such recapture would be at no cost to us, such recapture would result in a substantial increase in our insurance exposure and require us to be fully responsible for the management of the assets set aside to support statutory reserves. The type of assets we might obtain as a result of a recapture may not be as liquid as our current invested asset portfolio and could result in an unfavorable impact on our risk profile.

There is no assurance that the relevant Citi reinsurer will pay the reinsurance obligations owed to us now or in the future or that it will pay these obligations on a timely basis. Notwithstanding the capital maintenance agreement between Prime Re and Citi and the initial over-collateralization of assets in trust for the benefit of our insurance companies, if any of our Citi reinsurers becomes insolvent, the amount in the trust account to support the obligations of such reinsurer is insufficient to pay such reinsurer's obligations to us and we fail to enforce our right to recapture the business, it could have a material adverse effect on our business, financial condition and results of operations.

Changes in accounting for DAC of insurance entities will accelerate the recognition for certain acquisition costs not deemed to be directly related to the successful acquisition of new insurance contracts.

In October 2010, the Financial Accounting Standards Board (the "FASB"), issued ASU 2010-26, Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts ("ASU 2010-26"). The update revises the definition of DAC to reflect incremental costs directly related to the successful acquisition of new and renewed insurance contracts. The update creates a more limited definition than the current guidance, which defines DAC as those costs that vary with, and primarily relate to, the acquisition of insurance contracts. The revised definition materially increases the portion of acquisition costs being expensed as incurred rather than deferred and amortized over the lives of the underlying policies. The update allows either prospective or retrospective adoption and is required to be adopted for our fiscal year beginning January 1, 2012. We plan to adopt this update retrospectively. We estimate that the adoption will result in a reduction to our DAC asset in the range of approximately $140 million to $160 million as of December 31, 2011. We further estimate that it will reduce income before income taxes in the range of approximately $27 million to $33 million. The related analysis and implementation of this accounting change is ongoing and may result in a different impact that is higher or lower than these anticipated ranges, which could have a material adverse effect on our financial position and results of operations.

Risks Related to Our Investments and Savings Products Business

Our investment and savings products segment is heavily dependent on mutual fund and annuity products offered by a relatively small number of companies and if these products fail to remain competitive with other investment options or we lose our relationship with one or more of these fund companies or with the source of our annuity products, our business, financial condition and results of operations may be materially adversely affected.

We earn a significant portion of our earnings through our relationships with a small group of mutual fund companies. A decision by one or

more of these companies to alter or discontinue their current arrangements with us could materially adversely affect our business, financial condition and results of operations. In addition, if any of our investment and savings products fail to achieve satisfactory investment performance, our clients may seek higher yielding alternative investment products and we could experience higher redemption rates. In such circumstances, we may also experience re-allocations of existing client assets and increased allocations of new assets to investment and savings products with higher investment returns, which ultimately results in changes in our mix of business. Since different investment and savings products have different revenue and expense characteristics, such changes could have significant negative consequences for us.

In recent years there has been an increase in the popularity of alternative investments, which we do not currently offer, principally index funds and exchange traded funds. These investment options typically have low fee structures and provide some of the attributes of mutual funds, such as risk diversification. If these products continue to gain traction among our client base as viable alternatives to mutual fund investments, our investment and savings products revenues could decline.

In addition to sales commissions and asset-based compensation, a significant portion of our earnings from investment and savings products comes from recordkeeping services that we provide to third parties and from fees earned for custodial services that we provide to clients with retirement plan accounts in the funds of these mutual fund companies. We also receive revenue sharing payments from each of these mutual fund companies. A decision by one or more of these fund companies to alter or discontinue their current arrangements with us would materially adversely affect our business, financial condition and results of operations.

Our or our securities-licensed sales representatives violations of, or non-compliance with, laws and regulations could expose us to material liabilities.

Our subsidiary broker-dealer and registered investment advisor, PFS Investments, is subject to federal and state regulation of its securities business. These regulations cover sales practices, trade suitability, supervision of registered representatives, recordkeeping, the conduct and qualification of officers and employees, the rules and regulations of the MSRB and state blue sky regulation. Investment advisory representatives are generally held to a higher standard of conduct than registered representatives. Our subsidiary, PSS, is a registered transfer agent engaged in the recordkeeping business and is subject to SEC regulation. Violations of laws or regulations applicable to the activities of PFS Investments or PSS, or violations by a third party with which PFS Investments or PSS contracts which improperly performs its task, could subject us to disciplinary actions and could result in the imposition of cease and desist orders, fines or censures, restitution to clients, disciplinary actions, including the potential suspension or revocation of its license by the SEC, or the suspension or expulsion from FINRA and reputational damage, which could materially adversely affect our business, financial condition and results of operations.

Our Canadian dealer subsidiary, PFSL Investments Canada and its sales representatives are subject to the securities laws of the provinces and territories of Canada in which we sell our mutual fund products and those of third parties and to the rules of the MFDA, the self-regulatory organization governing mutual fund dealers. PFSL Investments Canada is subject to periodic review by both the MFDA and the provincial and territorial securities commissions to assess its compliance with, among other things, applicable capital requirements and sales practices and procedures. These regulators have broad administrative powers, including the power to limit or restrict the conduct of our business for failure to comply with applicable

laws or regulations. Possible sanctions that could be imposed include the suspension of individual sales representatives, limitations on the activities in which the dealer may engage, suspension or revocation of the dealer registration, censure or fines, any of which could materially adversely affect our business, financial condition and results of operations.

If heightened standards of conduct or more stringent licensing requirements, such as those recently proposed by the SEC and proposed and withdrawn by the DOL, are imposed on us or our sales representatives or selling compensation is reduced as a result of new legislation or regulations, it could have a material adverse effect on our business, financial condition and results of operations.

Our U.S. sales representatives are subject to federal and state regulation as well as state licensing requirements. PFS Investments, which is regulated as a broker-dealer, and our U.S. sales representatives are currently subject to general anti-fraud limitations under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and SEC rules and regulations, as well as other conduct standards prescribed by FINRA. These standards generally require that broker-dealers and their sales representatives disclose conflicts of interest that might affect the advice or recommendations they provide and require them to make suitable investment recommendations to their customers. The Dodd-Frank Act, which gives the SEC the power to impose on broker-dealers a heightened standard of conduct that is currently applicable only to investment advisers, requires the SEC to conduct a study to evaluate the effectiveness of the current legal standards of conduct for those that provide personalized investment advice regarding securities to retail customers. In 2010, the SEC staff submitted a report to Congress in which it recommended that the SEC adopt a uniform fiduciary standard of conduct. The timing of any future rulemaking is unclear.

In October 2010, the DOL published the DOL Proposed Rule, which would more broadly define the circumstances under which a person or entity may be considered a fiduciary for purposes of the prohibited transaction rules of IRC Section 4975. IRC Section 4975 prohibits certain types of compensation paid by third parties with respect to transactions involving assets in qualified accounts, including IRAs. In September 2011, the DOL withdrew the DOL Proposed Rule, but has indicated that it will re-propose a similar fiduciary rule in early 2012. If PFS Investments and its securities-licensed representatives are deemed to be fiduciaries under a rule similar to the DOL Proposed Rule, our ability to receive and retain certain types of compensation paid by third parties with respect to both new and existing assets in qualified accounts could be significantly limited.

IRAs and other qualified accounts are a core component of the Investment and Savings Products segment of our business and accounted for a significant portion of the total revenue of this segment for the year ended December 31, 2011. Thus, if a fiduciary rule similar to the DOL Proposed Rule is re-proposed and adopted, we would expect to substantially restructure our current business model for qualified accounts. Such restructuring could make it significantly more difficult for us and our representatives to profitably serve the middle-income market and could result in a significant reduction in the number of IRAs and qualified accounts that we serve, which could materially adversely affect the amount of revenue that we generate from this line of business and ultimately could result in a decline in the number of our securities-licensed representatives. Furthermore, our licensed representatives could be required to obtain additional securities licenses, which they may not be willing or able to obtain.

The form, substance and timing of any re-proposed or final rule are unknown at this time. It is possible that a rule could be adopted in a form that does not materially adversely affect us. If re-proposed and adopted in the form initially proposed, however, the DOL Proposed Rule could have a materially adverse

effect on our business, financial condition and results of operations.

Heightened standards of conduct as a result of either of the above proposals or another similar proposed rule or regulation could also increase the compliance and regulatory burdens on our representatives, and could lead to increased litigation and regulatory risks, changes to our business model, a decrease in the number of our securities-licensed representatives and a reduction in the products we offer to our clients, any of which could have a material adverse effect on our business, financial condition and results of operations.

If our suitability policies and procedures were deemed inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

We review the account applications that we receive for our investment and savings products for suitability. While we believe that the policies and procedures we implemented to help our sales representatives assist clients in making appropriate and suitable investment choices are reasonably designed to achieve compliance with applicable securities laws and regulations, it is possible that the SEC, FINRA or MFDA may not agree. Further, we could be subject to regulatory actions or private litigation, which could materially adversely affect our business, financial condition and results of operations.

Our sales force support tools may fail to appropriately identify suitable investment products.

Our support tools are designed to educate clients, help identify their financial needs, and introduce the potential benefits of our products. There could be a risk that the assumptions and methods of analyses embedded in our support tools could be successfully challenged and subject us to regulatory action or private litigation, which could materially adversely affect our business, financial condition and results of operations.

Non-compliance with applicable regulations could lead to revocation of our subsidiary's status as a non-bank custodian.

PFS Investments is a non-bank custodian of retirement accounts, as permitted under Treasury Regulation 1.408-2. A non-bank custodian is an entity that is not a bank and that is permitted by the IRS to act as a custodian for retirement plan account assets of our clients. The IRS retains authority to revoke or suspend that status if it finds that PFS Investments is unwilling or unable to administer retirement accounts in a manner consistent with the requirements of the applicable regulations. Revocation of PFS Investments' non-bank custodian status would affect its ability to earn revenue for providing such services and, consequently, could materially adversely affect our business, financial condition and results of operations.

Failure of our agents to become licensed to offer our managed accounts program could adversely affect our investments business.

In 2011, PFS Investments became an SEC-registered investment adviser and, under the name Principal Advisors, began offering a mutual fund advisory program. In most states, our representatives are required to obtain an additional license to offer this program. If a significant number of our representatives who are required to obtain such additional licenses to offer this program fail to do so, then the revenue and earnings we generate from this business could be materially adversely affected.

Other Risks Related to Our Business

We may be exposed to regulatory liabilities in connection with the wind-down of our U.S. mortgage business.

Primerica Mortgages ceased its loan brokering activities in all states in which it held licenses effective December 31, 2011. Accordingly, we have instructed our sales force to cease offering loan products on behalf of Primerica Mortgages in the United States from and after January 1, 2012. We anticipate that all loan requests which were pending as of December 31, 2011 will be processed by the end of the first quarter of 2012. As of January 1, 2012, Primerica Mortgages commenced the process of surrendering its state licenses so that it may completely exit the loan brokering business in the United States. Although Primerica Mortgages is no longer engaged in offering loan products, it and other Primerica companies could be subject to potential regulatory or other liability for violations of state or federal laws governing the loan industry if our sales representatives engage in misconduct while continuing to conduct the mortgage loan brokering business as an outside business activity.

Changes in accounting standards can be difficult to predict and could adversely impact how we record and report our financial condition and results of operations.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. U.S. GAAP continues to evolve and, as a result, may change the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can be hard to anticipate and implement and can materially impact how we record and report our financial condition and results of operations. For example, the FASB's current insurance contracts project could, among other things, significantly change the way we measure insurance liabilities on our balance sheet and the way we present earnings on our statement of income. This project, in addition to a related proposal to modify how to account for insurance contracts under IFRS, could adversely impact both our financial condition and results of operations as reported on a U.S. GAAP basis as well as our statutory capital calculations.

The effects of economic down cycles in the United States and Canada could materially adversely affect our business, financial condition and results of operations.

Our business, financial condition and results of operations have been materially adversely affected by the economic downturn in the United States and Canada and the slow recovery that has occurred since the last half of 2009. This economic downturn, which has been characterized by higher unemployment, lower family income, lower valuation of retirement savings accounts, lower corporate earnings, lower business investment and lower consumer spending, has adversely affected the demand for the term life insurance, investment and other financial products that we sell. Future economic down cycles could severely adversely affect new sales and cause clients to liquidate mutual funds and other investments sold by our sales representatives. This could cause a decrease in the asset value of client accounts, reduce our trailing commission revenues and result in other-than-temporary-impairments in our invested asset portfolio. In addition, we may experience an elevated incidence of lapses or surrenders of insurance policies, and some of our policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. Further, volatility in equity markets or downturns could discourage purchases of the investment products that we distribute and could have a materially adverse effect on our business, including our ability to recruit and retain sales representatives. If

credit markets remain tight for a prolonged period, our liquidity will be more limited than it otherwise would have been, and our business, financial condition and results of operations may be materially adversely affected.

We are subject to various federal laws and regulations in the United States and Canada, changes in which or violations of which may require us to alter our business practices and could materially adversely affect our business, financial condition and results of operations.

In the United States, we are subject to many regulations, including the Gramm-Leach-Bliley Act and its implementing regulations, including Regulation S-P, the Fair Credit Reporting Act, the Right to Financial Privacy Act, the Foreign Corrupt Practices Act, the Sarbanes-Oxley Act, the Telemarketing and Consumer Fraud and Abuse Prevention Act, the Telephone Consumer Protection Act, the FTC Act, and the Electronic Funds Transfer Act. We are also subject to anti-money laundering laws and regulations, including the Bank Secrecy Act, as amended by the Patriot Act, which requires us to develop and implement customer identification and risk-based anti-money laundering programs, report suspicious activity and maintain certain records. We are also required to follow certain economic and trade sanctions programs that are administered by the Office of Foreign Asset Control that prohibit or restrict transactions with suspected countries, their governments, and in certain circumstances, their nationals.

In Canada, we are subject to provincial and territorial regulations, including consumer protection legislation that pertains to unfair and misleading business practices, provincial and territorial credit reporting legislation that provides requirements in respect of obtaining credit bureau reports and providing notices of decline, the Personal Information Protection and Electronic Documents Act, the Competition Act, the Corruption of Foreign Public Officials Act, the Telecommunications Act and certain Canadian Radio-television and Telecommunications Commission Telecom Decisions in respect of unsolicited telecommunications. We are also subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and its accompanying regulations, which require us to develop and implement money laundering policies and procedures relating to customer indemnification, reporting and recordkeeping, develop and maintain ongoing training programs for employees, perform a risk assessment on our business and clients and institute and document a review of our anti-money laundering program at least once every two years. We are also required to follow certain economic and trade sanctions and legislation that prohibit us from, among other things, engaging in transactions with, and providing services to, persons on lists created under various federal statutes and regulations and blocked persons and foreign countries and territories subject to Canadian sanctions administered by Foreign Affairs and International Trade Canada and the Department of Public Safety Canada.

Changes in, or violations of, any of these laws or regulations may require additional compliance procedures, or result in enforcement proceedings, sanctions or penalties, which could have a material adverse effect on our business, financial condition and results of operations.

Litigation and regulatory investigations and actions may result in financial losses and harm our reputation.

We face a risk of litigation and regulatory investigations and actions in the ordinary course of operating our businesses. From time to time, we are subject to private litigation and regulatory investigations as a result of sales representative misconduct. In addition, we may become subject to lawsuits alleging, among other things, issues relating to sales or underwriting practices, payment of improper

sales commissions, claims issues, product design and disclosure, additional premium charges for premiums paid on a periodic basis, denial or delay of benefits, pricing and sales practices issues. Life insurance companies have historically been subject to substantial litigation resulting from policy disputes and other matters. If we become subject to similar litigation, any judgment or settlement of such claims could have a material adverse effect on our business, financial condition and results of operations.

In addition, we are subject to litigation arising out of our general business activities. For example, we have a large sales force, and we could face claims by some of our sales representatives arising out of their relationship with us. We are also subject to various regulatory inquiries, such as information requests, subpoenas and books and record examinations, from state, provincial and federal regulators and other authorities. A substantial legal liability or a significant regulatory action against us could have a material adverse effect on our business, financial condition and results of operations.

Moreover, even if we ultimately prevail in any litigation, regulatory action or investigation, we could suffer significant reputational harm and we could incur significant legal expenses, either of which could have a material adverse effect on our business, financial condition and results of operations. In addition, increased regulatory scrutiny and any resulting investigations or proceedings could result in new legal precedents and industry-wide regulations or practices that could materially adversely affect our business, financial condition and results of operations.

The current legislative and regulatory climate with regard to financial services may adversely affect our operations.

The volume of legislative and regulatory activity relating to financial services has increased substantially in recent years, including with the passage of the Dodd-Frank Act. The Dodd-Frank Act could cause sweeping changes in the consumer financial services industry. We anticipate that the level of enforcement actions and investigations by federal regulators will increase correspondingly. The same factors that have contributed to legislative, regulatory and enforcement activity at the federal level are likely to contribute to heightened activity at the state and provincial level. If we or our sales representatives become subject to new requirements or regulations, it could result in increased litigation, regulatory risks, changes to our business model, a decrease in the number of our securities-licensed representatives or a reduction in the products we offer to our clients or the profits we earn, which could have a material adverse effect on our business, financial condition and results of operations.

The inability of our subsidiaries to pay dividends or make distributions or other payments to us in sufficient amounts would impede our ability to meet our obligations.

We are a holding company, and we have no significant operations. Our primary asset is the capital stock of our subsidiaries and our primary liability is the Citi note. We rely primarily on dividends and other payments from our subsidiaries to meet our operating costs and other corporate expenses, as well as to pay dividends to our stockholders. The ability of our subsidiaries to pay dividends to us depends on their earnings, covenants contained in existing and future financing or other agreements and on regulatory restrictions. The ability of our insurance subsidiaries to pay dividends will further depend on their statutory income and surplus. If the cash we receive from our subsidiaries pursuant to dividend payments and tax sharing arrangements is insufficient for us to fund our obligations or if a subsidiary is unable to pay dividends to us, we may be required to raise cash through the incurrence of debt, the issuance of equity or the sale of assets. However, given the recent volatility in the capital markets, there is no assurance that we would be able to raise cash by these means.

The jurisdictions in which our insurance subsidiaries are domiciled impose certain restrictions on their ability to pay dividends to us. In the United States, these restrictions are based, in part, on the prior year's statutory income and surplus. In general, dividends up to specified levels are considered ordinary and may be paid without prior approval. Dividends in larger amounts are subject to approval by the insurance commissioner of the state of domicile. In Canada, dividends can be paid, subject to the paying insurance company continuing to meet the regulatory requirements for capital adequacy and liquidity and upon 15 days' minimum notice to OSFI. No assurance is given that more stringent restrictions will not be adopted from time to time by jurisdictions in which our insurance subsidiaries are domiciled, and such restrictions could have the effect, under certain circumstances, of significantly reducing dividends or other amounts payable to us by our subsidiaries without prior approval by regulatory authorities. In addition, in the future, we may become subject to debt instruments or other agreements that limit our ability to pay dividends. The ability of our insurance subsidiaries to pay dividends to us is also limited by our need to maintain the financial strength ratings assigned to us by the ratings agencies.

If any of our subsidiaries were to become insolvent, liquidate or otherwise reorganize, we, as sole stockholder, will have no right to proceed against the assets of that subsidiary. Furthermore, with respect to our insurance subsidiaries, we, as sole stockholder, will have no right to cause the liquidation, bankruptcy or winding-up of the subsidiary under the applicable liquidation, bankruptcy or winding-up laws, although, in Canada, we could apply for permission to cause liquidation. The applicable insurance laws of the jurisdictions in which each of our insurance subsidiaries is domiciled would govern any proceedings relating to that subsidiary. The insurance authority of that jurisdiction would act as a liquidator or rehabilitator for the subsidiary. Both creditors of the subsidiary and policyholders (if an insurance subsidiary) would be entitled to payment in full from the subsidiary's assets before we, as the sole stockholder, would be entitled to receive any distribution from the subsidiary, which could adversely affect our ability to pay our operating costs and other corporate expenses.

If the ability of our insurance or non-insurance subsidiaries to pay dividends or make other distributions or payments to us is materially restricted by regulatory requirements, bankruptcy or insolvency, or our need to maintain our financial strength ratings, or is limited due to operating results or other factors, it could materially adversely affect our ability to pay our operating costs and other corporate expenses.

We may not be able to raise capital through debt or equity offerings if needed to meet our operating and regulatory capital requirements or for other purposes.

Historically, we have funded our new business capital needs from cash flows provided by premiums paid on our in-force book of term life insurance policies. As a result of the Citi reinsurance transactions, the net cash flow we retain from our existing block of term life insurance policies was reduced proportionately to the size of our retained interest. As we grow our term life insurance business by issuing new policies, we will need to fund all of the upfront cash requirements of issuing new term life policies (such as commissions payable to the sales force and underwriting expenses), which costs generally exceed premiums collected in a policy's first year. In light of these anticipated net cash outflows, there will be significant demands on our liquidity in the near-to intermediate-term as we grow the size of our retained block of term life insurance policies. Therefore, to meet our operating and regulatory requirements, we may incur debt or issue equity to fund working capital and capital expenditures or to make acquisitions and other investments. If we raise funds through the issuance of debt securities or preferred equity securities, any such debt securities or preferred

equity securities issued will have liquidation rights, preferences and privileges senior to those of the holders of our common stock. If we raise funds through the issuance of equity securities, the issuance will dilute the ownership interest of our existing stockholders. There is no assurance that debt or equity financing will be available to us on acceptable terms, if at all. If we are not able to obtain sufficient financing, we may be unable to maintain or grow our business.

Our inability to refinance the Citi note with terms that are acceptable could materially adversely affect our business or results of operations.

Prior to the completion of the IPO, we issued to Citi the $300.0 million Citi note. This note matures on March 31, 2015, and we are obligated under the terms of the Citi note to use commercially reasonable efforts to refinance it at certain mutually agreeable dates, based on certain conditions. As of December 31, 2011, the Parent Company had investment grade credit ratings from Moody's, Standard & Poor's and A.M. Best for the senior unsecured debt that it may elect to offer pursuant to its existing shelf registration statement at some time in the future. Nonetheless, if we are unable to refinance the Citi note on reasonable economic terms, we may incur significantly higher interest expense or be unable to repay the Citi note in full upon maturity.

A significant change in the competitive environment in which we operate could negatively affect our ability to maintain or increase our market share and profitability.

We face competition in all of our business lines. Our competitors include financial services companies, mutual fund companies, banks, investment management firms, broker-dealers, insurance companies and direct sales companies. In many of our product lines, we face competition from competitors that have greater market share or breadth of distribution, offer a broader range of products, services or features, assume a greater level of risk, have lower profitability expectations or have higher financial strength ratings than we do. A significant change in this competitive environment could materially adversely affect our ability to maintain or increase our market share and profitability.

The loss of key personnel could negatively affect our financial results and impair our ability to implement our business strategy.

Our success substantially depends on our ability to attract and retain key members of our senior management team. The efforts, personality and leadership of our senior management team have been, and will continue to be, critical to our success. The loss of service of our senior management team due to disability, death, retirement or some other cause could reduce our ability to successfully motivate our sales representatives and implement our business plan and have a material adverse effect on our business, financial condition and results of operations. Messrs. John Addison and Rick Williams, our Co-Chief Executive Officers, are well regarded by our sales representatives and have substantial experience in our business and, therefore, are particularly important to our company. Although both Messrs. Addison and Williams, as well as our other senior executives, have entered into employment agreements with us, there is no assurance that they will complete the term of their employment agreements or renew them upon expiration.

In addition, the loss of key RVPs for any reason could negatively affect our financial results and could impair our ability to attract new sales representatives.

If one of our significant information technology systems fails, if its security is compromised or if the Internet becomes disabled or unavailable, our business, financial condition and results of operations may be materially adversely affected.

Our business is highly dependent upon the effective operation of our information technology systems, which are centered on a mainframe platform supported by servers housed at our home office and back-up site. We rely on these systems throughout our business for a variety of functions. Our information technology systems run a variety of third-party and proprietary software, including POL (our website portal to our sales force), our insurance administration system, Virtual Base Shop (our paperless office for RVPs), TurboApps (our point-of-sale data collection tool for product/ recruiting applications), our licensing decision and support system and our compensation system.

Despite the implementation of security and back-up measures, our information technology systems may be vulnerable to physical or electronic intrusions, viruses or other attacks, programming errors and similar disruptions. The failure of any one of these systems for any reason could cause significant interruptions to our operations, which could have a material adverse effect on our business, financial condition and results of operations. We retain confidential information in our information technology systems, and we rely on industry standard commercial technologies to maintain the security of those systems. Anyone who is able to circumvent our security measures and penetrate our information technology systems could access, view, misappropriate, alter, or delete information in the systems, including personally identifiable client information and proprietary business information. In addition, an increasing number of jurisdictions require that clients be notified if a security breach results in the disclosure of personally identifiable client information. Any compromise of the security of our information technology systems that results in inappropriate disclosure or use of personally identifiable client information could damage our reputation in the marketplace, deter people from purchasing our products, subject us to significant civil and criminal liability and require us to incur significant technical, legal and other expenses.

In the event of a disaster, our business continuity plan may not be sufficient, which could have a material adverse effect on our business, financial condition and results of operations.

Our infrastructure supports a combination of local and remote recovery solutions for business resumption in the event of a disaster. In the event of either a campus-wide destruction of all buildings or the inability to access our main campus in Duluth, Georgia, our business recovery plan provides for our employees to perform their work functions via a dedicated business recovery site located 25 miles from our main campus or by remote access from an employee's home. However, in the event of a full scale local or regional disaster, our business recovery plan may be inadequate, and our employees and sales representatives may be unable to carry out their work, which could have a material adverse effect on our business, financial condition and results of operations.

We may be materially adversely affected by currency fluctuations in the United States dollar versus the Canadian dollar.

A weaker Canadian dollar relative to the U.S. dollar would result in lower levels of reported revenues, net income, assets, liabilities and accumulated other comprehensive income in our U.S. dollar financial statements. We have not historically hedged against this exposure. Significant exchange rate fluctuations between the U.S. dollar and Canadian dollar could have a material adverse effect on our financial condition and results of operations.

Risks Related to Our Relationship With Warburg Pincus

If Warburg Pincus sells a significant equity interest in our company to a third party in a private transaction, our stockholders may not realize any change-of-control premium on shares of our common stock that such party may receive and we may become subject to the influence of a presently unknown third party.

Prior to the IPO, in February 2010, Citi entered into a securities purchase agreement with us and certain private equity funds managed by Warburg Pincus LLC ("Warburg Pincus") pursuant to which, in mid-April 2010, Citi sold to Warburg Pincus 16,812,440 shares of our common stock and warrants to purchase from us 4,103,110 additional shares of our common stock. As a result, Warburg Pincus owns a significant equity interest in our company. Warburg Pincus has the ability, should it choose to do so, to sell some or all of its shares of our common stock in a privately negotiated transaction. The ability of Warburg Pincus to privately sell its shares of our common stock, with no requirement for a concurrent offer to be made to acquire all of the shares of our common stock, could prevent our other stockholders from realizing any change-of-control premium on their shares of our common stock that may otherwise accrue to Warburg Pincus upon its private sale of our common stock. Additionally, if Warburg Pincus privately sells a significant equity interest in our company, we may become subject to the influence of a presently unknown third party. Such third party may have conflicts of interest with those of other stockholders.

Warburg Pincus may be able to exert significant influence over us, which may result in conflicts of interest with us.

As of December 31, 2011, Warburg Pincus owned approximately 25% of our outstanding common stock and has rights to acquire additional shares of our common stock pursuant to its exercise of warrants. Warburg Pincus is entitled to nominate two directors to serve on our board. However, for as long as Warburg Pincus owns a significant amount of our common stock, Warburg Pincus may be able to influence the outcome of all corporate actions requiring stockholder approval, including the election of directors.

Under the provisions of the securities purchase agreement, the prior consent of Warburg Pincus will be required in connection with specified corporate actions by us. In addition, for so long as it owns a significant amount of our common stock, Warburg Pincus will be entitled to preemptive type rights to purchase equity securities issued or proposed to be issued by us, which may limit our ability to access capital from other sources in a timely manner.

Because Warburg Pincus' interests may differ from those of our other stockholders, actions that Warburg Pincus may take with respect to us may not be as favorable to other stockholders as they are to Warburg Pincus.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

We lease all of our office, warehouse, printing, and distribution properties. Our executive and home office operations for all of our domestic U.S. operations (except New York) are located in Duluth, Georgia. The leases for these spaces expire in May 2013 and June 2013. We also lease warehouse, continuation of business and print/distribution space in or around Duluth, Georgia under leases expiring in June 2013, January 2018 and June 2018, respectively.

In September 2011, we signed an agreement to lease a new build-to-suit facility which will replace and consolidate substantially all of our existing Duluth, Georgia-based executive and home office operations. We expect the building to be complete and ready for occupancy in the second quarter of 2013. The initial lease term will be 15 years.

NBLIC subleases general office space in Long Island City, New York from a subsidiary of Citi under a sublease expiring in August 2014.

In Canada, we lease general office space in Mississauga, Ontario, under a lease expiring in April 2018 and warehouse and printing operation space in Mississauga, Ontario, under a lease also expiring in April 2018.

Each of these leased properties is used by each of our operating segments, with the exception of our NBLIC office space, which is not used by our investment and savings products segment.

While our existing facilities in Georgia are adequate, the move of our executive and home office operations in 2013 will better support our operations. We believe that our existing facilities in New York and Canada are adequate for our current requirements and for our operations in the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS.

We are involved from time to time in legal disputes, regulatory inquires and arbitration proceedings in the normal course of business. Additional information regarding certain legal proceedings to which we are a party is described under "Contingent Liabilities" in Note 16 to our consolidated and combined financial statements, which are included elsewhere in this report, and such information is incorporated herein by reference. As of the date of this report, we do not believe any pending legal proceeding to which Primerica or any of its subsidiaries is a party is required to be disclosed pursuant to this Item.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM X. EXECUTIVE OFFICERS OF THE REGISTRANT

Our executive officers are elected or appointed by our board of directors and hold office until their successors are elected and qualified, or until their death, resignation or removal, subject to the terms of applicable employment agreements. The name, age at February 28, 2012 and position of each of our executive officers are presented below.

Name	Age	Position
D. Richard Williams	55	Chairman of the Board and Co-Chief Executive Officer
John A. Addison, Jr.	54	Chairman of Primerica Distribution, Co-Chief Executive Officer and Director
Michael Adams	55	Executive Vice President and Chief Business Technology Officer
Chess Britt	55	Executive Vice President and Chief Marketing Officer
Jeffrey S. Fendler	55	President of Primerica Life
William A. Kelly	56	President of PFS Investments
Gregory C. Pitts	49	Executive Vice President and Chief Operating Officer
Alison S. Rand	44	Executive Vice President and Chief Financial Officer
Peter W. Schneider	55	Executive Vice President, General Counsel, Corporate Secretary and Chief Administrative Officer
Glenn J. Williams	52	President

Set forth below is biographical information concerning our executive officers.

D. Richard Williams was elected to our Board of Directors and began serving as Chairman in October 2009. He has served as our Co-Chief Executive Officer since 1999 and has served our company in various capacities since 1989. Mr. Williams earned both his B.S. degree in 1978 and his M.B.A. in 1979 from the Wharton School of the University of Pennsylvania. He serves on the boards of trustees for the Woodruff Arts Center and the Anti-Defamation League Southeast Region.

John A. Addison, Jr. was elected to our Board of Directors in October 2009. He is Chairman of Primerica Distribution, has served as our Co-Chief Executive Officer since 1999 and has served our company in various capacities since 1982. Mr. Addison earned his B.A. in economics from the University of Georgia in 1979 and his M.B.A. from Georgia State University in 1988.

Michael Adams has served as Chief Business Technology Officer since April 2010, as Executive Vice President responsible for business technology since 1998 and in various capacities at our company since 1980. Mr. Adams earned his B.A. in business and economics from Hendrix College in 1978.

Chess Britt has served as Chief Marketing Officer since April 2010, as Executive Vice President responsible for marketing administration and field communications since 1995 and in various capacities at our company since 1982. Mr. Britt earned his B.A. in business administration from the University of Georgia in 1978. He serves on the board of directors of the Gwinnett Chamber of Commerce.

Jeffrey S. Fendler has served as President of Primerica Life, a subsidiary of Primerica, since 2005 and in various capacities at our company since 1980. Mr. Fendler received a B.A. in economics from Tulane University. He is a member of Operation Hope's National Board and is the Co-Chair of Operation Hope's Southeastern Region Board.

William A. Kelly has overseen Primerica Life Insurance Company of Canada, a subsidiary of Primerica, since 2009, has served as President of PFS Investments, a subsidiary of Primerica, since 2005 and has served our company in various capacities since 1985. Mr. Kelly graduated from the University of Georgia in 1979 with a B.B.A. in accounting.

Item X. Executive Officers of the Registrant

Gregory C. Pitts has served as Executive Vice President and Chief Operating Officer since December 2009, as Executive Vice President since 1995 with responsibilities within the Term Life Insurance and Investment and Savings Products segments and information technology division and in various capacities at our company since 1985. Mr. Pitts earned his B.A. in general business from the University of Arkansas in 1985.

Alison S. Rand has served as Executive Vice President and Chief Financial Officer since 2000 and in various capacities at our company since 1995. Prior to 1995, Ms. Rand worked in the audit department of KPMG LLP. Ms. Rand earned her B.S. in accounting from the University of Florida in 1990 and is a certified public accountant. She is a board member of the Georgia Council of Economic Education, the Atlanta Children's Shelter and the Partnership Against Domestic Violence. She also serves on the Terry College of Business Executive Education CFO Roundtable.

Peter W. Schneider has served as Executive Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary since 2000. He worked at the law firm of Rogers & Hardin as a partner from 1988 to 2000. Mr. Schneider earned both his B.S. in political science and industrial relations in 1978 and J.D. in 1981 from the University of North Carolina at Chapel Hill. He serves on the boards of directors of the Georgia Chamber of Commerce, the Northwest YMCA and the Carolina Center for Jewish Studies.

Glenn J. Williams has served as President since 2005, as Executive Vice President from 2000 to 2005 and in various capacities at our company since 1983. Mr. Williams earned his B.S. in education from Baptist University of America in 1981. He serves on the board of the Georgia Baptist Foundation.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Quarterly Common Stock Prices and Dividends

Our common stock is listed for trading on the New York Stock Exchange ("NYSE") under the symbol "PRI". The quarterly high and low sales prices for our common stock, as reported on the NYSE for the periods since our IPO on April 1, 2010, as well as dividends paid per quarter were as follows:

	High	Low	Dividend
2011			
4th quarter	$23.85	$20.36	$0.03
3rd quarter	22.45	18.72	0.03
2nd quarter	25.64	19.94	0.03
1st quarter	26.20	24.18	0.01
	High	**Low**	**Dividend**
2010			
4th quarter	$25.48	$20.30	$0.01
3rd quarter	23.78	19.74	0.01
2nd quarter	25.89	18.61	n/a

Dividends

Following the IPO, we have paid quarterly dividends to our stockholders totaling approximately $7.3 million in 2011 and approximately $1.5 million in 2010. In 2010, we paid dividends to Citi of approximately $3.49 billion and we also distributed all of the issued and outstanding capital stock of Prime Re to Citi, all in connection with our corporate reorganization.

We currently expect to continue to pay quarterly cash dividends to holders of our common stock. Our payment of cash dividends is at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for growth. Under Delaware law, we can only pay dividends either out of surplus or out of the current or the immediately preceding year's earnings. Therefore, no assurance is given that we will continue to pay any dividends to our common stockholders, or as to the amount of any such dividends.

We are a holding company and have no operations. Our primary asset is the capital stock of our operating subsidiaries and our primary liability is the Citi note. The states in which our U.S. insurance company subsidiaries are domiciled impose certain restrictions on our insurance subsidiaries' ability to pay dividends to us. Our Canadian subsidiary can pay dividends subject to meeting regulatory requirements for capital adequacy and liquidity with appropriate minimum notice to OSFI. In addition, in the future, we may become subject to debt instruments or other agreements that limit our ability to pay dividends. See Note 15 to our consolidated and combined financial statements.

Holders

As of January 31, 2012, we had 34 holders of record of our common stock.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Issuer Purchases of Equity Securities

During the quarter ended December 31, 2011, we repurchased shares of our common stock as follows.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of share that may yet be purchased under the plans or programs
October 1–31, 2011	–	$ –	–	–
November 1–30, 2011 (1)	8,920,606	22.42	–	–
December 1–31, 2011	–	–	–	–
Total	8,920,606	$22.42	–	–

(1) Repurchased from Citi for a total purchase price of $200.0 million.

Securities Authorized for Issuance under Equity Compensation Plans

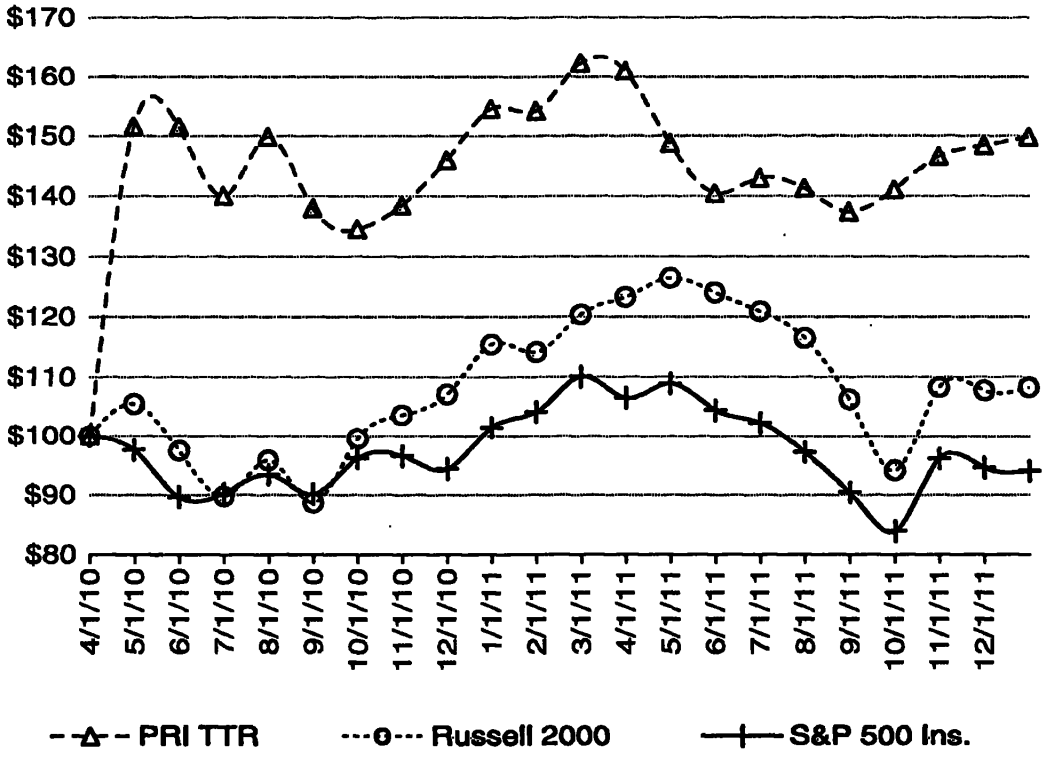
We have two compensation plans under which our equity securities are authorized for issuance. The Primerica, Inc. Amended and Restated 2010 Omnibus Incentive Plan was approved by our stockholders in May 2011. The Primerica, Inc. Stock Purchase Plan for Agents and Employees was approved by our sole stockholder in March 2010. The following table sets forth certain information relating to these equity compensation plans at December 31, 2011.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
Equity compensation plans approved by stockholders:			
Primerica, Inc. Amended and Restated 2010 Omnibus Incentive Plan	3,185,602(1)	– (2)	4,523,767(3)
Primerica, Inc. Stock Purchase Plan for Agents and Employees	–	–	2,312,707(4)
Total	3,185,602	–	6,836,474
Equity compensation plans not approved by stockholders	n/a	n/a	n/a

(1) Consists of shares to be issued in connection with outstanding restricted stock units ("RSUs").
(2) No options, warrants or rights have been issued or are outstanding under the plan.
(3) The number of shares available for future issuance is 10,800,000 less the cumulative number of awards granted under the plan plus the cumulative number of awards canceled under the plan.
(4) The number of shares available for future issuance is 2,500,000 less the cumulative number of shares issued under the plan.

Stock Performance Table

The following graph compares the performance of our common stock since the IPO to the Russell 2000 Index and the Standard & Poor's Insurance Index (S&P Insurance Index) by assuming $100 was invested in each investment option as of April 1, 2010, the date of the IPO. The Russell 2000 Index measures the performance of the small-cap segment in the United States. The S&P Insurance Index is a capitalization-weighted index of domestic equities traded on the NYSE and NASDAQ.



ITEM 6. SELECTED FINANCIAL DATA.

The selected financial data should be read in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated and combined financial statements and accompanying notes included elsewhere in this report.

The selected historical income statement data may not be indicative of the revenues and expenses that would have existed or resulted if we had operated independently of Citi. Similarly, the selected historical balance sheet data as of and prior to December 31, 2009 may not be indicative of the assets and liabilities that would have existed or resulted if we had operated independently of Citi. The selected historical financial data are not necessarily indicative of the financial position or results of operations as of any future date or for any future period.

Our corporate reorganization has resulted and will continue to result in financial performance that is materially different from that reflected in the historical financial data that appear elsewhere in this report. Due to the timing of our corporate reorganization and its impact on our financial position and results of operations, year-over-year comparisons of our financial position and results of operations will reflect significant non-comparable accounting transactions and account balances. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- The Transactions."

	Year ended December 31,				
	2011	2010	2009	2008 (3)	2007
	(In thousands, except per-share amounts)				
Statements of income data					
Revenues:					
Direct premiums	$2,229,467	$ 2,181,074	$ 2,112,781	$2,092,792	$2,003,595
Ceded premiums	(1,703,075)	(1,450,367)	(610,754)	(629,074)	(535,833)
Net premiums	526,392	730,707	1,502,027	1,463,718	1,467,762
Commissions and fees	412,979	382,940	335,986	466,484	545,584
Net investment income	108,601	165,111	351,326	314,035	328,608
Realized investment gains (losses), including other-than-temporary impairment losses	6,440	34,145	(21,970)	(103,480)	6,527
Other, net	48,681	48,960	53,032	56,187	41,856
Total revenues	1,103,093	1,361,863	2,220,401	2,196,944	2,390,338
Benefits and expenses:					
Benefits and claims	242,696	317,703	600,273	938,370	557,422
Amortization of deferred policy acquisition costs	119,348	168,035	381,291	144,490	321,060
Sales commissions	191,306	179,924	162,756	248,020	296,521
Insurance expenses	61,109	75,503	148,760	141,331	137,526
Insurance commissions	19,297	19,904	34,388	23,932	28,003
Interest expense	27,968	20,872	–	–	–
Goodwill impairment	–	–	–	194,992	–
Other operating expenses	165,525	180,779	132,978	152,773	136,634
Total benefits and expenses	827,249	962,720	1,460,446	1,843,908	1,477,166
Income before income taxes	275,844	399,143	759,955	353,036	913,172
Income taxes	97,568	141,365	265,366	185,354	319,538
Net income	$ 178,276	$ 257,778	$ 494,589	$ 167,682	$ 593,634
Earnings per share – basic	$ 2.39	$ 3.43(1)	n/a	n/a	n/a
Earnings per share – diluted	$ 2.36	$ 3.40(1)	n/a	n/a	n/a
Dividends per common share	$ 0.10	$ 0.02	n/a	n/a	n/a

	December 31,				
	2011	2010	2009 (2)	2008 (2)(3)	2007 (2)
			(In thousands)		
Balance sheet data					
Investments	$ 2,021,504	$ 2,153,584	$ 6,471,448	$5,355,458	$5,494,495
Cash and cash equivalents	136,078	126,038	602,522	302,354	625,350
Due from reinsurers	3,855,890	3,731,634	867,242	838,906	831,942
Deferred policy acquisition costs, net	1,050,637	853,211	2,789,905	2,727,422	2,510,045
Total assets	9,998,544	9,884,306	13,715,144	11,515,027	13,015,411
Future policy benefits	4,614,860	4,409,183	4,197,454	4,023,009	3,650,192
Note payable	300,000	300,000	–	–	–
Total liabilities	8,575,903	8,452,814	8,771,371	7,403,041	8,235,446
Stockholders' equity	1,422,641	1,431,492	4,943,773	4,111,986	4,779,965

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

(2) Total assets and liabilities have been adjusted to reflect the immaterial error correction relating to our securities lending program.

(3) Includes a $191.7 million pre-tax charge due to a change in our DAC and reserve estimation approach implemented as of December 31, 2008.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to inform the reader about matters affecting the financial condition and results of operations of Primerica, Inc. (the "Parent Company") and its subsidiaries (collectively, "we" or the "Company") for the three-year period ended December 31, 2011. As a result, the following discussion should be read in conjunction with the consolidated and combined financial statements and accompanying notes that are included herein. This discussion contains forward-looking statements that constitute our plans, estimates and beliefs. These forward-looking statements involve numerous risks and uncertainties, including, but not limited to, those discussed in "Risk Factors." Actual results may differ materially from those contained in any forward-looking statements.

This MD&A is divided into the following sections:

- The Transactions
- Business Trends and Conditions
- Factors Affecting Our Results
- Critical Accounting Estimates
- Results of Operations
- Financial Condition
- Liquidity and Capital Resources

The Transactions

We refer to the corporate reorganization, the reinsurance transactions, the concurrent transactions and the private sale described below collectively as the "Transactions."

The corporate reorganization. The Parent Company was incorporated in Delaware in October 2009 by Citi to serve as a holding company for the life insurance and financial product distribution businesses that we have

operated for more than 30 years. At such time, we issued 100 shares of common stock to Citi. These businesses, which prior to April 1, 2010, were wholly owned indirect subsidiaries of Citi, were transferred to us in a reorganization pursuant to which we issued to a wholly owned subsidiary of Citi: (i) 74,999,900 shares of our common stock (of which 24,564,000 shares of common stock were subsequently sold by Citi in our IPO; 16,412,440 shares of common stock were subsequently sold by Citi in mid-April 2010 to Warburg Pincus for a purchase price of $230.0 million (the "private sale"); and 5,021,412 shares of common stock were immediately contributed back to us for equity awards granted to our employees and sales force leaders in connection with our IPO), (ii) warrants to purchase from us an aggregate of 4,103,110 shares of our common stock (which were transferred by Citi to Warburg Pincus pursuant to the private sale), and (iii) the Citi note. Prior to April 1, 2010, we had no material assets or liabilities. Upon completion of the Transactions, the Parent Company's primary asset was and continues to be the capital stock of its operating subsidiaries and its primary liability was and continues to be the Citi note.

The reinsurance transactions. In March 2010, we entered into coinsurance agreements (the "Citi reinsurance agreements") with two affiliates of Citi and Prime Re, then a wholly owned subsidiary of Primerica Life (collectively, the "Citi reinsurers"). We refer to the execution of these agreements as the "Citi reinsurance transactions." Under these agreements, we ceded between 80% and 90% of the risks and rewards of our term life insurance policies that were in force at year-end 2009. We also transferred to the Citi reinsurers the account balances in respect of the coinsured policies and approximately $4.0 billion of assets to support the statutory liabilities assumed by the Citi reinsurers, and we distributed to Citi all of the issued and outstanding common stock of Prime Re. As a result, the Citi reinsurance transactions reduced the amount of our capital and substantially reduced our insurance exposure. We retained our operating platform and infrastructure and continue to administer all policies subject to these coinsurance agreements.

The concurrent transactions. During the first quarter of 2010, we declared distributions to Citi of approximately $703 million. We also recognized the income attributable to the policies underlying the Citi reinsurance transactions as well as the income earned on the invested assets backing the reinsurance balances and the extraordinary dividends declared in the first quarter. These items were reflected in the statement of income for the three months ended March 31, 2010. Furthermore, because the Citi reinsurance transactions were given retroactive effect back to January 1, 2010, we recognized a return of capital on our balance sheet for the income earned on the reinsured policies during the three months ended March 31, 2010.

In April 2010, we completed the following additional concurrent transactions:

- we completed the IPO pursuant to the Securities Act of 1933, as amended, and our stock began trading under the ticker symbol "PRI" on the NYSE;
- we issued equity awards for 5,021,412 shares of our common stock to certain of our employees, including our officers, and certain of our sales force leaders, including 221,412 shares which were issued upon conversion of existing equity awards in Citi shares that had not yet fully vested; and
- Citi accelerated vesting of certain existing Citi equity awards triggered by the IPO and the private sale.

Additionally, we made elections with an effective date of April 1, 2010 under Section 338(h)(10) of the Internal Revenue Code (the "Section 338(h)(10) elections"), which resulted in reductions to stockholders' equity of $174.7 million and corresponding adjustments to deferred tax balances.

During the first quarter of 2010, our federal income tax return was included as part of Citi's

consolidated federal income tax return. On March 30, 2010, in anticipation of our corporate reorganization, we entered into a tax separation agreement with Citi. In accordance with the tax separation agreement, Citi is responsible for, and shall indemnify and hold the Company harmless from and against, any consolidated, combined, affiliated, unitary or similar federal, state or local income tax liability with respect to the Company for any taxable period ending on or before April 7, 2010, the closing date of the IPO.

The private sale. In February 2010, Citi entered into a securities purchase agreement with Warburg Pincus and us pursuant to which, in mid-April 2010, Citi sold to Warburg Pincus 16,412,440 shares of our common stock and warrants to purchase from us 4,103,110 additional shares of our common stock. The warrants have a seven-year term and an exercise price of $18.00 per share.

Period-over-period comparability. Due to the timing of these transactions and their impact on our financial position and results of operations, period-over-period comparisons will reflect significant non-comparable accounting transactions and account balances. The most significant accounting transaction was the reinsurance transactions described above, which affected both the size and composition of our balance sheet and statement of income. Additionally, the corporate reorganization and the concurrent transactions had a significant impact on the composition of our balance sheet. As a result, our statements of income for the years ended December 31, 2011 and 2010 present income that is significantly lower than in 2009.

From a statement of income perspective, the Transactions impacted ceded premiums, net premiums, net investment income, benefits and claims, amortization of DAC, insurance commissions, insurance expenses, interest expense and income taxes. Actual results for periods ended prior to April 1, 2010 will not be indicative of or comparable to future actual results. Furthermore, actual results for the year ended December 31, 2010 will not be comparable to results in future years as they are affected by the inclusion of three months of operations prior to the Transactions.

Business Trends and Conditions

The relative strength and stability of financial markets and economies in the United States and Canada affect our growth and profitability. Our business is, and we expect will continue to be, influenced by a number of industry-wide and product-specific trends and conditions.

Economic conditions, including high unemployment levels and low levels of consumer confidence, influence investment and spending decisions by middle income consumers, our primary clients. These conditions and factors also impact prospective recruits' perceptions of the business opportunity that becoming a Primerica sales representative offers, which can drive or dampen recruiting. Consumer spending and borrowing levels remain under pressure, as consumers take a more conservative financial posture including reevaluating their savings and debt management goals. As overall market and economic conditions have improved and stabilized from the lows experienced during the recent economic downturn, sales and the value of consumer investment products across a wide spectrum of asset classes have improved.

Recruiting and Sales Representatives. Recruiting increased in 2011 to 244,756 new recruits from 231,390 new recruits in 2010, benefiting from a surge in new recruits following our North American convention held in June 2011 at the Georgia Dome in Atlanta. We believe that the surge resulted from both a promotion that lowered the Independent Business Application ("IBA") licensing fee charged to new recruits from $99 to $50 through the end of July 2011 and new product and field technology initiatives announced at the 2011 convention.

Our ability to increase the size of our sales force is largely based on the success of our

recruiting efforts and our ability to train and motivate recruits to get licensed. We believe that recruiting levels are an important advance indicator of sales force trends, and growth in recruiting is usually indicative of future growth in the overall size of the sales force. However, because new recruits do not always obtain licenses, recruiting results do not always result in commensurate increases in the size of our licensed sales force.

The size of our life-licensed sales force declined to 91,176 sales representatives as of December 31, 2011 from 94,850 sales representatives at December 31, 2010 as new life license growth lagged recruiting growth primarily due to a reduction in the licensing pull-through rate and an increase in terminations. Historically, our pull-through rate following a recruiting surge has been lower than in other periods.

Term Life Insurance Product Sales and Face Amount in Force. We issued 237,535 new life insurance policies in 2011, compared with 223,514 new policies in 2010. Sales of our term life insurance products increased in 2011 largely as a result of our June 2011 introduction of TermNow, our new rapid issue term life insurance product for face values of $250,000 and below, and increased productivity coming out of our 2011 convention.

While our average issued face amount was approximately $248,400 in 2011 compared with approximately $267,000 in 2010, total face amount in force increased to approximately $664.96 billion as of December 31, 2011 compared with approximately $656.79 billion a year ago, largely due to persistency that continued to improve relative to prior year and the stronger Canadian dollar. These drivers were partially offset by the decline in the average face amount of our newly issued policies, primarily as a result of TermNow sales.

Investment and Savings Product Sales and Asset Values. Investment and savings products sales were higher in 2011, totaling $4.27 billion, compared with $3.62 billion in 2010. We believe the increase in sales reflects the impact of internal exchanges for variable annuities offering enhanced guarantee terms as well as increasing demand for our products as a result of improving financial market conditions.

The assets in our clients' accounts are invested in diversified funds comprised mainly of U.S. and Canadian equity and fixed-income securities. The average value of assets in client accounts increased to $34.87 billion in 2011, from $31.91 billion in 2010, while the period-end asset value declined to $33.66 billion at December 31, 2011, compared with $34.87 billion a year ago. The 2011 decrease in period-end asset values relative to the 2011 increase in average client asset values reflects the magnitude and timing of current and prior-year market movements.

Invested Asset Portfolio Size and Yields. Our portfolio continues to reflect strong market value gains as interest rates and spreads continue to remain low. As of December 31, 2011, our invested assets, excluding policy loans and cash, had a cost or amortized cost basis of $1.83 billion and a net unrealized gain of $153.2 million, compared with $1.95 billion at cost or amortized cost and net unrealized gain of $157.4 million at December 31, 2010.

Factors Affecting Our Results

Term Life Insurance Segment. Our Term Life Insurance segment results are primarily driven by sales, accuracy of our pricing assumptions, terms and use of reinsurance, investment income and expenses.

Sales and policies in force. Sales of new term policies and the size and characteristics of our in-force book of policies are vital to our results over the long term. Premium revenue is recognized when due over the term of the policy and acquisition expenses are generally deferred and amortized ratably with the level premiums of the underlying policies. However, because we incur significant cash outflows at or

about the time policies are issued, including the payment of sales commissions and underwriting costs, changes in life insurance sales volume will have a more immediate effect on our cash flows.

Historically, we have found that while sales volume of term life insurance products may vary between fiscal periods based on a variety of factors, the productivity of our individual sales representatives remains within a relatively narrow range and, consequently, our sales volume over the longer term generally correlates to the size of our sales force. The average number of life-licensed sales representatives and the number of term life insurance policies issued, as well as the average monthly rate of new policies issued per life-licensed sales representative, were as follows:

	Year ended December 31,		
	2011	2010	2009
Average number of life-licensed sales representatives	91,855	96,840	100,569
Number of new policies issued	237,535	223,514	238,837
Average monthly rate of new policies issued per life-licensed sales representative	0.22x(1)	0.19x	0.19x

(1) Our 2011 processing cycle provided five additional days of policy processing. Excluding the policies processed during these additional days, the average monthly rate of new policies issued per life licensed sales representative would have been .21x for 2011.

During 2011, the increased productivity of our individual sales representatives was driven by the post-convention recruiting surge discussed earlier and sales of our new TermNow product. The elevated level of new recruits generated more warm market referrals and sales opportunities as new recruits set appointments with their field trainers to begin the sales training process. Further, our new TermNow product uses prescription databases to begin the underwriting process in real time at the point of application so TermNow policies are issued faster than our prior products which required oral fluid testing. This underwriting process has led to an increase in, and acceleration of, issued policies since the introduction of TermNow in June 2011. As a result of these two factors, productivity for 2011 was at the high end of our historical range.

Pricing assumptions. Our pricing methodology is intended to provide us with appropriate profit margins for the risks we assume. We determine pricing classifications based on the coverage sought, such as the size and term of the policy, and certain policyholder attributes, such as age and health. In addition, we utilize unisex rates for our term life insurance policies. The pricing assumptions that underlie our rates are based upon our best estimates of mortality, persistency and investment yields at the time of issuance, sales force commission rates, issue and underwriting expenses, operating expenses and the characteristics of the insureds, including sex, age, underwriting class, product and amount of coverage. Our results will be affected to the extent there is a variance between our pricing assumptions and actual experience.

- *Persistency.* We use historical experience to estimate pricing assumptions for persistency rates. Persistency is a measure of how long our insurance policies stay in force. As a general matter, persistency that is lower than our pricing assumptions adversely affects our results over the long term because we lose the recurring revenue stream associated with the policies that lapse. Determining the near-term effects of changes in persistency is more complicated. When persistency is lower than our pricing assumptions, we must accelerate the amortization of DAC. The resultant increase in amortization expense is offset by a corresponding release of reserves associated with lapsed policies, which causes a reduction in benefits and claims expense. The reserves associated with a given policy will change over the term of such policy. As a general matter,

reserves are lowest at the inception of a policy term and rise steadily to a peak before declining to zero at the expiration of the policy term. Accordingly, depending on when the lapse occurs in relation to the overall policy term, the reduction in benefits and claims expense may be greater or less than the increase in amortization expense and, consequently, the effects on earnings for a given period could be positive or negative. Persistency levels are meaningful to our results to the extent actual experience deviates from the persistency assumptions used to price our products.

- *Mortality.* We use historical experience to estimate pricing assumptions for mortality. Our profitability is affected to the extent actual mortality rates differ from those used in our pricing assumptions. We mitigate a significant portion of our mortality exposure through reinsurance. Variances between actual mortality experience and the assumptions and estimates used by our reinsurers affect the cost and, potentially, the availability of reinsurance.
- *Investment Yields.* We generally use a level investment yield rate which reflects yields currently available. For 2011 and 2010 new issues, we are using an increasing interest rate assumption to reflect the historically low interest rate environment. Both the DAC asset and the reserve liability increase with the assumed investment yield rate. Since the DAC asset is higher than the reserve liability in the early years of a policy, a lower assumed investment yield generally will result in lower profits. In the later years, when the reserve liability is higher than the DAC asset, a lower assumed investment yield generally will result in higher profits. Actual investment yields will impact the net investment income allocated to the Term Life Insurance segment, but will not impact the DAC asset or reserve liability.

Reinsurance. We use reinsurance extensively, which has a significant effect on our results of operations. Since the mid-1990s, we have reinsured between 60% and 90% of the mortality risk on our U.S. term life insurance policies on a quota share YRT basis. We have not generally reinsured the mortality risk on Canadian term life insurance polices. YRT reinsurance permits us to fix future mortality exposure at contractual rates by policy class. To the extent actual mortality experience is more or less favorable than the contractual rate, the reinsurer will earn incremental profits or bear the incremental cost, as applicable. In contrast to coinsurance, which is intended to eliminate all risks (other than counterparty risk of the reinsurer) and rewards associated with a specified percentage of the block of policies subject to the reinsurance arrangement, the YRT reinsurance arrangements we enter into are intended only to reduce volatility associated with variances between estimated and actual mortality rates.

On March 31, 2010, we entered into various coinsurance agreements with the Citi reinsurers to cede between 80% and 90% of our term life insurance policies that were in force at year-end 2009 as part of our corporate reorganization.

The effect of our reinsurance arrangements on ceded premiums and benefits and expenses on our statement of income follows:

- *Ceded premiums.* Ceded premiums are the premiums we pay to reinsurers. These amounts are deducted from the direct premiums we earn to calculate our net premium revenues. Similar to direct premium revenues, ceded coinsurance premiums remain level over the initial term of the insurance policy. Ceded YRT premiums increase over the period that the policy has been in force. Accordingly, ceded YRT premiums generally constitute an increasing percentage of direct premiums over the policy term.
- *Benefits and claims.* Benefits and claims include incurred claim amounts and changes in future policy benefit reserves.

Reinsurance reduces incurred claims in direct proportion to the percentage ceded.

- *Amortization of DAC.* Amortization of DAC is reduced on a pro-rata basis for the business coinsured with Citi. There is no impact on amortization of DAC associated with our YRT contracts.
- *Insurance expenses.* Insurance expenses are reduced by the allowances received from coinsurance, including the business reinsured with Citi.

We may alter our reinsurance practices at any time due to the unavailability of YRT reinsurance at attractive rates or the availability of alternatives to reduce our risk exposure. We presently intend to continue ceding approximately 90% of our U.S. mortality risk on new business issued subsequent to the Citi reinsurance transactions.

Net investment income. Term Life Insurance segment net investment income is composed of two elements: allocated net investment income and the market return associated with the deposit asset underlying the 10% reinsurance agreement we executed in connection with the Transactions. We allocate net investment income by applying the ratio of: (i) the book value of the invested assets allocated to the Term Life insurance segment to the book value of the Company's total invested assets to (ii) total net investment income, net of the income associated with the 10% reinsurance agreement. Invested assets are allocated to the Term Life Insurance segment based on the book value of the invested assets necessary to meet statutory reserve requirements and our targeted capital objectives. Net investment income is also impacted by the performance of our invested asset portfolio and the market return on the deposit asset which can be affected by interest rates, credit spreads and the mix of invested assets.

Expenses. Results are also affected by variances in client acquisition, maintenance and administration expense levels.

Investment and Savings Products Segment. Our Investment and Savings Products segment results are primarily driven by sales, the value of assets in client accounts for which we earn ongoing management, service and distribution fees and the number of fee generating accounts we administer.

Sales. We earn commissions and fees, such as dealer re-allowances, and marketing and support fees, based on sales of mutual fund products and annuities. Sales of investment and savings products are influenced by the overall demand for investment products in the United States and Canada, as well as by the size and productivity of our sales force. We generally experience seasonality in our Investment and Savings Products segment results due to our high concentration of sales of retirement account products. While we believe the size of our sales force is a factor in driving sales volume in this segment, there are a number of other variables, such as economic and market conditions, that may have a significantly greater effect on sales volume in any given fiscal period.

Asset values in client accounts. We earn marketing and distribution fees (trail commissions or, with respect to U.S. mutual funds, 12b-1 fees) and management fees on mutual fund, annuity, managed account and segregated funds products based on asset values in client accounts. Our investment and savings products primarily consist of funds composed of equity securities. Asset values are influenced by new product sales, ongoing contributions to existing accounts, redemptions and changes in equity markets, net of expenses.

Accounts. We earn recordkeeping fees for administrative functions we perform on behalf of several of our mutual fund providers and custodial fees for services as a non-bank custodian for certain of our mutual fund clients' retirement plan accounts.

Sales Mix. While our investment and savings products all have similar long-term earnings characteristics, our results in a given fiscal period will be affected by changes in the overall mix of products within these broad categories.

Examples of changes in the sales mix that influence our results include the following:

- sales of a higher proportion of mutual fund products of the several mutual fund families for which we act as recordkeeper will generally increase our earnings because we are entitled to recordkeeping fees on these accounts;
- sales of variable annuity products in the United States will generate higher revenues in the period such sales occur than sales of other investment products that either generate lower upfront revenues or, in the case of segregated funds, no upfront revenues;
- sales and administration of a higher proportion of mutual funds that enable us to earn marketing and support fees will increase our revenues and profitability;
- sales of a higher proportion of retirement products of several mutual fund families will tend to result in higher revenue generation due to our ability to earn custodial fees on these accounts; and
- sales of a higher proportion of managed accounts products will generally extend the length of time over which revenues can be earned because we are entitled to revenues based on assets under management for these accounts.

Corporate and Other Distributed Products Segment. We earn revenues and pay commissions and referral fees for various other insurance products, prepaid legal services and other financial products, all of which are originated by third parties. NBLIC, our New York life insurance subsidiary, also underwrites a mail-order student life policy and a short-term disability benefit policy, neither of which is distributed by our sales force, and has in-force policies from several discontinued lines of insurance.

The Corporate and Other Distributed Products segment is affected by corporate income and expenses not allocated to our other segments, net investment income (other than net investment income allocated to our Term Life Insurance segment), general and administrative expenses (other than expenses that are allocated to our Term Life Insurance or Investment and Savings Products segments), management equity awards, equity awards granted to our sales force leaders at the time of our IPO, interest expense on the Citi note and realized gains and losses on our invested asset portfolio.

Critical Accounting Estimates

We prepare our financial statements in accordance with U.S. GAAP. These principles are established primarily by the FASB. The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions based on currently available information when recording transactions resulting from business operations. Our significant accounting policies are described in Note 1 to our consolidated and combined financial statements. The most significant items on the balance sheet are based on fair value determinations, accounting estimates and actuarial determinations which are susceptible to changes in future periods and which affect our results of operations and financial position.

The estimates that we deem to be most critical to an understanding of our results of operations and financial position are those related to the valuation of investments, reinsurance, DAC, future policy benefit reserves, and income taxes. The preparation and evaluation of these critical accounting estimates involve the use of various assumptions developed from management's analyses and judgments. Subsequent experience or use of other assumptions could produce significantly different results.

Invested Assets

We hold primarily fixed-maturity securities, including bonds and redeemable preferred stocks, and equity securities, including common and non-redeemable preferred stock. We have classified these invested assets as available-for-sale, except for the securities of our U.S. broker-dealer subsidiary, which we have classified as trading securities. All of these securities are carried at fair value.

Fair value. Fair value is the price that would be received upon the sale of an asset in an orderly transaction between market participants at the measurement date. Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our view of market assumptions in the absence of observable market information. We classify and disclose all invested assets carried at fair value in one of the following three categories:

- Level 1. Quoted prices for identical instruments in active markets;
- Level 2. Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
- Level 3. Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

As of each reporting period, we classify all invested assets in their entirety based on the lowest level of input that is significant to the fair value measurement. Significant levels of estimation and judgment are required to determine the fair value of certain of our investments. The factors influencing these estimations and judgments are subject to change in subsequent reporting periods. The fair value and hierarchy classifications of our invested asset portfolio were as follows:

	December 31, 2011	
	Fair value	% of total
	(Dollars in thousands)	
Level 1 invested assets	$ 18,325	*
Level 2 invested assets	1,970,246	99%
Level 3 invested assets	6,937	*
Total invested assets	$1,995,508	100%

* Less than 1%

In assessing the fair value of our investments, we use a third-party pricing service for approximately 94% of our securities. The remaining securities are primarily private securities valued using models based on observable inputs on public corporate spreads having similar tenors (e.g., sector, average life and quality rating) and liquidity and yield based on quality rating, average life and treasury yields. All data inputs come from observable data corroborated by independent third-party sources. In the absence of sufficient observable inputs, we utilize non-binding broker quotes, which are reflected in our Level 3 classification.

We perform internal reasonableness assessments on fair value determinations within our portfolio throughout the month and at month-end, including pricing variance analyses and comparisons to alternative pricing sources and benchmark returns. If a fair value appears unusual relative to these assessments, we will re-examine the inputs and may challenge a fair value assessment made by the pricing service. If there is a known pricing error, we will request a reassessment by the pricing service. If the pricing service is unable to perform the reassessment on a timely basis, we will determine the appropriate price by requesting a reassessment from an alternative pricing service or other qualified source as necessary. We do not adjust quotes or prices except in a rare circumstance to resolve a known error.

For additional information, see Notes 1, 3 and 4 to our consolidated and combined financial statements.

Other-than-temporary impairments. We recognize unrealized gains and losses on our available-for-sale portfolio as a separate component of accumulated other comprehensive income. The determination of whether a decline in fair value below amortized cost is other-than-temporary is both objective and subjective. Furthermore, this determination can involve a variety of assumptions and estimates, particularly for invested assets that are not actively traded in established markets. We evaluate a number of factors when determining the impairment status

of individual securities. These factors include the economic condition of various industry segments and geographic locations and other areas of identified risk.

For available-for-sale securities in an unrealized loss position that we intend to sell or would more-likely-than-not be required to sell before the expected recovery of the amortized cost basis, we recognize an impairment charge for the difference between amortized cost and fair value as a realized investment loss in our statements of income. For available-for-sale securities in an unrealized loss position for which we have no intent to sell and believe that it is more-likely-than-not that we will not be required to sell before the expected recovery of the amortized cost basis, only the credit loss component of the difference between cost and fair value is recognized in earnings, while the remainder is recognized in accumulated other comprehensive income. The credit loss component recognized in earnings is identified as the amount of principal cash flows not expected to be received over the remaining term of the security.

For certain securitized financial assets with contractual cash flows, including asset-backed securities, we periodically update our best estimate of cash flows over the life of the security. Securities that are in an unrealized loss position are reviewed at least quarterly for other-than-temporary impairment. If the fair value of a securitized financial asset is less than its cost or amortized cost and there has been a decrease in the present value of the estimated cash flows since the last revised estimate, considering both timing and amount, an other-than-temporary impairment charge is recognized. Estimating future cash flows is a quantitative and qualitative process that incorporates information received from third-party sources along with certain assumptions and judgments regarding the future performance of the underlying collateral. Projections of expected future cash flows may change based upon new information regarding the performance of the underlying collateral.

Other categories of fixed-income securities that are in an unrealized loss position are also reviewed at least quarterly to determine if an other-than-temporary impairment is present based on certain quantitative and qualitative factors. We consider a number of factors in determining whether the impairment is other-than-temporary. These include:

- actions taken by rating agencies;
- default by the issuer;
- the significance of the decline;
- the intent to sell and the ability to hold the investment until recovery of the amortized cost basis, as noted above;
- the time period during which the decline has occurred;
- an economic analysis of the issuer;
- the financial strength, liquidity, and recoverability of the issuer; and
- an analysis of the underlying collateral.

Although no set formula is used in this process, the investment performance, collateral position, and continued viability of the issuer are significant measures that are considered.

The other-than-temporary impairment analysis that we perform on our equity securities primarily focuses on the severity of the unrealized loss as well as the length of time the security's fair value has been below amortized cost. The other-than-temporary impairments that we recognized in realized investment gains as a charge to earnings were as follows:

	Year ended December 31, 2011 (In thousands)
Other-than-temporary impairments	$(2,015)
Realized investment gains, including other-than-temporary impairments	6,440

For additional information, see Notes 1 and 3 to our consolidated and combined financial statements.

Reinsurance

We use reinsurance extensively. We determine if a contract provides indemnification against loss or liability in relation to the amount of insurance risk to which the reinsurer is subject. We review all contractual terms, particularly those that may limit the amount of insurance risk to which the reinsurer is subject that may delay the timely reimbursement of claims. If we determine that the possibility of a significant loss from insurance risk will occur only under remote circumstances, we record the contract under the deposit method of accounting with the net amount receivable reflected in other assets on our consolidated and combined balance sheets. The reinsurance contracts in effect at December 31, 2011, including the Citi reinsurance agreements, meet U.S. GAAP risk transfer provisions, except as noted below. Ceded policy reserves and claims liabilities relating to insurance ceded under these contracts are shown as due from reinsurers in our balance sheets. We believe that one of the Citi reinsurance transactions (a 10% YRT transaction with an experience refund provision) will have limited transfer of insurance risk and that there will be only a remote chance of loss under the contract. As such, we have accounted for this agreement under the deposit method of accounting.

Ceded premiums are treated as a reduction of direct premiums and are recognized when due to the assuming company. Ceded claims are treated as a reduction of direct benefits and are recognized when the claim is incurred on a direct basis. Ceded policy reserve changes are also treated as a reduction of benefits and are recognized during the applicable financial reporting period. Under YRT arrangements, we determine the ceded reserve by recognizing the cost of reinsurance as a level percentage of the direct premiums collected. The expected reinsurance cost is the expected reinsurance premium paid less expected reinsurance claims received. We determine ceded future policy benefit reserves for coinsurance in the same manner as direct policy reserves.

We calculate claim liabilities and policy benefits consistently for all policies, regardless of whether or not the policy is reinsured. Once the direct claim liabilities are estimated, we estimate the amounts attributable to the reinsurers. Liabilities for unpaid reinsurance claims are produced from claims and reinsurance system records, which contain the relevant terms of the individual reinsurance contracts. We monitor claims due from reinsurers to ensure that balances are settled on a timely basis. We review incurred but not reported claims to ensure that appropriate amounts are ceded. We analyze and monitor the creditworthiness of each of our reinsurers to minimize collection issues.

For additional information on reinsurance, see Notes 1 and 5 to our consolidated and combined financial statements.

Deferred Policy Acquisition Costs

We defer the costs of acquiring new business to the extent that they vary with, and are primarily related to, the acquisition of such new business. These costs mainly include commissions and policy issue expenses. The recovery of such costs is dependent on the future profitability of the related policies, which, in turn, is dependent principally upon mortality, persistency, the expense of administering the business and investment returns, as well as upon certain economic variables, such as inflation. DAC is subject to recoverability testing on an annual basis or when circumstances indicate that recoverability is uncertain. We make certain assumptions regarding persistency, expenses, interest rates and claims. The assumptions for those types of products may not be modified or unlocked, unless recoverability testing deems them to be inadequate. We update assumptions for new business to reflect the most recent experience.

Deferrable term life insurance policy acquisition costs are amortized over the premium-paying period of the related policies in proportion to premium income. If actual lapses or withdrawals are different from pricing

assumptions for a particular period, DAC amortization will be affected. If the number of policies that lapse are 1% higher than the number of policies that we expected to lapse in our pricing assumptions, approximately 1% more of the existing DAC balance will be amortized, which would have been equal to approximately $9.3 million as of December 31, 2011 (assuming such lapses were distributed proportionately among policies of all durations). We believe that a lapse rate in the number of policies that is 1% higher than the rate assumed in our pricing assumptions is a reasonably possible variation. Higher lapses in the early durations would have a greater effect on DAC amortization since the DAC balances are higher at the earlier durations. Differences in actual mortality rates compared to our pricing assumptions will not have a material effect on DAC amortization. Due to the inherent uncertainties in making assumptions about future events, materially different experience from expected results in persistency or mortality could result in a material increase or decrease of DAC amortization in a particular period.

Deferrable acquisition costs for Canadian segregated funds are amortized over the life of the policies in relation to historical and future estimated gross profits before amortization. The gross profits and resulting DAC amortization will vary with actual fund returns, redemptions and expenses.

In October 2010, the FASB issued ASU 2010-26, *Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts*. ASU 2010-26 creates a more limited definition than the current guidance, which defines DAC as those costs that vary with, and primarily relate to, the acquisition of insurance contracts. Under the revised definition, deferred acquisition costs include incremental direct costs of successful contract acquisitions that result directly from and are essential to the contract transaction(s) and would not have been incurred had the contract transaction(s) not occurred. All other acquisition-related costs, including unsuccessful acquisition and renewal efforts, will be charged to expense as incurred. Administrative costs, rent, depreciation, occupancy, equipment, and all other general overhead costs are considered indirect costs and will be charged to expense as incurred. The update allows either prospective or retrospective adoption and is required to be adopted for our fiscal year beginning January 1, 2012.

We plan to retrospectively adopt ASU 2010-26. We are still evaluating the full impact of implementing this guidance. However, we currently estimate that adoption will reduce our DAC balance by approximately 13% to 15% or in the range of $140 million to $160 million as of December 31, 2011. In connection with the Citi reinsurance transactions, we ceded approximately $2.1 billion of our DAC balances in March of 2010. As a result of our retrospective adoption, DAC amortization will be lower in periods following the Citi reinsurance transactions. As we rebuild our base of life policies issued subsequent to the Citi reinsurance transactions, the concurrent increase in non-deferred acquisition expenses likely will exceed the reduction in DAC amortization, thereby resulting in a net increase in total benefits and expenses.

For additional information on DAC, see Notes 1 and 6 to our consolidated and combined financial statements.

Future Policy Benefits

We calculate and maintain reserves for the estimated future payment of claims to our policyholders based on actuarial assumptions and in accordance with industry practice and U.S. GAAP. Liabilities for future policy benefits on our term life insurance products have been computed using a net level method, including assumptions as to investment yields, mortality, persistency, and other assumptions based on our experience. Many factors can affect these reserves, including mortality trends, investment yields and persistency. Similar to the DAC discussion above, we cannot modify the assumptions used to establish reserves during

the policy term unless recoverability testing deems them to be inadequate. Therefore, the reserves we establish are based on estimates, assumptions and our analysis of historical experience. Our results depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we used in determining our reserves and pricing our products. Our reserve assumptions and estimates require significant judgment and, therefore, are inherently uncertain. If actual lapses are different from pricing assumptions for a particular period, the change in the future policy benefits, which is reflected in benefits and claims in our statements of income, will be affected.

If the number of policies that lapse are 1% higher than the number of policies that we expected to lapse in our pricing assumptions, approximately 1% more of the future policy benefit reserves will be released, which would have been equal to approximately $43.9 million as of December 31, 2011 (assuming such lapses were distributed proportionately among policies of all durations). The future policy benefit reserves released from the additional lapses would have been offset by the release of the corresponding reinsurance reserves of approximately $36.0 million as of December 31, 2011. Higher lapses in later durations would have a greater effect on the release of future policy benefit reserves since the future policy benefit reserves are higher at the later durations. Differences in actual mortality rates compared to our pricing assumptions will not have a material effect on future policy benefit reserves. We cannot determine with precision the ultimate amounts that we will pay for actual claims or the timing of those payments.

For additional information on future policy benefits, see Notes 1 and 9 to our consolidated and combined financial statements.

Income Taxes

We account for income taxes using the asset and liability method. We recognize deferred tax assets and liabilities for the future tax consequences attributable to (i) differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and (ii) operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We recognize the effect on deferred tax assets and liabilities of a change in tax rates in income in the period that includes the enactment date. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not applicable to the periods in which we expect the temporary difference will reverse.

For additional information on income taxes, see Notes 1 and 11 to our consolidated and combined financial statements.

Results of Operations

Revenues. Our revenues consist of the following:

- *Net premiums.* Reflects direct premiums payable by our policyholders on our in-force insurance policies, primarily term life insurance, net of reinsurance premiums that we pay to reinsurers.
- *Net investment income.* Represents income, net of investment-related expenses, generated by our invested asset portfolio, which consists primarily of interest income earned on fixed-maturity investments. Investment income earned on assets supporting our statutory reserves and targeted capital is allocated to our Term Life Insurance segment, with the balance included in our Corporate and Other Distributed Products segment.
- *Commissions and fees.* Consists primarily of dealer re-allowances earned on the sales of investment and savings products, trail commissions and management fees based on the asset values of client accounts, marketing and support fees from product originators, custodial fees for services

rendered in our capacity as nominee on client retirement accounts funded by mutual funds on our servicing platform, recordkeeping fees for mutual funds on our servicing platform and fees associated with the sale of other distributed products.

- *Realized investment gains (losses), including other-than-temporary impairments ("OTTI").* Reflects the difference between amortized cost and amounts realized on the sale of invested assets, as well as OTTI charges.
- *Other, net.* Reflects revenues generated from the fees charged for access to our sales force website, printing revenues from the sale of printed materials to sales representatives, incentive fees and reimbursements from product originators, Canadian licensing fees, sales of merchandise to sales representatives, mutual fund customer service fees, fees charged to sales representatives related to life insurance processing responsibilities, and interest charges received from or paid to reinsurers on late payments.

Benefits and Expenses. Our operating expenses consist of the following:

- *Benefits and claims.* Reflects the benefits and claims payable on insurance policies, as well as changes in our reserves for future policy claims and reserves for other benefits payable, net of reinsurance.
- *Amortization of DAC.* Represents the amortization of capitalized costs associated with the sale of an insurance policy or segregated fund, including sales commissions, medical examination and other underwriting costs, and other acquisition-related costs.
- *Insurance commissions.* Reflects sales commissions in respect of insurance products that are not eligible for deferral.
- *Insurance expenses.* Reflects non-capitalized insurance expenses, including staff compensation, technology and communications, insurance sales force-related costs, printing, postage and distribution of insurance sales materials, outsourcing and professional fees, premium taxes, amortization of certain intangibles and other corporate and administrative fees and expenses related to our insurance operations.
- *Sales commissions.* Represents commissions to our sales representatives in connection with the sale of investment and savings products and products other than insurance products.
- *Interest expense.* Reflects interest on the Citi note as well as interest incurred in connection with the Citi reinsurance transactions.
- *Other operating expenses.* Consists primarily of expenses that are unrelated to the distribution of insurance products, including staff compensation, technology and communications, various sales force-related costs, printing, postage and distribution of sales materials, outsourcing and professional fees, amortization of certain intangibles and other corporate and administrative fees and expenses.

We allocate certain operating expenses associated with our sales representatives, including supervision, training and legal, to our two primary operating segments generally based on the average number of licensed representatives in each segment for a given period. We also allocate technology and occupancy costs based on usage. Costs that are not allocated to our two primary segments are included in our Corporate and Other Distributed Products segment.

2011 Compared to 2010

Primerica, Inc. and Subsidiaries

Results. Our actual results of operations for the years ended December 31, 2011 and 2010 and our pro forma results of operations for the year ended December 31, 2010 were as follows:

	Actual		Actual 2011 v. Actual 2010 Change		Pro forma	Actual 2011 v. Pro forma 2010 Change	
	2011	2010	$	%	2010	$	%
			(Dollars in thousands)				
Revenues:							
Direct premiums	$2,229,467	$ 2,181,074	$ 48,393	2%	$ 2,181,074	$ 48,393	2%
Ceded premiums	(1,703,075)	(1,450,367)	(252,708)	17%	(1,746,695)	43,620	(2)%
Net premiums	526,392	730,707	(204,315)	(28)%	434,379	92,013	21%
Commissions and fees	412,979	382,940	30,039	8%	382,940	30,039	8%
Net investment income	108,601	165,111	(56,510)	(34)%	110,376	(1,775)	(2)%
Realized investment gains, including OTTI	6,440	34,145	(27,705)	(81)%	34,145	(27,705)	(81)%
Other, net	48,681	48,960	(279)	*	48,960	(279)	*
Total revenues	1,103,093	1,361,863	(258,770)	(19)%	1,010,800	92,293	9%
Benefits and expenses:							
Benefits and claims	242,696	317,703	(75,007)	(24)%	189,499	53,197	28%
Amortization of DAC	119,348	168,035	(48,687)	(29)%	96,846	22,702	23%
Sales commissions	191,306	179,924	11,382	6%	179,924	11,382	6%
Insurance expenses	61,109	75,503	(14,394)	(19)%	49,420	11,689	24%
Insurance commissions	19,297	19,904	(607)	(3)%	18,235	1,062	6%
Interest expense	27,968	20,872	7,096	34%	27,809	159	*
Other operating expenses	165,525	180,779	(15,254)	(8)%	183,855	(18,330)	(10)%
Total benefits and expenses	827,249	962,720	(135,471)	(14)%	745,388	81,861	11%
Income before income taxes	275,844	399,143	(123,299)	(31)%	265,412	10,432	4%
Income taxes	97,568	141,365	(43,797)	(31)%	94,002	3,566	4%
Net income	$ 178,276	$ 257,778	$ (79,502)	(31)%	$ 171,410	$ 6,866	4%

* Less than 1%

We entered into the Citi reinsurance and reorganization transactions during March and April of 2010. As such, actual results for the year ended December 31, 2010 include three months of operations prior to the Citi reinsurance and reorganization transactions. Actual results for the year ended December 31, 2010 also include income attributable to the underlying policies that were reinsured to Citi on March 31, 2010 as well as net investment income earned on the invested assets backing the reinsurance balances transferred to the Citi reinsurers and a portion of the distributions to Citi made as part of our corporate reorganization. Due to the April 2010 issuance of the Citi note, interest expense only reflects nine months of interest expense in 2010. The Citi reinsurance transaction impacted the Term Life Insurance segment, while the reorganization transactions impacted both the Term Life Insurance and Corporate and Other Distributed Products segments, with the larger impact on the latter segment. The pro forma results presented above give effect to the Citi reinsurance and reorganization transactions, which are described more fully in Notes 2 and 3

to our pro forma statement of income included in "Results of Operations - 2010 Compared to 2009 - Primerica, Inc. and Subsidiaries Pro Forma Results." We believe that the 2010 pro forma results provide additional meaningful information necessary to evaluate our results of operations.

Total revenues. Total revenues declined in 2011 primarily as a result of the Transactions. Excluding approximately $351.1 million of revenues in 2010 that would have been recognized by Citi had the Transactions been effected on January 1, 2010, total revenues would have increased approximately $92.3 million, or 9%, compared with pro forma basis 2010. This increase primarily reflects incremental premiums on New Term policies issued subsequent to the Citi reinsurance transactions ("New Term") and an increase in commissions and fees, largely driven by increased sales of variable annuities in our Investment and Savings Product segment. The increase in total revenues relative to pro forma basis 2010 was partially offset by the decline in realized investment gains relative to 2010. Realized investment gains in 2010 were largely driven by sales of invested assets in anticipation of our corporate reorganization.

Total benefits and expenses. Total benefits and expenses were lower primarily as a result of the Transactions. Excluding approximately $217.3 million of benefits and expenses in 2010 that would have been recognized by Citi had the Transactions been effected on January 1, 2010, total benefits and expenses would have increased approximately $81.9 million, or 11%, compared with pro forma basis 2010. The increase in total benefits and expenses was primarily a result of the growth in our Term Life and Investment and Savings Products businesses and higher overall operating expenses, including the build out of incremental functions, processes and expenses associated with becoming a public company. The increase in benefits and claims and amortization of DAC, after giving effect to the Transactions, was largely a result of the continued growth in our Term Life business following the Citi reinsurance transactions. Sales commissions were higher consistent with the increase in commission and fee revenue noted in total revenues above. Insurance expenses and other operating expenses increased primarily as a result of initiatives announced at our 2011 convention, higher premium taxes, lower expense allowances due to continued run-off in the block of business ceded to Citi and build out of our expenses post-IPO.

Income taxes. Our effective income tax rate was 35.4% in both 2011 and 2010.

For additional information on the effect of the Transactions as well as the significant drivers of revenues and expenses, see the segment results discussions below.

Term Life Insurance Segment. Our actual results for the Term Life Insurance segment for the years ended December 31, 2011 and 2010 and our pro forma results of operations for the year ended December 31, 2010 were as follows:

	Actual		Actual 2011 v. Actual 2010 Change		Pro forma	Actual 2011 v. Pro forma 2010 Change	
	2011	2010	$	%	2010	$	%
			(Dollars in thousands)				
Revenues:							
Direct premiums	$ 2,149,594	$2,100,709	$ 48,885	2%	$2,100,709	$48,885	2%
Ceded premiums	(1,688,953)	(1,436,041)	(252,912)	18%	(1,732,369)	43,416	(3)%
Net premiums	460,641	664,668	(204,027)	(31)%	368,340	92,301	25%
Allocated net investment income	62,688	110,633	(47,945)	(43)%	62,294	394	*
Other, net	31,666	33,267	(1,601)	(5)%	33,267	(1,601)	(5)%
Total revenues	554,995	808,568	(253,573)	(31)%	463,901	91,094	20%
Benefits and expenses:							
Benefits and claims	197,159	277,653	(80,494)	(29)%	149,449	47,710	32%
Amortization of DAC	103,553	156,312	(52,759)	(34)%	84,923	18,630	22%
Insurance expenses	47,088	63,885	(16,797)	(26)%	37,802	9,286	25%
Insurance commissions	1,118	3,177	(2,059)	(65)%	1,508	(390)	(26)%
Interest expense	11,468	8,497	2,971	35%	11,309	159	1%
Total benefits and expenses	360,386	509,524	(149,138)	(29)%	284,991	75,395	26%
Income before income taxes	$ 194,609	$ 299,044	$ (104,435)	(35)%	$ 178,910	$ 15,699	9%

* Less than 1%

We entered into the Citi reinsurance and reorganization transactions during March and April of 2010. As such, results for the year ended December 31, 2010 include three months of operations prior to the Citi reinsurance and reorganization transactions. Results for the year ended December 31, 2010 also include income attributable to the underlying policies that were reinsured to Citi on March 31, 2010 as well as net investment income earned on the invested assets backing the reinsurance balances transferred to the Citi reinsurers and a portion of the distributions to Citi made as part of our corporate reorganization. From a statement of income perspective, these transactions impacted ceded premiums, net premiums, allocated net investment income, benefits and claims, amortization of DAC, insurance commissions, insurance expenses and interest expense. The 2010 Term Life Insurance segment pro forma results presented above give effect to the Citi reinsurance and reorganization transactions, which are described more fully in Notes 2 and 3 to our pro forma statement of income included in "Results of Operations - 2010 Compared to 2009 - Primerica, Inc. and Subsidiaries Pro Forma Results." We believe that the 2010 pro forma segment results provide additional meaningful information necessary to evaluate the results of operations for this segment.

Direct premiums. Direct premiums increased in 2011 primarily as a result of growth in New Term business and premium increases for policies reaching the end of their initial level premium period. The growth in direct premiums was consistent with the growth in face amount in force.

Ceded premiums. The increase in ceded premiums primarily reflects the impact of the Citi reinsurance transactions and the net impact of the ceded premium recoveries discussed in Note 5 to our consolidated and combined financial statements. Adjusting for approximately $296.3 million of additional

premiums that would have been ceded to Citi in 2010 had the Citi reinsurance transactions been effected on January 1, 2010, ceded premium would have decreased approximately $43.4 million, or 3%, reflecting continued run-off of the business ceded to Citi, partially offset by age-based increases in YRT reinsurance premiums.

Net premiums. The decline in net premiums primarily reflects the impact on ceded premium of the Citi reinsurance transactions and the net impact of the ceded premium recoveries discussed in ceded premiums above. Excluding the premiums that would have been ceded to Citi in 2010 had the transactions been effected on January 1, 2010, net premiums would have increased approximately $92.3 million, or 25%, reflecting New Term premium growth.

Allocated net investment income. The decrease in allocated net investment income was largely attributable to the Citi reinsurance and reorganization transactions. Excluding approximately $48.3 million of income earned in 2010 on assets that were transferred to Citi in connection with the reinsurance and reorganization transactions, allocated net investment income would have increased approximately $394,000, primarily reflecting a higher allocation as a result of the growth in New Term, substantially offset by the effect of lower asset returns in 2011.

Benefits and claims. The decrease in benefits and claims was largely attributable to the Citi reinsurance and reorganization transactions. Excluding approximately $128.2 million of expenses that would have been recognized by the Citi reinsurers in 2010 had the Citi reinsurance transactions been effected on January 1, 2010, benefits and claims would have increased approximately $47.7 million, or 32%, reflecting growth in the business and a charge of approximately $4 million to record cumulative potential claims related to cross-checking public death records to identify deceased policyholders for whom claims have not been filed and of which we were unaware. Excluding the impact of this charge, the growth in benefits and claims outpaced net premium growth primarily as a result of slightly higher mortality experience.

Amortization of DAC. The decrease in amortization of DAC was largely attributable to the Citi reinsurance and reorganization transactions. Excluding approximately $71.4 million of DAC amortization that would have been recognized by the Citi reinsurers in 2010 had the Citi reinsurance transactions been effected on January 1, 2010, DAC amortization would have increased approximately $18.6 million, or 22%. The growth in DAC amortization was lower than the growth in net premiums primarily due to the inclusion of a DAC adjustment of approximately $2.2 million in the first quarter of 2011 largely related to in-force business ceded to the Citi reinsurers.

Insurance expenses. Insurance expenses decreased largely as a result of the Citi reinsurance transactions. Excluding approximately $26.1 million of expense allowances that would have been recognized in 2010 had the transactions been effected on January 1, 2010, insurance expenses would have increased approximately $9.3 million, or 25%. This increase in insurance expenses largely reflects the impact of premium-related taxes, licenses and fees growth, expense allowance run-off in the block of business ceded to Citi, expenses associated with convention initiatives, including the $50 IBA fee promotion and the write-off of medical testing materials, and build out of management compensation and benefits expense post-IPO. These items were partially offset by the 2011 release of management incentive compensation accruals for compensation earned in 2010 but paid in 2011 at a lower rate than had been anticipated.

Product sales and face amount in force. We issued 237,535 new life insurance policies in 2011, compared with 223,514 new policies in 2010, primarily as a result of recruiting growth following our 2011 convention and strong demand for our TermNow product.

The changes in the face amount of our in-force book of term life insurance policies were as follows:

	Year ended December 31,		Change	
	2011	2010	$	%
	(Dollars in millions)			
Face amount in force, beginning of period	$ 656,791	$650,195	$6,596	1 %
Issued face amount	73,146	74,401	(1,256)	(2)%
Terminations	(66,951)	(70,964)	4,012	(6)%
Foreign currency	1,970	3,158	(1,188)	(38)%
Face amount in force, end of period (1)	$664,955	$656,791	$8,164	1 %

(1) Totals may not add due to rounding.

Issued face amount declined slightly in 2011 reflecting lower average face amounts, primarily as a result of the introduction of TermNow in June 2011. The impact on issued face amount of lower average size was partially offset by the increase in policy sales. The decrease in terminations resulted from persistency that, while remaining below historical norms, has continued to improve.

Investment and Savings Product Segment. Our results of operations for the Investment and Savings Products segment for the years ended December 31, 2011 and 2010 were as follows:

	Actual		Actual 2011 v. Actual 2010 Change	
	2011	2010	$	%
	(Dollars in thousands)			
Revenues:				
Commissions and fees:				
Sales-based revenues	$ 170,362	$142,606	$27,756	19%
Asset-based revenues	173,059	167,473	5,586	3%
Account-based revenues	41,997	41,690	307	*
Other, net	11,285	10,038	1,247	12%
Total revenues	396,703	361,807	34,896	10%
Expenses:				
Amortization of DAC	12,482	9,330	3,152	34%
Insurance commissions	8,851	7,854	997	13%
Sales commissions:				
Sales-based	118,344	100,993	17,351	17%
Asset-based	57,901	58,129	(228)	*
Other operating expenses	82,049	71,971	10,078	14%
Total expenses	279,627	248,277	31,350	13%
Income before income taxes	$ 117,076	$ 113,530	$ 3,546	3%

* Less than 1%

The Citi reinsurance and reorganization transactions had no impact on the Investment and Savings Products segment.

Supplemental information on the underlying metrics that drove results follows.

	Year ended December 31,		Change	
	2011	2010	$	%
	(Dollars in millions and accounts in thousands)			
Product sales:				
Retail mutual funds	$ 2,230	$ 2,141	$ 89	4%
Annuities and other	1,674	1,169	505	43%
Total sales-based revenue generating product sales (1)	3,904	3,310	594	18%
Segregated funds	332	314	19	6%
Managed accounts	29	–	29	*
Total product sales (1)	$ 4,265	$ 3,624	$ 641	18%
Average client asset values:				
Retail mutual funds	$ 24,105	$22,614	$ 1,491	7%
Annuities and other	8,276	7,095	1,181	17%
Segregated funds	2,489	2,199	290	13%
Total average asset values in client accounts (1)	$34,870	$31,908	$2,962	9%
Average number of fee-generating accounts:				
Recordkeeping accounts	2,627	2,728	(101)	(4)%
Custodial accounts	1,956	1,990	(34)	(2)%

* Not meaningful

(1) Totals may not add due to rounding.

Commissions and fees. Commissions and fees increased primarily as a result of economic and market trends and client demand. The increase in sales-based revenues reflect the impact of internal exchanges for the variable annuity products we offer. These internal exchanges were primarily driven by client redemptions of older variable annuity contracts to purchase the current Prime Elite IV variable annuity, which offers an attractive guaranteed income living benefit. Asset-based revenues were driven by higher average asset values during 2011 even though end-of-period asset values were slightly lower than 2010. Account-based revenues were relatively flat compared with 2010 as the impact of a 2011 recordkeeping fee structure change on certain accounts, which had no net effect on income before income taxes, was largely offset by a decline in the number of accounts for which we provide record-keeping services.

Amortization of DAC. The increase in the rate of DAC amortization was primarily driven by the impact of lower investment returns on our Canadian segregated funds products. Growth in account values also led to higher DAC amortization.

Sales commissions. The increase in sales-based commissions was primarily driven by the increases in commissions and fees noted above. Sales-based commission expense lagged the growth in sales-based commission and fees revenue largely as a result of internal exchanges for variable annuities. While the commissions that we receive and then pay to our sales representatives for internal exchange transactions are proportionately lower than those paid for a new sale, sales-related marketing and support fees from internal exchanges are received in full with no associated impact on sales commissions expense.

Other operating expenses. Other operating expenses increased primarily as a result of growth in the business, expenses related to new product introductions, various government relations efforts and the recordkeeping fee structure change noted above in Commissions and fees. The impact of these items was partially offset by the 2011 release of management incentive compensation accruals earned in 2010 but paid in 2011 at a lower rate than had been anticipated.

Product sales. Investment and savings products sales were higher in 2011 largely reflecting the impact of internal exchanges of variable annuities.

Asset values in client accounts. Changes in asset values in client accounts were as follows:

	Year ended December 31,		Change	
	2011	2010	$	%
	(Dollars in millions)			
Asset values, beginning of period	$34,869	$ 31,303	$3,566	11%
Inflows	4,265	3,624	641	18%
Redemptions	(4,275)	(3,691)	(584)	16%
Change in market value, net and other	(1,195)	3,633	(4,828)	*
Asset values, end of period (1)	$33,664	$34,869	$(1,205)	(3)%

* Not meaningful

(1) Totals may not add due to rounding.

The assets in our clients' accounts are invested in diversified funds composed mainly of U.S. and Canadian equity and fixed-income securities. Inflows increased consistent with the increase in sales volume. The amount of redemptions also increased reflecting the increase in average assets under management, while actual redemption rates were relatively level as a percent of average assets under management for both 2011 and 2010. The market return on assets under management in 2011 and 2010 reflects general market value trends. A large portion of the revenues in our Investment and Savings Products segment are derived from commission and fee revenues that are based on the asset values in clients' accounts. While asset values at the end of 2011 declined relative to 2010, we have seen an increase in our asset-based commission and fee revenues and expenses largely as a result of the increase in average client asset values noted previously.

Corporate and Other Distributed Products Segment. Our actual results of operations for the Corporate and Other Distributed Products segment for the years ended December 31, 2011 and 2010 and our pro forma results of operations for the year ended December 31, 2010, were as follows:

	Actual		Actual 2011 v. Actual 2010 Change		Pro forma	Actual 2011 v. Pro forma 2010 Change	
	2011	2010	$	%	2010	$	%
			(Dollars in thousands)				
Revenues:							
Direct premiums	$ 79,873	$ 80,365	$ (492)	*	$ 80,365	$ (492)	*
Ceded premiums	(14,122)	(14,325)	203	(1)%	(14,325)	203	(1)%
Net premiums	65,751	66,040	(289)	*	66,040	(289)	*
Commissions and fees	27,560	31,172	(3,612)	(12)%	31,172	(3,612)	(12)%
Allocated net investment income	45,914	54,477	(8,563)	(16)%	48,081	(2,167)	(5)%
Realized investment gains, including OTTI	6,440	34,146	(27,706)	(81)%	34,146	(27,706)	(81)%
Other, net	5,730	5,653	77	1 %	5,653	77	1%
Total revenues	151,395	191,488	(40,093)	(21)%	185,092	(33,697)	(18)%
Benefits and expenses:							
Benefits and claims	45,537	40,052	5,485	14%	40,052	5,485	14%
Amortization of DAC	3,313	2,392	921	39%	2,392	921	39%
Sales commissions	15,061	20,800	(5,739)	(28)%	20,800	(5,739)	(28)%
Insurance expenses	14,020	11,615	2,405	21%	11,615	2,405	21%
Insurance commissions	9,329	8,875	454	5%	8,875	454	5%
Interest expense	16,500	12,375	4,125	33%	16,500	–	– %
Other operating expenses	83,476	108,810	(25,334)	(23)%	111,886	(28,410)	(25)%
Total benefits and expenses	187,236	204,919	(17,683)	(9)%	212,120	(24,884)	(12)%
Loss before income taxes	$ (35,841)	$ (13,431)	$ (22,410)	167%	$ (27,028)	$ (8,813)	33%

* Less than 1%

We entered into the reorganization transactions during March and April of 2010. As such, actual results for the year ended December 31, 2010 include three months of operations prior to the reorganization transactions. Actual results for the year ended December 31, 2010 include net investment income earned on the invested assets backing the distributions to Citi made as part of our corporate reorganization. Actual interest expense reflects nine months of expense due to the April 2010 issuance of the Citi note. From a statement of income perspective, these transactions impacted net investment income, interest expense and other operating expenses. The 2010 Corporate and Other Distributed Products segment pro forma results presented above give effect to the reorganization transactions, which are described more fully in Note 3 to our pro forma statement of income included in "Results of Operations – 2010 Compared to 2009 – Primerica, Inc. and Subsidiaries Pro Forma Results." We believe that the 2010 pro forma segment results

provide additional meaningful information necessary to evaluate the results of operations for this segment.

Total revenues. Total revenues were lower in 2011 largely due to investment gains realized in the first quarter of 2010 in anticipation of our corporate reorganization, lower commissions and fees due to the decline in our lending business and lower allocated net investment income in 2011. Excluding approximately $6.4 million of allocated net investment income that would not have been earned in 2010 had the reorganization transactions been effected on January 1, 2010, allocated net investment income would have decreased approximately $2.2 million, or 5%, primarily as a result of a higher allocation to the Term Life Insurance segment and lower asset returns in 2011. Realized investment gains included $2.0 million of OTTI in 2011, compared with $12.2 million of OTTI in 2010.

Benefits and claims. Benefits and claims were higher due to adverse morbidity experienced in the short-term disability line and adverse claims in various run-off blocks of insurance products, all of which were underwritten by NBLIC, our New York insurance subsidiary. Benefits and claims were also higher due to the impact of a charge of approximately $1.1 million to record cumulative potential claims related to cross-checking public death records to identify deceased policyholders for whom claims have not been filed and of which we were unaware.

Insurance expenses. Insurance expenses were higher in 2011 primarily as a result of a charge for our estimated share of the liquidation plan for Executive Life Insurance Company of New York, an unaffiliated life insurance company, filed by the NYSDFS.

Interest expense. Interest expense for 2010 reflects only nine months of expense due to the April 1, 2010 issuance date of the Citi note.

Other operating expenses. Other operating expenses were lower in 2011 largely due to the recognition of approximately $22.4 million of expenses associated with our IPO-related equity awards granted in the second quarter of 2010. Excluding the impact of this IPO-related expense, other operating expenses would have declined by $3.0 million, or 3%, primarily reflecting a decline in Citi expense allocations and other 2010 expenses related to our IPO. These items were partially offset by costs associated with various capital initiatives in 2011, charges associated with the discontinuation of our lending business, and a $2.7 million charge for the elimination of print inventories as the materials we produce are now predominantly used for internal consumption.

2010 Compared to 2009

Primerica, Inc. and Subsidiaries Actual Results. We executed the Transactions in March and April of 2010. As such, actual results will not be comparable due to the initial and ongoing effects and recognition of the Citi reinsurance and reorganization transactions.

We believe the pro forma results presented in the next section provide meaningful additional information for the evaluation of our financial results. Our statements of income were as follows:

	Year ended December 31,		Change	
	2010	2009	$	%
	(Dollars in thousands)			
Revenues:				
Direct premiums	$ 2,181,074	$ 2,112,781	$ 68,293	3%
Ceded premiums	(1,450,367)	(610,754)	(839,613)	137%
Net premiums	730,707	1,502,027	(771,320)	(51)%
Commissions and fees	382,940	335,986	46,954	14%
Net investment income	165,111	351,326	(186,215)	(53)%
Realized investment (losses) gains, including OTTI	34,145	(21,970)	56,115	*
Other, net	48,960	53,032	(4,072)	(8)%
Total revenues	1,361,863	2,220,401	(858,538)	(39)%
Benefits and expenses:				
Benefits and claims	317,703	600,273	(282,570)	(47)%
Amortization of DAC	168,035	381,291	(213(256)	(56)%
Sales commissions	179,924	162,756	17,168	11%
Insurance expenses	75,503	148,760	(73,257)	(49)%
Insurance commissions	19,904	34,388	(14,484)	(42)%
Interest expense	20,872	–	20,872	*
Other operating expenses	180,779	132,978	47,801	36%
Total benefits and expenses	962,720	1,460,446	(497,726)	(34)%
Income before income taxes	399,143	759,955	(360,812)	(47)%
Income taxes	141,365	265,366	(124,001)	(47)%
Net income	$ 257,778	$ 494,589	$ (236,811)	(48)%

* Not meaningful

Net premiums. Net premiums were lower in 2010 primarily as a result of the significant increase in ceded premiums associated with the Citi reinsurance agreements executed on March 31, 2010. The effect of these agreements on net premiums is reflected in the Term Life Insurance segment.

Net investment income. Net investment income declined during 2010 primarily as a result of the impact on our invested asset base of the asset transfers that we executed in connection with our corporate reorganization in 2010. On March 31, 2010, we transferred approximately $4.0 billion of assets to support the statutory liabilities assumed by the Citi reinsurers and in April 2010, we paid dividends to Citi of approximately $675.7 million. Lower yields on invested assets also negatively impacted net investment income during 2010.

Commissions and fees. The increase in commissions and fees in 2010 was primarily driven by activity in our Investment and Savings Product segment as a result of improved market conditions and increased demand for our products, partially offset by declines in our lending business as reflected in

our Corporate and Other Distributed Products segment results.

Total benefits and expenses. The decrease in total benefits and expenses in 2010 primarily reflects lower benefits and claims, lower amortization of DAC and lower insurance expenses largely as a result of the Citi reinsurance agreements. These declines were partially offset by an increase in interest expense as a result of the Citi note and other operating expenses as a result of initial and one-time expenses incurred in connection with the IPO, including equity award expenses. The changes associated with the Citi reinsurance agreements impacted the Term Life Insurance segment, while the changes in interest and other operating expenses primarily impacted the Corporate and Other Distributed Products segment.

Income taxes. Our effective income tax rate was 35.4% in 2010 and 34.9% in 2009.

Primerica, Inc. and Subsidiaries Pro Forma Results. The following pro forma statement of income is intended to provide information about how the Transactions would have affected our financial statements if they had been consummated as of January 1, 2010. Because the Transactions were concluded during 2010, pro forma adjustment to our balance sheet was not necessary as of December 31, 2010. Based on the timing of the Transactions, pro forma adjustments to our statement of income were necessary for the first three months of 2010. The pro forma statement of income does not necessarily reflect the results of operations that would have resulted had the Transactions occurred as of January 1, 2010, nor should it be taken as indicative of our future results of operations. Our unaudited pro forma statement of income for the year ended December 31, 2010 is set forth below.

	Year ended December 31, 2010 Actual (1)	Adjustments for the Citi reinsurance transactions (2)	Adjustments for the reorganization and other concurrent transactions (3)	Year ended December 31, 2010 Pro forma
	(In thousands, except per-share amounts)			
Revenues:				
Direct premiums	$ 2,181,074	$ –	$ –	$ 2,181,074
Ceded premiums	(1,450,367)	(296,328)(A)	–	(1,746,695)
Net premiums	730,707	(296,328)	–	434,379
Commissions and fees	382,940	–	–	382,940
Net investment income	165,111	(47,566)(B)	(7,169)(H)	110,376
Realized investment (losses) gains, including OTTI	34,145	–	–	34,145
Other, net	48,960	–	–	48,960
Total revenues	1,361,863	(343,894)	(7,169)	1,010,800
Benefits and expenses:				
Benefits and claims	317,703	(128,204)(C)	–	189,499
Amortization of DAC	168,035	(71,389)(D)	–	96,646
Sales commissions	179,924	–	–	179,924
Insurance expenses	75,503	(26,083)(E)	–	49,420
Insurance commissions	19,904	(1,669)(E)	–	18,235
Interest expense	20,872	2,812(F)	4,125(I)	27,809
Other operating expenses	180,779	–	3,076(J)	183,855
Total benefits and expenses	962,720	(224,533)	7,201	745,388
Income before income taxes	399,143	(119,361)	(14,370)	265,412
Income taxes	141,365	(42,274)(G)	(5,089)(G)	94,002
Net income	$ 257,778	$ (77,087)	$ (9,281)	$ 171,410
Earnings per share:				
Basic	$ 3.43			$ 2.28
Diluted	$ 3.40			$ 2.26
Weighted-average shares:				
Basic	72,099			72,099
Diluted	72,882			72,882

See accompanying notes to the pro forma statement of income.

Notes to the Pro Forma Statement of Income – Unaudited

(1) The actual statement of income included income attributable to the underlying policies that were reinsured to Citi on March 31, 2010 as well as net investment income earned on the invested assets backing the reinsurance balances and the distributions to Citi made as part of our corporate reorganization.

(2) Adjustments for the Citi reinsurance transactions.

Concurrent with the reorganization of our business and prior to completion of the IPO, we formed a new subsidiary, Prime Re, and we made an initial capital contribution to it. We also entered into a series of coinsurance agreements with Prime Re and with other Citi subsidiaries. Under these agreements, we ceded between 80% and 90% of the risks and rewards of our term life insurance policies that were in force at December 31, 2009. Concurrent with signing these agreements, we transferred the corresponding account balances in respect of the coinsured policies along with the assets to support the statutory liabilities assumed by Prime Re and the other Citi subsidiaries.

We believe that three of the Citi coinsurance agreements, which we refer to as the risk transfer agreements, satisfy U.S. GAAP risk transfer rules. Under the risk transfer agreements, we ceded between 80% and 90% of our term life future policy benefit reserves, and we transferred a corresponding amount of invested assets to the Citi reinsurers. These transactions did not and will not impact our future policy benefit reserves, and we recorded an asset for the same amount of risk transferred in due from reinsurers. We also reduced deferred acquisition costs by between 80% and 90%, which will reduce future amortization expenses. In addition, we will transfer between 80% and 90% of all future premiums and benefits and claims associated with these policies to the corresponding reinsurance entities. We will receive ongoing ceding allowances as a reduction to insurance expenses to cover policy and claims administration expenses under each of these reinsurance contracts. One coinsurance agreement, which we refer to as the deposit agreement, relates to a 10% reinsurance transaction that includes an experience refund provision and does not satisfy U.S. GAAP risk transfer rules. We account for this contract under the deposit method. Under deposit method accounting, the amount we pay to the reinsurer will be treated as a deposit and is reported on the balance sheet as an asset in other assets. The Citi coinsurance agreements did not generate any deferred gain or loss upon their execution because these transactions were part of a business reorganization among entities under common control. The net impact of these transactions was reflected as an increase in paid-in capital. Prior to the completion of the IPO, we effected a reorganization in which we transferred all of the issued and outstanding capital stock of Prime Re to Citi. Each of the assets and liabilities, including the invested assets and the distribution of Prime Re, was transferred at book value with no gain or loss recorded on our income statement.

For the year ended December 31, 2010, the pro forma statement of income assumes the reinsurance transactions were effected as of January 1, 2010 for policies in force as of year-end 2009.

(A) Reflects premiums ceded to the Citi reinsurers for the specific policies covered under the risk transfer agreements.

(B) Reflects net investment income on a pro-rata share of invested assets transferred to the Citi reinsurers. The net investment income was estimated by multiplying the actual investment income by the ratio of the amount of assets transferred to our total portfolio of invested assets. The amount also includes the change in fair value of the deposit asset related to the 10% reinsurance agreement being accounted for under the deposit method.

(C) Reflects benefits and claims ceded to the Citi reinsurers for the specific policies covered under the risk transfer agreements.

(D) Reflects the DAC amortization ceded to the Citi reinsurers for the specific policies covered under the risk transfer agreements.

(E) Reflects the non-deferred expense allowance received from the Citi reinsurers under the risk transfer agreements.

(F) Reflects a finance charge payable to the Citi reinsurer in respect of the deposit agreement. The annual finance charge is 3% of our excess reserves. Excess reserves are equal to the difference between our required statutory reserves and our economic reserves, which is the amount we determine is necessary to satisfy obligations under our in-force policies.

(G) Reflects income tax at the respective period's effective tax rate.

(3) Adjustments for the reorganization and other concurrent transactions.

The pro forma statement of income for the year ended December 31, 2010 assumes the reorganization transactions were executed as of January 1, 2010.

(H) Reflects a pro-rata reduction of net investment income on assets distributed to Citi as an extraordinary distribution.

(I) Reflects interest expense on a $300.0 million, 5.5% interest note payable issued to Citi.

(J) Reflects expense associated with equity awards granted on April 1, 2010 in connection with the IPO. The $3.1 million expense reflects one quarter of vesting related to management awards that continue to vest over three years. These expenses are reflected in actual results for periods following the IPO.

For more detailed commentary on the drivers of our revenues and expenses, see the discussion of results of operations by segment below.

Term Life Insurance Segment Actual Results. We entered into the Citi reinsurance and reorganization transactions, which are described more fully in Notes 2 and 3 to our pro forma statement of income above, during March and April of 2010. As such, actual results for the year ended December 31, 2010 include approximately three months of operations that do not reflect the Citi reinsurance and reorganization transactions, and actual results for the year ended December 31, 2009 do not reflect the effects of the Citi reinsurance and reorganization transactions. Term Life Insurance segment actual results were as follows:

	Year ended December 31,		Change	
	2010	2009	$	%
	(Dollars in thousands)			
Revenues:				
Direct premiums	$2,100,709	$2,030,988	$ 69,721	3%
Ceded premiums	(1,436,041)	(596,791)	(639,250)	141%
Net premiums	664,668	1,434,197	(769,529)	(54)%
Allocated net investment income	110,633	274,212	(163,579)	(60)%
Other, net	33,267	33,656	(389)	(1)%
Total revenues	808,568	1,742,065	(933,497)	(54)%
Benefits and expenses:				
Benefits and claims	277,653	559,038	(281,385)	(50)%
Amortization of DAC	156,312	371,663	(215,351)	(58)%
Insurance commissions	3,177	17,614	(14,437)	(82)%
Insurance expenses	63,885	134,738	(70,853)	(53)%
Interest expense	8,497	–	8,497	*
Total benefits and expenses	509,524	1,083,053	(573,529)	(53)%
Income before income taxes	$ 299,044	$ 659,012	$(359,968)	(55)%

* Not meaningful

We believe that the pro forma results presented below provide meaningful additional information necessary to evaluate our segment financial results.

Term Life Insurance Segment Pro Forma Results. Term Life Insurance segment pro forma results give effect to the Citi reinsurance and reorganization transactions, which are described more fully in Notes 2 and 3 to our pro forma statement of income. On a pro forma basis, Term Life Insurance segment results were as follows:

	Year ended December 31,		Change	
	2010	2009	$	%
	(Dollars in thousands)			
Revenues:				
Direct premiums	$2,100,709	$2,030,988	$69,721	3%
Ceded premiums	(1,732,369)	(1,680,827)	(51,542)	3%
Net premiums	368,340	350,161	18,179	5%
Allocated net investment income	62,294	68,303	(6,009)	(9)%
Other, net	33,267	33,656	(389)	(1)%
Total revenues	463,901	452,120	11,781	3%
Benefits and expenses:				
Benefits and claims	149,449	135,052	14,397	11%
Amortization of DAC	84,923	91,932	(7,009)	(8)%
Insurance commissions	1,508	12,091	(10,583)	(88)%
Insurance expenses	37,802	38,123	(321)	*
Interest expense	11,309	10,993	316	3%
Total benefits and expenses	284,991	288,191	(3,200)	(1)%
Income before income taxes	$ 178,910	$ 163,929	$14,981	9%

* Less than 1%

Direct premiums for 2010 increased mainly due to improved persistency, a stronger Canadian dollar and premium increases for policies reaching the end of their initial level premium period, partially offset by the decline in the sales volume. Ceded premiums, which are highly influenced by the business reinsured with Citi, grew consistent with direct premiums.

Additionally, in 2010, we reduced ceded premiums by approximately $13.1 million related to agreements obtained with certain reinsurers to recover ceded premiums for post-issue underwriting class upgrades. The most common reason for such an upgrade occurs when someone who was originally issued a term life policy as a tobacco user subsequently quits using tobacco. Historically, we have reduced policyholder premiums for such upgrades, but have not reduced ceded premiums to reflect the new underwriting class. We were uncertain of our ability to recover past ceded premiums, but in the fourth quarter of 2010, we approached our reinsurers and reached agreements to recover certain of these past ceded premiums. The $13.1 million of recoveries recognized in 2010 reflects the agreements signed in the fourth quarter of 2010. We recovered $18.8 million of past ceded premiums, which included $5.7 million of recoveries passed on to the Citi reinsurers in accordance with the terms of the associated reinsurance agreements. We received approximately $8.7 million of additional recoveries in the first quarter of 2011 for the remaining agreements which were signed in January 2011.

Allocated net investment income decreased during 2010, primarily due to lower yield on invested assets and slightly lower average allocated invested assets, partially offset by lower investment-related expenses.

The increase in benefits and claims in 2010 was primarily due to higher reserve increases as a result of improvements in policy persistency and premium growth. Claims were slightly higher during 2010 due to favorable claims experience in the first quarter of 2009.

In 2010, amortization of DAC decreased largely due to improved policy persistency, partially offset by higher amortization from a lower DAC interest rate assumed for new business. We lowered the interest rate assumption during the third quarter of 2010 to reflect rates available in the current interest rate environment. The new lower DAC interest rate assumption will increase DAC amortization in the near term.

The decline in insurance commissions expense in 2010 was largely due to the $8.2 million special sales force payment made in 2009.

Insurance expenses were relatively flat primarily reflecting the offsetting effects of a decline in compensation-related items in 2010; payments made in 2009 for contract buyouts associated with our canceled convention; and an increase in taxes, licenses and fees expense in 2010. The increase in taxes, licenses and fees in 2010 was primarily driven by accruals recognized in the fourth quarter as a result of recognizing these items on the accrual basis of accounting.

The changes in the face amount of our in-force book of term life insurance policies were as follows:

	Year ended December 31,		Change	
	2010	2009	$	%
	(Dollars in millions)			
Face amount in force, beginning of period	$650,195	$633,467	$16,728	3%
Issued face amount	74,401	80,497	(6,096)	(8)%
Terminations	(70,964)	(74,642)	3,678	(5)%
Foreign currency	3,158	10,873	(7,715)	(71)%
Face amount in force, end of period (1)	$656,791	$650,195	$ 6,596	1%

(1) Totals may not add due to rounding.

The in-force book increased $6.60 billion, or 1%, during 2010. Issued face amount decreased $6.10 billion, or approximately 8%, due to a lower average issued policy size and the effect on production of a slightly smaller base of sales representatives. Terminations decreased by $3.68 billion in 2010, primarily as a result of improved persistency relative to 2009. The decrease in the effect of foreign currency on the end-of-period face amount in force was largely due to the significant strengthening in the Canadian dollar experienced during 2009. The increase in face in force in 2010 did not keep pace with the increase in premiums primarily due to the effect of increased premiums with no corresponding change in face amount and unchanged face amounts on policies reaching the end of their initial level premium period.

Investments and Savings Products Segment Actual Results. The Transactions had no impact on the Investments and Savings Products segment. On an actual basis, Investments and Savings Products segment results were as follows:

	Year ended December 31,		Change	
	2010	2009	$	%
	(Dollars in thousands)			
Revenues:				
Commissions and fees:				
Sales-based revenues	$142,606	$ 118,798	$23,808	20%
Asset-based revenues	167,473	127,581	39,892	31%
Account-based revenues	41,690	43,247	(1,557)	(4)%
Other, net	10,038	10,514	(476)	(5)%
Total revenues	361,807	300,140	61,667	21%
Expenses:				
Amortization of DAC	9,330	7,254	2,076	29%
Insurance commissions	7,854	6,831	1,023	15%
Sales commissions:				
Sales-based	100,993	86,912	14,081	16%
Asset-based	58,129	42,003	16,126	38%
Other operating expenses	71,971	63,736	8,235	13%
Total expenses	248,277	206,736	41,541	20%
Income before income taxes	$ 113,530	$ 93,404	$ 20,126	22%

Supplemental information on the underlying metrics that drove results was as follows:

	Year ended December 31,		Change	
	2010	2009	$	%
	(Dollars in millions and accounts in thousands)			
Revenue Metric:				
Product sales	$3,623.6	$3,006.6	$ 617.0	21%
Average of aggregate client account values	$ 31,908	$ 26,845	$5,063	19%
Average number of fee-generating accounts	2,728	2,838	(110)	(4)%

Commissions and fees revenue increased in 2010 primarily as a result of improving economic and market trends and client demand. Sales-based commission revenues primarily grew as a result of demand, while asset-based commission revenues were driven by demand and improved equity valuations. As a result, sales-based and asset-based commission expense grew as well. Asset-based revenues and commission expense in 2010 also reflect the impact of accruing certain items that had previously been accounted for on a cash basis. Excluding the impact of these cash-to-accrual adjustments, asset-based revenues and commissions would have increased 22%, consistent with the 19% growth in aggregate client account values.

Amortization of DAC and insurance commissions increased in 2010 consistent with the growth in our segregated funds business. Additionally, increases in client account values driven by improving market conditions accelerated amortization of DAC in 2010.

Other operating expenses increased in 2010, largely due to higher administrative costs as a result of growth in the business.

Changes in asset values in client accounts were as follows:

	Year ended December 31,		Change	
	2010	2009	$	%
	(Dollars in millions)			
Asset values, beginning of period	$ 31,303	$24,677	$ 6,626	27%
Inflows	3,624	3,007	617	21%
Redemptions	(3,691)	(2,997)	(694)	23%
Change in market value, net and other	3,633	6,617	(2,984)	(45)%
Asset values, end of period (1)	$34,869	$ 31,303	$ 3,565	11%

(1) Totals may not add due to rounding.

Inflows increased consistent with the increase in sales volume. The amount of redemptions also increased reflecting the year-over-year increase in assets under management. Actual redemption rates were level as a percent of average assets under management for both 2010 and 2009. The market return on assets under management in 2010 and 2009 reflected general market value trends.

Corporate and Other Distributed Products Segment Actual Results. We entered into the reorganization transactions, which are described more fully in Note 3 to our pro forma statement of income, during March and April of 2010. As such, actual results for the year ended December 31, 2010 include approximately three months of operations that do not reflect the reorganization transactions, while actual results for the year ended December 31, 2009 do not reflect the effects of the reorganization transactions. Corporate and Other Distributed Products segment actual results were as follows:

	Year ended December 31,		Change	
	2010	2009	$	%
	(Dollars in thousands)			
Revenues:				
Direct premiums	$ 80,365	$ 81,793	$ (1,428)	(2)%
Ceded premiums	(14,325)	(13,963)	(362)	3%
Net premiums	66,040	67,830	(1,790)	(3)%
Commissions and fees	31,172	46,360	(15,188)	(33)%
Allocated net investment income	54,477	77,114	(22,637)	(29)%
Realized investment gains (losses), including OTTI	34,146	(21,970)	56,116	*
Other, net	5,653	8,862	(3,209)	(36)%
Total revenues	191,488	178,196	13,292	7%
Benefits and expenses:				
Benefits and claims	40,052	41,235	(1,183)	(3)%
Amortization of DAC	2,392	2,374	18	*
Sales commissions	20,800	33,841	(13,041)	(39)%
Insurance expenses	11,615	14,022	(2,407)	(17)%
Insurance commissions	8,875	9,943	(1,068)	(11)%
Interest expense	12,375	–	12,375	*
Other operating expenses	108,810	69,242	39,568	57%
Total benefits and expenses	204,919	170,657	34,262	20%
(Loss) income before income taxes	$ (13,431)	$ 7,539	$(20,970)	*

* Less than 1% or not meaningful

We believe that the pro forma results presented below provide meaningful additional information necessary to evaluate our segment financial results.

Corporate and Other Distributed Products Segment Pro Forma Results. Corporate and Other Distributed Products segment pro forma results give effect to the reorganization transactions, which are described more fully in Note 3 to our pro forma statement of income. On a pro forma basis, Corporate and Other Distributed Products segment results were as follows:

	Year ended December 31,		Change	
	2010	2009	$	%
	(Dollars in thousands)			
Revenues:				
Direct premiums	$ 80,365	$ 81,793	$ (1,428)	(2)%
Ceded premiums	(14,325)	(13,963)	(362)	3%
Net premiums	66,040	67,830	(1,790)	(3)%
Commissions and fees	31,172	46,360	(15,188)	(33)%
Allocated net investment income	48,081	50,043	(1,962)	(4)%
Realized investment (losses) gains, including OTTI	34,146	(21,970)	56,116	*
Other, net	5,653	8,862	(3,209)	(36)%
Total revenues	185,092	151,125	33,967	22%
Benefits and expenses:				
Benefits and claims	40,052	41,235	(1,183)	(3)%
Amortization of DAC	2,392	2,374	18	1%
Sales commissions	20,800	33,841	(13,041)	(39)%
Insurance expenses	11,615	14,022	(2,407)	(17)%
Insurance commissions	8,875	9,943	(1,068)	(11)%
Interest expense	16,500	16,500	–	*
Other operating expenses	111,886	104,012	7,874	8%
Total benefits and expenses	212,120	221,927	(9,807)	(4)%
Loss before income taxes	$(27,028)	$(70,802)	$43,774	(62)%

* Not meaningful

Total revenues increased in 2010 primarily as a result of recognizing realized investment gains in 2010 versus impairment losses in 2009. This growth was partially offset by lower commissions and fees as a result of the continuing decline in our lending business. The increase in total revenues was also partially offset by lower net investment income and a decline in our print business as reflected in other, net. Realized investment gains (losses) included $12.2 million of OTTI in 2010, compared with $61.4 million of OTTI in 2009.

Total benefits and expenses were lower in 2010 primarily as a result of lower sales commissions partially offset by an increase in other operating expenses. Sales commissions expense was lower in 2010 consistent with the decline in commissions and fees revenue noted above. Other operating expenses increased primarily as a result of public company and IPO-related expenses incurred in 2010.

For additional segment information, see Note 2 to our consolidated and combined financial statements.

Financial Condition

Investments. We have an investment committee composed of members of our senior management team that is responsible for establishing and maintaining our investment guidelines and supervising our investment activity. Our investment committee regularly monitors our overall investment results and our compliance with our investment objectives and guidelines. We use a third-party investment adviser to manage our investing activities. Our investment adviser reports to our investment committee.

We follow a conservative investment strategy designed to emphasize the preservation of our invested assets and provide adequate liquidity.

In an effort to meet business needs and mitigate risks, our investment guidelines provide restrictions on our portfolio's composition, including limits on asset type, sector limits, credit quality limits, portfolio duration, limits on the amount of investments in approved countries and permissible security types. We may also direct our investment managers to invest some of our invested asset portfolio in currencies other than the U.S. dollar. For example, a portion of our portfolio is invested in assets denominated in Canadian dollars which, at minimum, would equal our reserves for policies denominated in Canadian dollars. Additionally, to help ensure adequate liquidity for payment of claims, we take into account the maturity and duration of our invested asset portfolio and our general liability profile.

Our invested asset portfolio is subject to a variety of risks, including risks related to general economic conditions, market volatility, interest rate fluctuations, liquidity risk and credit and default risk. Investment guideline restrictions have been established to minimize the effect of these risks but may not always be effective due to factors beyond our control. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. A significant increase in interest rates could result in significant losses, realized or unrealized, in the value of our invested asset portfolio. Additionally, with respect to some of our investments, we are subject to prepayment and, therefore, reinvestment risk.

In November 2011, we executed an agreement with Citi to repurchase approximately 8.9 million shares of our common stock for a total purchase price of approximately $200.0 million (the "repurchase transaction"). The repurchase transaction, which was funded with the proceeds from a dividend paid by Primerica Life, was completed in November 2011. The dividend from Primerica Life to the Parent Company was funded through sales of investments and available cash. The changes to asset mix, duration and overall credit quality of our invested asset portfolio were not meaningful. However, with the reduction in our consolidated cash and invested assets as a result of the repurchase transaction, we expect net investment income to decline. Our average book yield at December 31, 2011 increased modestly, as the investments sold to fund the dividend generally had yields that were lower than the average book yield on the pre-dividend invested assets portfolio.

Details on asset mix were as follows:

	December 31, 2011		December 31, 2010	
	Fair value	Amortized Cost	Fair value	Amortized Cost
U.S. government and agencies	1%	1%	1%	1%
Foreign government	5%	5%	4%	4%
States and political subdivisions	1%	1%	1%	1%
Corporates	64%	63%	62%	61%
Mortgage- and asset-backed securities	21%	21%	24%	25%
Equity securities	1%	1%	1%	1%
Trading securities	1%	1%	1%	1%
Cash and cash equivalents	6%	7%	6%	6%
Total	100%	100%	100%	100%

The composition and duration of our portfolio will vary depending on several factors, including the yield curve and our opinion of the relative value among various asset classes. The year-end average rating, duration and book yield of our fixed-maturity portfolio were as follows:

	December 31,	
	2011	2010
Average rating of our fixed-maturity portfolio	A	A
Average duration of our fixed-maturity portfolio	3.5 years	3.6 years
Average book yield of our fixed-maturity portfolio	5.52%	5.48%

The distribution by rating of our investments in fixed-maturity securities follows.

	December 31, 2011		December 31, 2010	
	Amortized cost	%	Amortized cost	%
	(Dollars in thousands)			
AAA	$ 428,748	24%	$ 521,615	27%
AA	150,894	8%	176,947	9%
A	431,175	24%	426,658	22%
BBB	683,818	38%	694,884	36%
Below investment grade	125,594	7%	130,080	7%
Not rated	770	*	2,340	*
Total (1)	$1,820,999	100%	$1,952,524	100%

* Less than 1%

(1) Totals may not add due to rounding.

The ten largest issuers in our invested asset portfolio were as follows:

	December 31, 2011			
Issuer	Cost or amortized cost	Fair value	Unrealized gain (loss)	Credit rating
	(Dollars in thousands)			
Government of Canada	$ 35,374	$ 38,890	$ 3,516	AAA
National Rural Utilities Cooperative	10,570	13,719	3,149	A+
Verizon Communications Inc	11,493	13,161	1,668	A-
Bank of America Corp	12,720	12,844	124	A-
ProLogis Inc	11,745	12,354	609	BBB-
General Electric Co	10,236	11,468	1,232	AA+
Province of Ontario Canada	8,466	10,570	2,104	AA-
ConocoPhillips	8,827	10,369	1,542	A
Edison International	9,790	9,936	146	B+
Enel SpA	10,544	9,734	(810)	A-
Total - ten largest issuers	$ 129,765	$ 143,045	$13,280	
Total - fixed-maturity and equity securities	$1,832,688	$1,985,868		
Percent of total fixed-maturity and equity securities	7%	7%		

For additional information on our invested asset portfolio, see Notes 3 and 4 to our consolidated and combined financial statements.

Other Significant Assets and Liabilities. The balances of and changes in other significant assets and liabilities were as follows:

	December 31,		Change	
	2011	2010	$	%
	(Dollars in thousands)			
Due from reinsurers	$3,855,890	$ 3,731,634	$ 124,256	3%
Deferred policy acquisition costs, net	1,050,637	853,211	197,426	23%
Future policy benefits	(4,614,860)	(4,409,183)	(205,677)	5%
Current income tax payable	(33,177)	(43,224)	10,047	(23)%
Deferred income taxes	(98,300)	(93,002)	(5,298)	6%

Due from reinsurers. Due from reinsurers reflects future policy benefit reserves due from third-party reinsurers, including the Citi reinsurers. Such amounts are reported as due from reinsurers rather than offsetting future policy benefits. The increase in due from reinsurers was largely driven by growth in our New Term business partially offset by the run-off in the block of business ceded to Citi.

Deferred policy acquisition costs, net. The increase in DAC was primarily a result of growth in commissions and expenses deferred as a result of new business.

Future policy benefits. The increase in future policy benefits was primarily a result of the aging of and growth in our in-force book of business.

Current income tax payable and deferred income taxes. Our 2011 effective tax rate was relatively flat compared with 2010. As such, current income tax payable declined largely due to the decrease in earnings subsequent to our corporate reorganization.

For additional information, see the notes to our consolidated and combined financial statements.

Off-balance sheet arrangements. We have no off-balance sheet arrangements, as defined in the rules and regulations of the SEC, that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors.

Liquidity and Capital Resources

Dividends and other payments to us from our subsidiaries are our principal sources of cash. The primary uses of funds by the Parent Company include the payment of general operating expenses, the payment of dividends and the payment of principal and interest to Citi under the Citi note.

The liquidity requirements of our subsidiaries principally relate to the liabilities associated with their distribution and underwriting of insurance products (including the payment of claims), distribution of investment and savings products, operating expenses, income taxes and the payment of dividends. Historically, our insurance subsidiaries have used cash flow from operations associated with our in-force book of term life insurance to fund their liquidity requirements. Our insurance subsidiaries' principal cash inflows from operating activities are derived from policyholder premiums and investment income earned on invested assets that support our statutory capital and reserves. We also derive cash inflows from the distribution of investment and savings products and other products. Our principal outflows relate to payments for ceded premiums and benefits and claims. The principal cash inflows from investment activities result from repayments of principal and investment income, while the principal outflows relate to purchases of fixed-maturity securities. We typically hold cash sufficient to fund operating flows, and invest any excess cash.

Our distribution and underwriting of term life insurance place significant demands on our liquidity, particularly when we experience growth. We pay a substantial majority of the sales commission during the first year following the sale of a policy. Our underwriting activities also require significant cash outflows at the inception of a policy's term. Following and as a result of the Citi reinsurance transactions (without giving effect to any other factors), the cash flows from our retained in-force book of term life insurance policies were significantly lower. This has reduced our operating cash flows for the near to intermediate term; however, we anticipate that cash flows from our businesses, including our existing block of policies and our investment and savings products, will continue to provide us with sufficient liquidity to meet our operating requirements. Over the next few years, we expect our growing premium revenue base from policies issued after the Citi reinsurance transactions to increase operating cash flows.

Significant Transactions. In April 2011, we filed a shelf registration statement with the SEC that enables us to offer and sell to the public our equity and debt securities from time to time as we may determine and enables certain of our significant stockholders to resell our shares of common stock held by them. Specific information regarding the terms and securities which may be offered pursuant to this registration statement will be provided at the time of such offering. Net proceeds of any offering of securities by us pursuant to this registration statement may be used for working capital and other general corporate purposes, which may include the repayment or refinancing of outstanding indebtedness or repurchases of shares of our outstanding common stock. Pursuant to this registration statement, Citi sold an aggregate of approximately 20.1 million shares of our common stock in the open market in April and December 2011, which significantly increased the public float of our common stock.

In October 2011, we received notification that the Massachusetts DOI had approved Primerica Life's request to pay a $200.0 million cash

dividend to the Parent Company. The dividend was paid in November 2011 and funded via sales of invested assets and available cash.

In November 2011, we repurchased approximately 8.9 million shares of our common stock at a price of $22.42 per share, for a total purchase price of approximately $200.0 million. The per-share purchase price was determined based on the volume-weighted average price per share of Primerica common stock during the seven-day period prior to execution of the repurchase agreement. We funded the repurchase transaction with the funds from Primerica Life's dividend to the Parent Company.

We may seek to enhance our liquidity position or capital structure through borrowings from third-party sources, sales of debt or equity securities, reserve financing or some combination of these sources. The Model Regulation entitled Valuation of Life Insurance Policies, commonly known as Regulation XXX, requires insurers to carry statutory reserves for term life insurance policies with long-term premium guarantees which are often significantly in excess of the reserves that insurers deem necessary to satisfy claim obligations. Accordingly, many insurance companies have sought ways to reduce their capital needs by financing these excess reserves through bank financing, reinsurance arrangements and other financing transactions. We have completed a substantial amount of the work necessary to execute a XXX redundant reserve financing that could generate statutory capital for distribution to the Parent Company.

We are continuing to work on a XXX redundant reserve financing transaction and to evaluate how other capital options may fit into our capital strategy. As a result, no assurance is given as to whether such a transaction will be executed and, if executed, the structure, timing, and amount of any such transaction.

Cash Flows. Cash flows from operating activities are affected primarily by the timing of premiums received, commissions and fees received, benefits paid, commissions paid to sales representatives, administrative and selling expenses, investment income, and cash taxes. Our principal source of cash historically has been premiums received on term life insurance policies in force.

We typically generate positive cash flows from operating activities, as premiums, net investment income, commissions and fees collected from our insurance and investment and savings products exceed benefits, commissions and operating expenses paid, and we invest the excess. The components of the changes in cash and cash equivalents were as follows:

	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
Net cash provided by operating activities	$ 87,902	$ 41,057	$716,344
Net cash provided by (used in) investing activities	128,699	739,574	(357,855)
Net cash used in financing activities	(207,312)	(1,289,893)	(56,427)
Effect of foreign exchange rate changes on cash	751	32,778	(1,894)
Change in cash and cash equivalents	$ 10,040	$ (476,484)	$300,168

Operating activities. Net cash provided by operating activities was higher in 2011 largely due to higher 2010 income tax payments and other intercompany settlements paid to Citi in 2010 in connection with the Transactions. The effect of these 2010 items were partially offset by lower net investment income in 2011, primarily as a result of the Transactions. Net cash provided by operating activities for 2011 also reflects approximately $3.6 million of net purchases of trading securities by our broker-

dealer subsidiary, compared with approximately $6.0 million of net sales and maturities in 2010.

The decrease in cash provided by operating activities for 2010, compared with 2009 was primarily the result of lower net cash flows on our term life insurance business and lower net investment income, both of which were substantially impacted by the Citi reinsurance transactions and our corporate reorganization. Additionally, there was an increase in income taxes paid in connection with the Citi reinsurance transactions. These cash outflows were partially offset by an increase in cash provided by our investment and savings products due to improved sales and higher values of client accounts on which we earn fees.

Investing activities. The decline in cash provided by investing activities in 2011 primarily reflects the impact of securities sales during the first quarter of 2010 as we increased our cash position to fund distributions to Citi in connection with the Transactions.

The increase in cash provided by investing activities for 2010, compared with 2009 was primarily the result of significant securities sales activity and lower securities purchases as we increased our cash position in anticipation of the Transactions.

Financing activities. The decrease in net cash used in financing activities in 2011 was primarily due to the impact of the 2010 distributions paid to Citi in connection with the Transactions as well as the first quarter of 2010 payment of the 2009 dividend declared to Citi. Net cash used in financing activities in 2011 also reflects the repurchase of our common stock from Citi in November 2011.

The increase in cash used in financing activities for 2010, compared with 2009 represents the cash payment of dividends paid to Citi as part of the Transactions, the cash portion of the Citi dividend declared in December 2009 and paid in January 2010, and the dividends to stockholders declared and paid in the third and fourth quarters of 2010.

Citi Note. In April 2010, we issued the $300.0 million Citi note as part of our corporate reorganization. Prior to the issuance of the Citi note, we had no outstanding debt. The Citi note bears interest at an annual rate of 5.5%, payable semi-annually in arrears on January 15 and July 15, and matures March 31, 2015.

We have the option to redeem the Citi note in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest to the date of redemption. The terms of the Citi note also require us to use our commercially reasonable efforts to arrange and consummate an offering of investment-grade debt securities, trust preferred securities, surplus notes, hybrid securities or convertible debt that generates sufficient net cash proceeds to repay the Citi note in full at certain mutually agreeable dates, based on certain conditions.

We were in compliance with all of the covenants of the Citi note at December 31, 2011. No events of default or defaults occurred during the year ended December 31, 2011.

We calculate our debt-to-capital ratio by dividing total long-term debt by the sum of stockholders' equity and total long-term debt. As of December 31, 2011, our debt-to-capital ratio was 17.4%.

Rating Agencies. As of December 31, 2011, the Parent Company's investment grade credit ratings for the senior unsecured debt, which it may elect to offer pursuant to its existing shelf registration statement at some time in the future, were as follows:

Agency	Senior debt rating
Moody's	Baa2, stable outlook
Standard & Poor's	A-, stable outlook
A.M. Best Company	a-, stable outlook

As of December 31, 2011, Primerica Life's financial strength ratings were as follows:

Agency	Financial strength rating
Moody's	A2, stable outlook
Standard & Poor's	AA-, stable outlook
A.M. Best Company	A+, stable outlook
Fitch	A+, stable outlook

Risk-Based Capital. The NAIC has established RBC standards for U.S. life insurers, as well as a risk-based capital model act (the "RBC Model Act") that has been adopted by the insurance regulatory authorities. The RBC Model Act requires that life insurers annually submit a report to state regulators regarding their RBC based upon four categories of risk: asset risk; insurance risk; interest rate risk and business risk. The capital requirement for each is determined by applying factors that vary based upon the degree of risk to various asset, premiums and reserve items. The formula is an early warning tool to identify possible weakly capitalized companies for purposes of initiating further regulatory action.

As of December 31, 2011, our U.S. life insurance subsidiaries had statutory capital substantially in excess of the applicable statutory requirements to support existing operations and to fund future growth. Following the November 2011 $200.0 million dividend from Primerica Life to the Parent Company, Primerica Life's RBC ratio remained well positioned to support existing operations and fund future growth.

In Canada, an insurer's minimum capital requirement is overseen by OSFI and determined as the sum of the capital requirements for five categories of risk: asset default risk; mortality/morbidity/lapse risks; changes in interest rate environment risk; segregated funds risk and foreign exchange risk. As of December 31, 2011, Primerica Life Canada was in compliance with Canada's minimum capital requirements as determined by OSFI.

Securities Lending. We participate in securities lending transactions with brokers to increase investment income with minimal risk. See Notes 1 and 3 to our consolidated and combined financial statements for additional information.

Short-term Borrowings. We had no short-term borrowings as of or during the year ended December 31, 2011.

Contractual Obligations. Our contractual obligations, including payments due by period, were as follows:

	December 31, 2011					
	Total Liability	Total Payments	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(In millions)			
Future policy benefits	$ 4,615	$16,624	$ 1,014	$ 1,991	$1,956	$11,663
Policy claims and other benefits payable	242	242	242	–	–	–
Other policyholder funds	341	341	341	–	–	–
Citi note	300	359	17	34	308	–
Commissions	18	255	114	41	33	67
Purchase obligations	5	29	17	11	1	–
Operating lease obligations	n/a	93	7	13	12	61
Current income tax payable	33	33	33	–	–	–
Total contractual obligations	$5,554	$17,976	$1,785	$2,090	$2,310	$ 11,791

Our liability for future policy benefits represents the present value of estimated future policy benefits to be paid, less the present value of estimated future net premiums to be collected. Net premiums represent the portion of gross premiums required to provide for all benefits and associated expenses. These benefit payments are contingent on policyholders continuing to renew their policies and make their premium payments. Our contractual obligations table discloses the impact of benefit payments that will be due assuming the underlying policy renewals and premium payments continue as expected in our actuarial models. The future policy benefits represented in the table are presented on an undiscounted basis, gross of any amounts recoverable through reinsurance agreements and gross of any premiums to be collected. We expect to fully fund the obligations for future policy benefits from cash flows from general account invested assets and from future premiums. These estimations are based on mortality and lapse assumptions comparable with our historical experience. Due to the significance of the assumptions used, the amounts presented could materially differ from actual results.

Policy claims and other benefits payable represents claims and benefits currently owed to policyholders.

Other policyholders' funds primarily represent claim payments left on deposit with us.

Commissions represent gross, undiscounted commissions that we expect to incur, contingent on the policyholders continuing to renew their policies and make their premium payments as noted above.

Purchase obligations include agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms. These obligations consist primarily of accounts payable and certain accrued liabilities, including committed funds related to meetings and conventions for our independent sales force, plus a variety of vendor commitments funding our ongoing business operations.

Our operating lease obligations primarily relate to office and warehouse space and office equipment. In September 2011, we signed an agreement to lease a new build-to-suit facility which will replace and consolidate substantially all of our existing Duluth, Georgia-based executive and home office operations. We expect the building to be complete and ready for occupancy in the second quarter of 2013. The initial lease term will be 15 years with estimated minimum annual rental payments ranging from approximately $4.5 million at inception to approximately $5.6 million in year 15. The leases covering our existing Duluth, Georgia-based executive and home office operations will terminate in the second quarter of 2013. As such, we do not expect a material increase in our operating lease expenditures, however the period over which we are contractually obligated for the executive and home office lease will extend to 2028.

For additional information concerning our commitments and contingencies, see Note 16 to our consolidated and combined financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of the loss of fair value resulting from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying financial instruments are traded. Sensitivity analysis measures the impact of hypothetical changes in interest rates, foreign exchange rates and other market rates or prices on the profitability of market-sensitive financial instruments.

The following discussion about the potential effects of changes in interest rates and Canadian currency exchange rates is based on shock-tests, which model the effects of interest rate and Canadian exchange rate shifts on our financial condition and results of operations.

Although we believe shock tests provide the most meaningful analysis permitted by the rules and regulations of the SEC, they are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and by their inability to include the extraordinarily complex market reactions that normally would arise from the market shifts modeled. Although the following results of shock tests for changes in interest rates and Canadian currency exchange rates may have some limited use as benchmarks, they should not be viewed as forecasts. These disclosures also are selective in nature and address, in the case of interest rates, only the potential direct impact on our financial instruments, and in the case of Canadian currency exchange rates, the potential translation impact on net income from our Canadian subsidiaries. They do not include a variety of other potential factors that could affect our business as a result of these changes in interest rates and Canadian currency exchange rates.

Interest Rate Risk

The fair value of the fixed-maturity securities in our invested asset portfolio as of December 31, 2011 was $1.97 billion. The primary market risk for this portion of our invested asset portfolio is interest rate risk. One means of assessing the exposure of our fixed-maturity securities portfolios to interest rate changes is a duration-based analysis that measures the potential changes in market value resulting from a hypothetical change in interest rates of 100 basis points across all maturities. This model is sometimes referred to as a parallel shift in the yield curve.

Under this model, with all other factors constant and assuming no offsetting change in the value of our liabilities, we estimated that such an increase in interest rates would cause the market value of our fixed-maturity securities portfolios to decline by approximately $61.6 million, or 3%. based on our actual securities positions as of December 31, 2011.

Canadian Currency Risk

We also have exposure to foreign currency exchange risk to the extent we conduct business in Canada. For the year ended December 31, 2011, 19% of our revenues from operations, excluding realized investment gains, were generated by our Canadian operations. A strong Canadian dollar relative to the U.S. dollar results in higher levels of reported revenues, expenses, net income, assets, liabilities and accumulated other comprehensive income (loss) in our U.S. dollar financial statements and a weaker Canadian dollar has the opposite effect. Historically, we have not hedged this exposure, although we may elect to do so in future periods.

One means of assessing exposure to changes in Canadian currency exchange rates is to model the effects on reported income using a sensitivity analysis. We analyzed our Canadian currency exposure for the year ended December 31, 2011. Net exposure was measured assuming a 10% decrease in Canadian currency exchange rates compared to the U.S. dollar. We estimated that such a decrease would decrease our net income before income taxes for the year ended December 31, 2011 by approximately $6.6 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The stockholders and board of directors of Primerica, Inc.:

We have audited the accompanying consolidated balance sheets of Primerica, Inc. and subsidiaries (the Company) as of December 31, 2011 and 2010, and the related consolidated and combined statements of income, stockholders' equity, comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2011. These consolidated and combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated and combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated and combined financial statements referred to above present fairly, in all material respects, the financial position of Primerica, Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated and combined financial statements, in April 2010 the Company completed its initial public offering and a series of related transactions. Also as discussed in Note 1 to the consolidated and combined financial statements, the Company adopted the provisions of FASB Staff Position Financial Accounting Standard No. 115-2 and Financial Accounting Standard No. 124-2, Recognition and Presentation of Other-Than-Temporary Impairments (included in FASB ASC Topic 320, Investments – Debt and Equity Securities) as of January 1, 2009.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Primerica, Inc.'s internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 28, 2012 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Atlanta, Georgia
February 28, 2012

PRIMERICA, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

	December 31,	
	2011	2010
	(In thousands)	
Assets		
Investments:		
Fixed-maturity securities available for sale, at fair value (amortized cost: $1,811,359 in 2011 and $1,929,757 in 2010)	$ 1,959,156	$ 2,081,361
Equity securities available for sale, at fair value (cost: $21,329 in 2011 and $17,394 in 2010)	26,712	23,213
Trading securities, at fair value (cost: $9,793 in 2011 and $22,619 in 2010)	9,640	22,767
Policy loans	25,982	26,229
Other invested assets	14	14
Total investments	2,021,504	2,153,584
Cash and cash equivalents	136,078	126,038
Accrued investment income	21,579	22,328
Due from reinsurers	3,855,890	3,731,634
Deferred policy acquisition costs, net	1,050,637	853,211
Premiums and other receivables	163,845	168,026
Intangible assets	71,928	75,357
Other assets	268,485	307,342
Separate account assets	2,408,598	2,446,786
Total assets	$9,998,544	$9,884,306
Liabilities and Stockholders' Equity		
Liabilities:		
Future policy benefits	$ 4,614,860	$ 4,409,183
Unearned premiums	7,022	5,563
Policy claims and other benefits payable	241,754	229,895
Other policyholders' funds	340,766	357,253
Note payable	300,000	300,000
Current income tax payable	33,177	43,224
Deferred income taxes	98,300	93,002
Other liabilities	382,068	386,182
Payable under securities lending	149,358	181,726
Separate account liabilities	2,408,598	2,446,786
Commitments and contingent liabilities (see Note 16)		
Total liabilities	8,575,903	8,452,814
Stockholders' equity:		
Common stock ($.01 par value, authorized 500,000 in 2011 and 2010 and issued 64,883 shares in 2011 and 72,643 shares in 2010)	649	728
Paid-in capital	707,912	883,168
Retained earnings	566,021	395,057
Accumulated other comprehensive income, net of income tax:		
Unrealized foreign currency translation gains	52,642	56,492
Net unrealized investment gains (losses):		
Net unrealized investment gains not other-than-temporarily impaired	97,082	98,322
Net unrealized investment losses other-than-temporarily impaired	(1,665)	(2,275)
Total stockholders' equity	1,422,641	1,431,492
Total liabilities and stockholders' equity	$9,998,544	$9,884,306

See accompanying notes to consolidated and combined financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Consolidated and Combined Statements of Income

	Year ended December 31,		
	2011	2010	2009
	(In thousands, except per-share amounts)		
Revenues:			
Direct premiums	$2,229,467	$ 2,181,074	$2,112,781
Ceded premiums	(1,703,075)	(1,450,367)	(610,754)
Net premiums	526,392	730,707	1,502,027
Commissions and fees	412,979	382,940	335,986
Net investment income	108,601	165,111	351,326
Realized investment gains (losses), including other-than-temporary impairment losses	6,440	34,145	(21,970)
Other, net	48,681	48,960	53,032
Total revenues	1,103,093	1,361,863	2,220,401
Benefits and expenses:			
Benefits and claims	242,696	317,703	600,273
Amortization of deferred policy acquisition costs	119,348	168,035	381,291
Sales commissions	191,306	179,924	162,756
Insurance expenses	61,109	75,503	148,760
Insurance commissions	19,297	19,904	34,388
Interest expense	27,968	20,872	-
Other operating expenses	165,525	180,779	132,978
Total benefits and expenses	827,249	962,720	1,460,446
Income before income taxes	275,844	399,143	759,955
Income taxes	97,568	141,365	265,366
Net income	$ 178,276	$ 257,778	$494,589
Earnings per share:			
Basic	$ 2.39	$ 3.43(1)	
Diluted	$ 2.36	$ 3.40(1)	
Weighted-average shares used in computing earnings per share:			
Basic	72,283	72,099(1)	
Diluted	73,107	72,882(1)	

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

Supplemental disclosures:			
Total impairment losses	$ (2,198)	$ (12,711)	$ (74,967)
Impairment losses recognized in other comprehensive income before income taxes	183	553	13,573
Net impairment losses recognized in earnings	(2,015)	(12,158)	(61,394)
Other net realized investment gains	8,455	46,303	39,424
Realized investment gains (losses), including other-than-temporary impairment losses	$ 6,440	$ 34,145	$ (21,970)

See accompanying notes to consolidated and combined financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Consolidated and Combined Statements of Stockholders' Equity

	Year ended December 31,		
	2011	2010	2009
	(In thousands, except per-share amounts)		
Common stock:			
Balance, beginning of period	$ 728	$ –	$ –
Repurchase of shares held by Citi	(89)	–	–
Net issuance of common stock	10	728	–
Balance, end of period	649	728	–
Paid-in capital:			
Balance, beginning of period	883,168	1,124,096	1,095,062
Share-based compensation	25,335	46,094	(1,836)
Net issuance of common stock	(10)	(727)	–
Repurchase of shares held by Citi	(199,911)	–	–
Net capital contributed by Citi	1,573	167,701	30,870
Issuance of warrants to Citi	–	18,464	–
Issuance of note payable to Citi	–	(300,000)	–
Tax election under Section 338(h)(10) of the Internal Revenue Code	(2,243)	(172,460)	–
Balance, end of period	707,912	883,168	1,124,096
Treasury Stock:			
Balance, beginning of period	–	–	–
Treasury stock acquired	–	(75,420)	–
Treasury stock issued, at cost	–	41,056	–
Treasury stock retired	–	34,364	–
Balance, end of period	–	–	–
Retained earnings:			
Balance, beginning of period	395,057	3,648,801	3,340,841
Adoption of FSP SFAS No. 115-2 (included in ASC 320), net of income tax expense of $3,929	–	–	7,298
Net income	178,276	257,778	494,589
Dividends ($0.10 per share in 2011 and $0.02 per share in 2010)	(7,312)	(1,502)	–
Distributions of warrants to Citi	–	(18,464)	–
Distributions to Citi	–	(3,491,556)	(193,927)
Balance, end of period	566,021	395,057	3,648,801
Accumulated other comprehensive income:			
Balance, beginning of period	152,539	170,876	(323,917)
Adoption of FSP SFAS No. 115-2 (included in ASC 320), net of income tax expense of $(3,929)	–	–	(7,298)
Change in foreign currency translation adjustment, net of income tax expense of $0 in 2011, $4,630 in 2010, and $27,125 in 2009	(3,850)	15,601	49,715
Change in net unrealized investment gains (losses) during the period, net of income taxes:			
Change in net unrealized investment gains (losses) not-other-than temporarily impaired, net of income tax expense (benefit) of $(1,785) in 2011, $(24,848) in 2010, and $245,060 in 2009	(1,240)	(47,783)	461,198
Change in net unrealized investment gains (losses) other-than-temporarily impaired, net of income tax expense of $328 in 2011, $7,455 in 2010, and $(4,751) in 2009	610	13,845	(8,822)
Balance, end of period	148,059	152,539	170,876
Total stockholders' equity	$1,422,641	$ 1,431,492	$4,943,773

See accompanying notes to consolidated and combined financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Consolidated and Combined Statements of Comprehensive Income

	Year ended December 31,		
	2011	2010	2009
	(In thousands)		
Net income	$178,276	$ 257,778	$494,589
Other comprehensive (loss) income before income taxes:			
Unrealized investment gains (losses):			
Change in unrealized gains on investment securities	3,839	114,867	663,458
Reclassification adjustment for realized investment gains (losses) included in net income	(5,926)	(33,510)	21,929
Reclassification adjustment for unrealized gains on investment securities transferred	-	(132,688)	-
Foreign currency translation adjustments:			
Change in unrealized foreign currency translation gains	(3,850)	20,231	76,840
Total other comprehensive (loss) income before income taxes	(5,937)	(31,100)	762,227
Income tax (benefit) expense related to items of other comprehensive (loss) income	(1,457)	(12,763)	267,434
Other comprehensive (loss) income, net of income taxes	(4,480)	(18,337)	494,793
Total comprehensive income	$173,796	$ 239,441	$989,382

See accompanying notes to consolidated and combined financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Consolidated and Combined Statements of Cash Flows

	Year ended December 31,		
	2011	2010	2009
	(in thousands)		
Cash flows from operating activities:			
Net income	$ 178,276	$ 257,778	$494,589
Adjustments to reconcile net income to cash provided by operating activities:			
Change in future policy benefits and other policy liabilities	85,464	71,037	148,775
Deferral of policy acquisition costs	(309,028)	(304,754)	(391,079)
Amortization of deferred policy acquisition costs	119,348	168,035	381,291
Deferred tax provision	7,426	32,030	(18,815)
Change in income taxes	(11,936)	(40,701)	75,738
Realized investment gains (losses), including other-than-temporary impairments	(6,440)	(34,145)	21,970
Accretion and amortization of investments	(2,818)	(1,878)	(8,226)
Depreciation and amortization	10,731	10,063	10,342
Change in due from reinsurers	(4,232)	(57,197)	(3,403)
Change in due to/from affiliates	–	(44,012)	55,460
Change in premiums and other receivables	3,464	(7,129)	(2,975)
Trading securities acquired (sold), net	3,597	(5,994)	(4,553)
Share-based compensation	11,588	33,301	(1,794)
Other, net	2,462	(35,377)	(39,976)
Net cash provided by operating activities	87,902	41,057	716,344
Cash flows from investing activities:			
Available-for-sale investments sold, matured or called:			
Fixed-maturity securities – sold	214,807	993,278	713,805
Fixed-maturity securities – matured or called	375,124	514,132	878,215
Equity securities	3,037	36,566	667
Available-for-sale investments acquired:			
Fixed-maturity securities	(460,459)	(787,683)	(1,945,887)
Equity securities	(144)	(7,560)	(1,115)
Change in policy loans	247	705	1,354
Purchases of furniture and equipment, net	(3,913)	(9,864)	(4,894)
Cash collateral (returned) received on loaned securities, net	(32,368)	(328,375)	156,207
Sales (purchases) of short-term investments using securities lending collateral, net	32,368	328,375	(156,207)
Net cash provided by (used in) investing activities	128,699	739,574	(357,855)
Cash flows from financing activities:			
Repurchase of shares held by Citi	(200,000)	–	–
Dividends	(7,312)	(1,502)	–
Net distributions to Citi	–	(1,288,391)	(56,427)
Net cash used in financing activities	(207,312)	(1,289,893)	(56,427)
Effect of foreign exchange rate changes on cash	751	32,778	(1,894)
Change in cash and cash equivalents	10,040	(476,484)	300,168
Cash and cash equivalents, beginning of period	126,038	602,922	302,354
Cash and cash equivalents, end of period	$ 136,078	$ 126,038	$602,522
Supplemental disclosures of cash flow information:			
Income taxes paid	$ 96,305	$ 260,275	$220,988
Interest paid	27,555	13,695	639
Impairment losses included in realized investment gains (losses), including other-than-temporary impairments	2,015	12,158	61,394
Non-cash activities:			
Share-based compensation	$ 29,445	$ 46,094	$ (1,836)
Net contributions from (distributions to) Citi	1,573	(2,035,464)	42,370

See accompanying notes to consolidated and combined financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Notes to Consolidated and Combined Financial Statements

(1) Summary of Significant Accounting Policies

Description of Business. Primerica, Inc. (the Parent Company) together with its subsidiaries (collectively, we or the Company) is a leading distributor of financial products to middle income households in the United States and Canada. We assist our clients in meeting their needs for term life insurance, which we underwrite, and mutual funds, annuities and other financial products, which we distribute primarily on behalf of third parties. Our primary subsidiaries include the following entities: Primerica Financial Services, Inc., a general agency and marketing company; Primerica Life Insurance Company (Primerica Life), our principal life insurance company; Primerica Financial Services (Canada) Ltd., a holding company for our Canadian operations, which includes Primerica Life Insurance Company of Canada (Primerica Life Canada); and PFS Investments Inc., an investment products company and broker-dealer. Primerica Life, domiciled in Massachusetts, owns National Benefit Life Insurance Company (NBLIC), a New York life insurance company. Each of these entities was indirectly wholly owned by Citigroup Inc. (together with its non-Primerica affiliates, Citi) through March 31, 2010.

On March 31, 2010, Primerica Life, Primerica Life Canada and NBLIC entered into significant coinsurance transactions with Prime Reinsurance Company, Inc. (Prime Re) and two affiliates of Citi (collectively, the Citi reinsurers). In April 2010, Citi transferred the legal entities that comprise our business to us and we completed a series of transactions including the distribution of Prime Re to Citi and an initial public offering of our common stock by Citi pursuant to the Securities Act of 1933, as amended (the IPO).

We were incorporated in Delaware in 2009 by Citi to serve as a holding company for the life insurance and financial product distribution businesses that we have operated for more than 30 years. At such time, we issued 100 shares of common stock to Citi. These businesses, which prior to April 1, 2010 were wholly owned indirect subsidiaries of Citi, were transferred to us on April 1, 2010. In conjunction with our reorganization, we issued to a wholly owned subsidiary of Citi (i) 74,999,900 shares of our common stock (of which 24,564,000 shares of common stock were subsequently sold by Citi in the IPO; 16,412,440 shares of common stock were subsequently sold by Citi in April 2010 to certain private equity funds managed by Warburg Pincus LLC (Warburg Pincus) (the private sale); and 5,021,412 shares of common stock were immediately contributed back to us for equity awards granted to our employees and sales force leaders in connection with the IPO, (ii) warrants to purchase from us an aggregate of 4,103,110 shares of our common stock (which were subsequently transferred by Citi to Warburg Pincus pursuant to the private sale), and (iii) a $300.0 million note payable due on March 31, 2015 bearing interest at an annual rate of 5.5% (the Citi note). Prior to our corporate reorganization, we had no material assets or liabilities. Upon completion of the corporate reorganization, we became a holding company with our primary asset being the capital stock of our operating subsidiaries and our primary liability being the Citi note.

Basis of Presentation. We prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP). These principles are established primarily by the Financial Accounting Standards Board (FASB). The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect financial statement balances, revenues and expenses and cash flows as well as the disclosure of contingent assets and liabilities. Management considers available facts and knowledge of existing circumstances

when establishing the estimates included in our financial statements.

The most significant items that involve a greater degree of accounting estimates and actuarial determinations subject to change in the future are the valuation of investments, deferred policy acquisition costs (DAC), and liabilities for future policy benefits and unpaid policy claims. Estimates for these and other items are subject to change and are reassessed by management in accordance with GAAP. Actual results could differ from those estimates.

The accompanying consolidated and combined financial statements include the accounts of the Company and those entities required to be consolidated or combined under applicable accounting standards. All material intercompany profits, transactions, and balances among the consolidated or combined entities have been eliminated. Financial statements for 2011 and 2010 have been consolidated and include those assets, liabilities, revenues, and expenses directly attributable to the Company's operations. Financial statements for 2009 have been combined and include those assets, liabilities, revenues, and expenses directly attributable to the Company's operations. All material intercompany profits, transactions, and balances among the consolidated or combined entities have been eliminated.

Reclassifications. 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.

Foreign Currency Translation. Assets and liabilities denominated in Canadian dollars are translated into U.S. dollars using year-end exchange rates. Revenues and expenses are translated monthly at amounts that approximate weighted-average exchange rates, with resulting gains and losses included in stockholders' equity. We may use currency swap and forward contracts to mitigate foreign currency exposures.

Investments. Investments are reported on the following bases:

- Available-for-sale fixed-maturity securities, including bonds and redeemable preferred stocks not classified as trading securities, are carried at fair value. When quoted market values are unavailable, we obtain estimates from independent pricing services or estimate fair value based upon a comparison to quoted issues of the same issuer or of other issuers with similar characteristics.
- Equity securities, including common and nonredeemable preferred stocks, are classified as available for sale and are carried at fair value. When quoted market values are unavailable, we obtain estimates from independent pricing services or estimates fair value based upon a comparison to quoted issues of the same issuer or of other issuers with similar characteristics.
- Trading securities, which primarily consist of bonds, are carried at fair value. Changes in fair value of trading securities are included in net investment income in the period in which the change occurred.
- Policy loans are carried at unpaid principal balances, which approximate fair value.

Investment transactions are recorded on a trade-date basis. We use the specific-identification method to determine the realized gains or losses from securities transactions and report the realized gains or losses in the accompanying consolidated and combined statements of income.

Unrealized gains and losses on available-for-sale securities are included as a separate component of accumulated other comprehensive income except for the credit loss components of other-than-temporary declines in fair value, which are recorded as realized losses in the accompanying consolidated and combined statements of income.

Investments are reviewed on a quarterly basis for other-than-temporary impairments (OTTI). Credit risk, interest rate risk, duration of the unrealized loss, actions taken by ratings agencies, and other factors are considered in determining whether an unrealized loss is other-than-temporary. Our consolidated and combined statements of income for the three years ended December 31, 2011 reflect the impairment on debt securities that we intend to sell or would more-likely than-not be required to sell before the expected recovery of the amortized cost basis. For available-for-sale (AFS) debt securities that we have no intent to sell and believe that it more-likely than-not we will not be required to sell prior to recovery, only the credit loss component of the impairment is recognized in earnings, while the remainder is recognized in accumulated other comprehensive income (AOCI) in the accompanying consolidated and combined financial statements. The credit loss component recognized in earnings is identified as the amount of principal cash flows not expected to be received over the remaining term of the security. Any subsequent changes in fair value of the security related to non-credit factors recognized in other comprehensive income are presented as an adjustment to the amount previously presented in the net unrealized investment gains (losses) other-than-temporarily impaired category of accumulated other comprehensive income.

We participate in securities lending transactions with broker-dealers and other financial institutions to increase investment income with minimal risk. We require minimum collateral on securities loaned equal to 102% of the fair value of the loaned securities. We accept collateral in the form of securities, which we are not able to sell or encumber, and to the extent the collateral declines in value below 100%, we require additional collateral from the borrower. Any securities collateral received is not reflected on our balance sheet. We also accept collateral in the form of cash, all of which we reinvest. For loans involving unrestricted cash collateral, the collateral is reported as an asset with a corresponding liability representing our obligation to return the collateral. We continue to carry the lent securities as investment assets on our balance sheet during the terms of the loans, and we do not report them as sales.

Interest income on fixed-maturity securities is recorded when earned using the effective-yield method, which gives consideration to amortization of premiums and accretion of discounts. Dividend income on equity securities is recorded when declared. These amounts are included in net investment income in the accompanying consolidated and combined statements of income.

Included within fixed-maturity securities are loan-backed and asset-backed securities. Amortization of the premium or accretion of the discount uses the retrospective method. The effective yield used to determine amortization/accretion is calculated based on actual and historical projected future cash flows, which are obtained from a widely accepted data provider and updated quarterly.

Derivative instruments are stated at fair value based on market prices. Gains and losses arising from forward contracts are a component of realized gains and losses in the accompanying consolidated and combined statements of income. Gains and losses arising from foreign currency swaps are reflected in other comprehensive income as they effectively hedge the variability in cash flows from our investments in foreign currency-denominated debt securities.

Embedded conversion options associated with fixed-maturity securities are bifurcated from the fixed-maturity security host contracts and separately recognized as equity securities. The change in fair value of these bifurcated conversion options is reflected in realized investment gains, including OTTI losses.

Cash and Cash Equivalents. Cash and cash equivalents include cash on hand, money market instruments, and all other highly liquid investments purchased with an original or

remaining maturity of three months or less at the date of acquisition.

Reinsurance. We use reinsurance extensively, utilizing yearly renewable term (YRT) and coinsurance agreements. Under YRT agreements, we reinsure only the mortality risk, while under coinsurance, we reinsure a proportionate part of all risks arising under the reinsured policy. Under coinsurance, the reinsurer receives a proportionate part of the premiums, less commission allowances, and is liable for a corresponding part of all benefit payments.

All reinsurance contracts in effect for 2011 and 2010 transfer a reasonable possibility of substantial loss to the reinsurer or are accounted for under the deposit method of accounting.

Ceded premiums are treated as a reduction to direct premiums and are recognized when due to the assuming company. Ceded claims are treated as a reduction to direct benefits and are recognized when the claim is incurred on a direct basis. Ceded policy reserve changes are also treated as a reduction to benefits expense and are recognized during the applicable financial reporting period.

Reinsurance premiums, commissions, expense reimbursements, benefits, and reserves related to reinsured long-duration contracts are accounted for over the life of the underlying contracts using assumptions consistent with those used to account for the underlying policies. Amounts recoverable from reinsurers, for both short- and long-duration reinsurance arrangements, are estimated in a manner consistent with the claim liabilities and policy benefits associated with reinsured policies. Ceded policy reserves and claims liabilities relating to insurance ceded are shown as due from reinsurers on the accompanying consolidated and combined balance sheets.

We analyze and monitor the credit-worthiness of each of our reinsurance partners to minimize collection issues. For reinsurance contracts with unauthorized reinsurers, we require collateral such as letters of credit.

To the extent we receive ceding allowances to cover policy and claims administration under reinsurance contracts, these allowances are treated as a reduction to insurance commissions and expenses and are recognized when due from the assuming company. To the extent we receive ceding allowances reimbursing commissions that would otherwise be deferred; the amount of commissions deferrable will be reduced. The corresponding DAC balances are reduced on a pro rata basis by the portion of the business reinsured with reinsurance agreements that meet risk transfer provisions. The reduced DAC will result in a corresponding reduction of amortization expense.

Deferred Policy Acquisition Costs (DAC). The costs of acquiring new business are deferred to the extent that they vary with and are primarily related to the acquisition of such new business. These costs mainly include commissions and policy issue expenses. The recovery of such costs is dependent on the future profitability of the related policies, which, in turn, is dependent principally upon mortality, persistency, investment returns, and the expense of administering the business, as well as upon certain economic variables, such as inflation. Deferred policy acquisition costs are subject to annual recoverability testing and when impairment indicators exist. We make certain assumptions regarding persistency, expenses, interest rates and claims. The assumptions for these types of products may not be modified, or unlocked, unless recoverability testing deems them to be inadequate. Assumptions are updated for new business to reflect the most recent experience. Deferrable insurance policy acquisition costs are amortized over the premium-paying period of the related policies in proportion to annual premium income. Acquisition costs for Canadian segregated funds are amortized over the life of the policies in relation to historical and future estimated gross profits before amortization. The gross profits and resulting DAC amortization will vary with actual fund returns, redemptions and expenses. Due to the

inherent uncertainties in making assumptions about future events, materially different experience from expected results in persistency could result in a material increase or decrease of deferred acquisition cost amortization in a particular period.

Intangible Assets. Intangible assets are amortized over their estimated useful lives. Any intangible asset that was deemed to have an indefinite useful life is not amortized but is subject to an annual impairment test. An impairment exists if the carrying value of the indefinite-lived intangible asset exceeds its fair value. For the other intangible assets, which are subject to amortization, an impairment is recognized if the carrying amount is not recoverable and exceeds the fair value of the intangible asset.

Property, Plant, and Equipment. Equipment and leasehold improvements, which are included in other assets, are stated at cost, less accumulated depreciation and amortization. Leasehold improvements are amortized over the remaining life of the lease. Computer hardware, software, and other equipment are depreciated over three to five years. Furniture is depreciated over seven years. Property, plant and equipment were as follows:

	December 31,.	
	2011	2010
	(In thousands)	
Data processing equipment and software	$ 53,388	$55,793
Leasehold improvements	14,223	14,148
Other, principally furniture and equipment	24,120	22,437
	91,731	92,378
Accumulated depreciation	(78,794)	(76,055)
Net property, plant, and equipment	$ 12,937	$ 16,323

Depreciation expense was as follows:

	Year ended December 31,		
	2011	2010	2009
	(In thousands)		
Depreciation expense	$7,302	$6,895	$6,803

Depreciation expense is included in other operating expenses in the accompanying consolidated and combined statements of income.

Separate Accounts. The separate accounts are primarily comprised of contracts issued by the Company through its subsidiary, Primerica Life Canada, pursuant to the Insurance Companies Act (Canada). The Insurance Companies Act authorizes Primerica Life Canada to establish the separate accounts.

The separate accounts are represented by individual variable insurance contracts. Purchasers of variable insurance contracts issued by Primerica Life Canada have a direct claim to the benefits of the contract that entitles the holder to units in one or more investment funds (the Funds) maintained by Primerica Life Canada. The Funds invest in assets that are held for the benefit of the owners of the contracts. The benefits provided vary in amount depending on the market value of the Funds' assets. The Funds' assets are administered by Primerica Life Canada and are held separate and apart from the general assets of the Company. The liabilities reflect the variable insurance contract holders' interests in variable insurance assets based upon actual investment performance of the respective Funds. Separate account operating results relating to contract holders' interests are excluded from our consolidated and combined statements of income.

Primerica Life Canada's contract offerings guarantee the maturity value at the date of maturity (or upon death, whichever occurs first), to be equal to 75% of the sum of all contributions made, net of withdrawals, on a first-in first-out basis. Otherwise, the maturity value or death benefit will be the accumulated value of units allocated to the

contract at the specified valuation date. The amount of this value is not guaranteed, but will fluctuate with the fair value of the Funds.

Policyholder Liabilities. Future policy benefits are accrued over the current and expected renewal periods of the contracts. Liabilities for future policy benefits on traditional life insurance products have been computed using a net level method, including assumptions as to investment yields, mortality, persistency, and other assumptions based on our experience, modified as necessary to reflect anticipated trends and to include provisions for possible adverse deviation. The underlying mortality tables are the Society of Actuaries (SOA) 65-70, SOA 75-80, SOA 85-90, and the 91 Bragg, modified to reflect various underwriting classifications and assumptions. Investment yield reserve assumptions at December 31, 2011 and 2010 range from approximately 3.5% to 7.0%. The liability for future policy benefits and claims on traditional life, health, and credit insurance products includes estimated unpaid claims that have been reported to us and claims incurred but not yet reported.

The reserves we establish are necessarily based on estimates, assumptions and our analysis of historical experience. Our results depend significantly upon the extent to which our actual claims experience is consistent with the assumptions we used in determining our reserves and pricing our products. Our reserve assumptions and estimates require significant judgment and, therefore, are inherently uncertain. We cannot determine with precision the ultimate amounts that we will pay for actual claims or the timing of those payments.

Other Policyholders' Funds. Other policyholders' funds primarily represent claim payments left on deposit with us.

Income Taxes. We are subject to the income tax laws of the United States, its states, municipalities, and certain unincorporated territories, and those of Canada. Those tax laws are complex and subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. In establishing a provision for income tax expense, we must make judgments and interpretations about the applicability of these inherently complex tax laws. We also must make estimates about the future impact certain items will have on taxable income in the various tax jurisdictions, both domestic and foreign.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to (i) differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and (ii) operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not applicable to the periods in which we expect the temporary difference will reverse.

During the first quarter of 2010, our federal income tax return was included as part of Citi's consolidated federal income tax return. On March 30, 2010, in anticipation of our corporate reorganization, we entered into a tax separation agreement with Citi. In accordance with the tax separation agreement, Citi will be responsible for and shall indemnify and hold the Company harmless from and against any consolidated, combined, affiliated, unitary or similar federal, state or local income tax liability with respect to the Company for any taxable period ending on or before April 7, 2010, the closing date of the IPO. After the closing date, the Company was no longer part of Citi's consolidated federal income tax return. As a result of the separation from Citi, the Company will be required to file two consolidated income tax returns for five tax years, which is expected

to cover the tax years ending December 31, 2010 through December 31, 2014. Primerica Life and NBLIC will comprise one of the U.S. consolidated tax groups while the Parent Company and the remaining U.S. subsidiaries will comprise the second U.S. consolidated tax group. The method of allocation between companies is pursuant to a written agreement. Allocation is based upon separate return calculations with credit for net losses as utilized. Allocations are calculated and settled quarterly.

Premium Revenues. Traditional life insurance products consist principally of those products with fixed and guaranteed premiums and benefits, and are primarily related to term products. Premiums are recognized as revenues when due.

Commissions and Fees. We receive commission revenues from the sale of various non-life insurance products on a monthly basis. Commissions are received primarily on sales of mutual funds and annuities. We primarily receive trail commission revenues from mutual fund and annuity products on a monthly basis based on the daily net asset value of shares sold by us. We, in turn, pay certain commissions to our sales force. We also receive marketing and support fees from product originators. We also receive management fees based on the average daily net asset value of managed accounts and contracts related to separate account assets issued by Primerica Life Canada.

We earn recordkeeping fees for administrative functions that we perform on behalf of several of our mutual fund providers and custodial fees for services performed as a non-bank custodian of our clients' retirement plan accounts. These fees are recognized as income during the period in which they are earned.

We also receive record-keeping fees monthly from mutual fund accounts on our servicing platform and in turn pay a third-party provider for its servicing of certain of these accounts.

Benefits and Expenses. Benefit and expense items are charged to income in the period in which they are incurred. Both the change in policyholder liabilities, which is included in benefits and claims, and the amortization of deferred policy acquisition costs, will vary with policyholder persistency.

Share-Based Transactions. For employee share-based compensation, we determine a grant date fair value and recognize the related compensation expense, adjusted for expected forfeitures, in the statement of income over the vesting period of the respective awards. For non-employee share-based compensation, we recognize the impact throughout the vesting period and the fair value of the award is based on the vesting date. To the extent that a share-based award contains sale restrictions extending beyond the vesting date, we reduce the recognized fair value of the award to reflect the corresponding liquidity discount. Certain non-employee share-based compensation varies with and primarily relates to the acquisition or renewal of life insurance policies. We defer these expenses and amortize the impact over the life of the underlying life insurance policies acquired.

Earnings Per Share (EPS). Primerica has outstanding common stock, warrants, and equity awards. Both the vested and unvested equity awards maintain non-forfeitable dividend rights that result in dividend payment obligations on a one-to-one ratio with common shares for any future dividend declarations. These equity awards are deemed participating securities for purposes of calculating EPS.

As a result of issuing equity awards that are deemed participating securities, we calculate EPS using the two-class method. Under the two-class method, we allocate earnings to common shares and to fully vested equity awards. Earnings attributable to unvested equity awards, along with the corresponding share counts, are excluded from EPS as reflected in our consolidated statements of income.

In calculating basic EPS, we deduct any dividends and undistributed earnings allocated to unvested equity awards from net income and then divide the result by the weighted-average number of common shares and fully vested equity awards outstanding for the period.

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

Discontinued Operations. Primerica Financial Services Home Mortgages, Inc. (Primerica Mortgages), our U.S. loan brokering company, ceased its loan brokering activities in all states in which it held licenses effective December 31, 2011. As of January 1, 2012, Primerica Mortgages no longer accepts loan requests from U.S. clients. As the pending loan requests are processed by our lender, which we anticipate should be completed by the end of the first quarter of 2012, Primerica Mortgages is commencing the process of surrendering its state licenses and completely exiting the loan brokering business in the United States. The related financial impact is immaterial to our financial statements and will not have a material impact on our business.

New Accounting Principles

Other-Than-Temporary Impairments on Investment Securities. In April 2009, the FASB issued FSP SFAS No. 115-2 and SFAS No. 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments* (ASC 320-10/FSP SFAS 115-2), which amends the recognition guidance for OTTI of debt securities and expands the financial statement disclosures for OTTI on debt and equity securities. The Company adopted the FSP in the first quarter of 2009.

As a result of this FSP, the Company's consolidated and combined statements of income reflect the full impairment (that is, the difference between the security's amortized cost basis and fair value) on debt securities that the Company intends to sell or would more-likely-than-not be required to sell before the expected recovery of the amortized cost basis. For AFS debt securities that management has no intent to sell and believes that it is more-likely-than-not will not be required to be sold prior to recovery, only the credit loss component of the impairment is recognized in earnings, while the remainder is recognized in AOCI in the accompanying consolidated and combined balance sheets. The credit loss component recognized in earnings is identified as the amount of principal and interest cash flows not expected to be received over the remaining term of the security. As a result of the adoption of the FSP, we recorded the cumulative effect of the change as an increase to the opening balance of retained earnings at January 1, 2009 of $11.2 million on a pretax basis ($7.3 million after-tax).

Future Application of Accounting Standards

Accounting for Deferred Policy Acquisition Costs. In October 2010, the FASB issued ASU 2010-26, *Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts* (ASU 2010-26). ASU 2010-26 defines deferred acquisition costs as incremental direct costs of successful contract acquisitions that result directly from and are essential to the contract transaction(s) and would not have been incurred had the contract transaction(s) not occurred. All other acquisition-related costs, including unsuccessful acquisition and renewal efforts, will be charged to expense as incurred. Administrative costs, rent, depreciation, occupancy, equipment, and all other general

overhead costs are considered indirect costs and will be charged to expense as incurred. The update allows either prospective or retrospective adoption and is required to be adopted for our fiscal year beginning January 1, 2012.

We plan to retrospectively adopt ASU 2010-26. We are currently evaluating the full impact of implementing this guidance. However, we estimate that the adoption will result in a reduction to our DAC asset in the range of approximately $140 million to $160 million as of December 31, 2011. For the year ended December 31, 2011, we estimate that it will reduce income before income taxes in the range of approximately $27 million to $33 million. The related analysis and implementation of this accounting change is ongoing and may result in a different impact higher or lower than these anticipated ranges.

Fair Value Measurement Amendments. In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurement* (ASU 2011-04). The main provisions of ASU 2011-04 result in common fair value measurement and disclosures requirements for U.S. GAAP and International Financial Reporting Standards ("IFRS"). ASU 2011-04 changes the wording used to describe the requirements for measuring fair value and for disclosing information about fair value measurement, including requiring quantitative disclosures about the unobservable inputs used in fair value measurements. The amendments in the update are to be applied prospectively for our fiscal year beginning January 1, 2012. We do not anticipate a material impact on our financial position or results of operations as a result of this update.

Recent accounting guidance not discussed above is not applicable, is immaterial to our financial statements, or did not or will not have an impact on our business.

(2) Segment Information

We have two primary operating segments – Term Life Insurance and Investment and Savings Products. The Term Life Insurance segment includes underwriting profits on our in-force book of term life insurance policies, net of reinsurance, which are underwritten by our life insurance company subsidiaries. The Investment and Savings Products segment includes mutual funds and variable annuities distributed through licensed broker-dealer subsidiaries and includes segregated funds, an individual annuity savings product that we underwrite in Canada through Primerica Life Canada. In the United States, we distribute mutual fund and annuity products of several third-party companies. We also earn fees for account servicing on a subset of the mutual funds we distribute. In Canada, we offer a Primerica-branded fund-of-funds mutual fund product, as well as mutual funds of well known mutual fund companies. These two operating segments are managed separately because their products serve different needs—term life insurance protection versus wealth-building savings products.

We also have a Corporate and Other Distributed Products segment, which consists primarily of revenues and expenses related to the distribution of non-core products, prepaid legal services and various insurance products other than our core term life insurance products. With the exception of certain life and disability insurance products, which we underwrite, these products are distributed pursuant to arrangements with third parties.

Assets specifically related to a segment are held in that segment. We allocate invested assets to the Term Life Insurance segment based on the book value of invested assets necessary to meet statutory reserve requirements and our targeted capital objectives. Remaining invested assets and all unrealized gains and losses are allocated to the Corporate and Other Distributed Products segment. In connection with our corporate reorganization in 2010, we signed a reinsurance agreement subject to deposit accounting (the 10% Reinsurance Agreement) and have recognized the deposit asset in the Term Life Insurance segment. DAC is recognized in a

particular segment based on the product to which it relates. Separate account assets supporting the segregated funds product in Canada are held in the Investment and Savings Products segment. Any remaining unallocated assets are reported in the Corporate and Other Distributed Products segment. Information regarding assets by segment follows:

	December 31,	
	2011	2010
	(In thousands)	
Assets:		
Term life insurance segment	$ 6,137,033	$ 5,738,219
Investment and savings products segment	2,591,137	2,615,916
Corporate and other distributed products segment	1,270,374	1,530,171
Total assets	$9,998,544	$9,884,306

The Investment and Savings Products segment also includes assets held in separate accounts. Excluding separate accounts, the Investment and Savings Product segment assets were as follows:

	December 31,	
	2011	2010
	(In thousands)	
Investment and savings products segment assets, excluding separate accounts	$183,622	$170,326

Although we do not view our business in terms of geographic segmentation, our Canadian businesses' percentage of total assets were as follows:

	December 31,	
	2011	2010
Canadian assets as a percent of total assets	31%	31%
Canadian assets as a percent of total assets, excluding separate accounts	9%	9%

The deposit asset recognized in connection with the 10% Reinsurance Agreement generates an effective yield, which is reported in the Term Life Insurance segment and reflected in net investment income in our statement of income. We then allocate the remaining net investment income based on the book value of the invested assets allocated to the Term Life Insurance segment compared to the book value of total invested assets.

Realized investment gains and losses are reported in the Corporate and Other Distributed Products segment. We allocate certain operating expenses associated with our sales representatives, including supervision, training and legal support, to our two primary operating segments based on the average number of licensed representatives in each segment for a given period. We also allocate technology and occupancy costs based on usage. Any remaining unallocated revenue and expense items are reported in the Corporate and Other Distributed Products segment. We measure income and loss for the segments on an income before income taxes basis. Information regarding operations by segment follows:

	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
Revenues:			
Term life insurance segment	$ 554,995	$808,568	$1,742,065
Investment and savings products segment	396,703	361,807	300,140
Corporate and other distributed products segment	151,395	191,488	178,196
Total revenues	$1,103,093	$1,361,863	$2,220,401
Income (loss) before income taxes:			
Term life insurance segment	$ 194,609	$299,044	$ 659,012
Investment and savings products segment	117,076	113,530	93,404
Corporate and other distributed products segment	(35,841)	(13,431)	7,539
Total income before income taxes	$ 275,844	$ 399,143	$ 759,955

The decline in revenues and income before income taxes primarily reflects the impact of the reinsurance and reorganization transactions executed in the first and second quarters of 2010.

Information regarding operations by country follows:

	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
Revenues by country:			
United States	$ 895,067	$ 1,136,414	$1,922,047
Canada	208,026	225,449	298,354
Total revenues	$1,103,093	$1,361,863	$2,220,401
Income before income taxes by country:			
United States	$ 209,685	$ 317,195	$ 637,355
Canada	66,159	81,948	122,600
Total income before income taxes	$ 275,844	$ 399,143	$ 759,955

The contribution to results of operations by our Canadian businesses were as follows:

	Year ended December 31,		
	2011	2010	2009
Canadian revenues as a percent of total revenues	19%	17%	13%
Canadian income before income taxes as a percent of total income before income taxes	24%	21%	16%

The increase in the Canadian contribution to total revenues and total income before income taxes largely reflects the dynamic of a smaller U.S. block of business subsequent to the reinsurance transactions as well as growth in our Canadian investments and savings products business.

(3) Investments

The period-end cost or amortized cost, gross unrealized gains and losses, and fair value of fixed-maturity and equity securities follow:

	December 31, 2011			
	Cost or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
	(In thousands)			
Securities available for sale, carried at fair value:				
Fixed-maturity securities:				
U.S. government and agencies	$ 10,050	$ 935	$ –	$ 10,985
Foreign government	97,206	14,818	(179)	111,845
States and political subdivisions	28,264	2,671	–	30,935
Corporates (1)	1,250,702	111,346	(7,847)	1,354,201
Mortgage- and asset-backed securities	425,137	29,398	(3,345)	451,190
Total fixed-maturity securities	1,811,359	159,168	(11,371)	1,959,156
Equity securities	21,329	5,689	(306)	26,712
Total fixed-maturity and equity securities	$1,832,688	$164,857	$(11,677)	$1,985,868

(1) Includes $2.6 million of other-than-temporary impairment losses recognized in AOCI.

	December 31, 2010			
	Cost or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
	(In thousands)			
Securities available for sale, carried at fair value:				
Fixed-maturity securities:				
U.S. government and agencies	$ 21,596	$ 667	$ (61)	$ 22,202
Foreign government	81,367	13,182	(8)	94,541
States and political subdivisions	26,758	754	(293)	27,219
Corporates (1)	1,276,906	112,821	(3,806)	1,385,921
Mortgage- and asset-backed securities	523,130	31,366	(3,018)	551,478
Total fixed-maturity securities	1,929,757	158,790	(7,186)	2,081,361
Equity securities	17,394	5,826	(7)	23,213
Total fixed-maturity and equity securities	$ 1,947,151	$ 164,616	$ (7,193)	$2,104,574

(1) Includes $3.5 million of other-than-temporary impairment losses recognized in AOCI.

In November 2011, we repurchased approximately $200.0 million of our common stock from Citi and funded the repurchase with the proceeds from a dividend paid by Primerica Life. The dividend from Primerica Life to the Parent Company was funded via sales of investments and available cash. The decrease in invested assets as of December 31, 2011 was primarily the result of securities sold to fund the dividend.

The net effect on stockholders' equity of unrealized gains and losses on available-for-sale securities was as follows:

	December 31,	
	2011	2010
	(In thousands)	
Net unrealized investment gains including foreign currency translation adjustment and other-than-temporary impairments:		
Fixed-maturity and equity securities	$153,180	$157,423
Currency swaps	96	1,059
Less foreign currency translation adjustment	(6,481)	(9,600)
Other-than-temporary impairments	2,562	3,500
Net unrealized investment gains excluding foreign currency translation adjustment and other-than-temporary impairments	149,357	152,382
Less deferred income taxes	52,275	54,060
Net unrealized investment gains excluding foreign currency translation adjustment and other-than-temporary impairments, net of tax	$ 97,082	$ 98,322

We also maintain a portfolio of fixed-maturity securities that are classified as trading securities. The carrying value of these securities was as follows:

	December 31,	
	2011	2010
	(In thousands)	
Fixed-maturity securities classified as trading, carried at fair value	$9,640	$22,767

During 2011, we transferred approximately $8.9 million of securities from the trading portfolio to the available-for-sale portfolio. Because the securities were transferred at fair value, no gain or loss was recognized.

All of our available-for-sale mortgage- and asset-backed securities represent variable interests in variable interest entities (VIEs). We are not the primary beneficiary of these VIEs, because we do not have the power to direct the activities that most significantly impact the entities' economic performance. The maximum exposure to loss as a result of our involvement in these VIEs equals the carrying value of the securities.

As required by law, the Company has investments on deposit with governmental authorities and banks for the protection of policyholders. The fair values of investments on deposit were as follows:

	December 31,	
	2011	2010
	(In thousands)	
Fair value of investments on deposit with governmental authorities	$19,100	$18,984

We participate in securities lending transactions with broker-dealers and other financial institutions to increase investment income with minimal risk. Cash collateral received and reinvested was as follows:

	December 31,	
	2011	2010
	(In thousands)	
Securities lending collateral	$149,358	$181,726

The scheduled maturity distribution of the available-for-sale fixed-maturity portfolio follows.

	December 31, 2011	
	Amortized cost	Fair value
	(In thousands)	
Due in one year or less	$ 129,440	$ 132,660
Due after one year through five years	622,321	663,968
Due after five years through 10 years	583,762	653,078
Due after 10 years	50,699	58,260
	1,386,222	1,507,966
Mortgage- and asset-backed securities	425,137	451,190
Total fixed-maturity securities	$ 1,811,359	$ 1,959,156

Expected maturities may differ from scheduled contractual maturities because issuers of securities may have the right to call or prepay obligations with or without call or prepayment penalties.

Investment Income. On March 31, 2010, we transferred a significant portion of our invested asset portfolio to the Citi reinsurers in connection with our corporate reorganization. As such, comparisons of net investment income to prior years will reflect the effects of these transfers and result in significant variances. The components of net investment income were as follows:

	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
Fixed-maturity securities	$109,907	$168,051	$352,753
Equity securities	717	1,822	6,923
Policy loans and other invested assets	1,414	1,403	1,549
Cash and cash equivalents	307	562	2,887
Market return on deposit asset underlying 10% reinsurance agreement	2,020	1,471	299
Gross investment income	114,365	173,309	364,411
Investment expenses	5,764	8,198	13,085
Net investment income	$108,601	$ 165,111	$351,326

The components of net realized investment gains (losses) as well as details on gross realized investment gains and losses and proceeds from sales or other redemptions were as follows:

	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
Gross realized investment gains (losses):			
Gains from sales	$ 8,382	$ 47,925	$ 42,983
Losses from sales	(441)	(2,257)	(3,518)
Other-than-temporary impairment losses	(2,015)	(12,158)	(61,394)
Gains (losses) from bifurcated options	514	635	(41)
Net realized investment gains (losses)	$ 6,440	$ 34,145	$ (21,970)
Gross realized investment gains reclassified from accumulated other comprehensive income	$ 5,926	$ 33,510	$ (21,929)
Proceeds from sales or other redemptions	$592,968	$1,543,976	$1,592,687

Other-Than-Temporary Impairment. We conduct a review each quarter to identify and evaluate impaired investments that have indications of possible other-than-temporary impairment (OTTI). An investment in a debt or equity security is impaired if its fair value falls below its cost. Factors considered in determining whether an unrealized loss is temporary include the length of time and extent to which fair value has been below cost, the financial condition and near-term prospects for the issue, and our ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery, which may be maturity.

Our review for other-than-temporary impairment generally entails:

- Analysis of individual investments that have fair values less than a pre-defined percentage of amortized cost, including consideration of the length of time the investment has been in an unrealized loss position;
- Analysis of corporate fixed-maturity securities by reviewing the issuer's most recent performance to date, including analyst reviews, analyst outlooks and rating agency information;
- Analysis of commercial mortgage-backed securities based on an assessment of performance to date, credit enhancement, risk analytics and outlook, underlying collateral, loss projections, rating agency information and available third-party reviews and analytics;
- Analysis of residential mortgage-backed securities based on loss projections provided by models compared to current credit enhancement levels;
- Analysis of our other fixed-maturity and equity security investments, as required based on the type of investment; and
- Analysis of downward credit migrations that occurred during the quarter.

Investments in fixed-maturity and equity securities with a cost basis in excess of their fair values were as follows:

	December 31,	
	2011	2010
	(In thousands)	
Fixed-maturity and equity security investments with cost basis in excess of fair value	$286,718	$258,947

The following tables summarize, for all securities in an unrealized loss position, the aggregate fair value and the gross unrealized loss by length of time such securities have continuously been in an unrealized loss position:

	December 31, 2011					
	Less than 12 months			12 months or longer		
	Fair value	Unrealized losses	Number of securities	Fair value	Unrealized losses	Number of securities
	(Dollars in thousands)					
Fixed-maturity securities:						
U.S. government and agencies	$ –	$ –	–	$ –	$ –	–
Foreign government	7,150	(179)	10	–	–	–
States and political subdivisions	–	–	–	–	–	–
Corporates	188,643	(6,979)	185	4,092	(868)	11
Mortgage- and asset-backed securities	49,026	(478)	60	25,280	(2,867)	30
Total fixed-maturity securities	244,819	(7,636)		29,372	(3,735)	
Equity securities	850	(306)	78	–	–	–
Total fixed-maturity and equity securities	$245,669	$(7,942)		$29,372	$(3,735)	

	December 31, 2010					
	Less than 12 months			12 months or longer		
	Fair value	Unrealized losses	Number of securities	Fair value	Unrealized losses	Number of securities
	(Dollars in thousands)					
Fixed-maturity securities:						
U.S. government and agencies	$ 6,350	$ (61)	2	$ –	$ –	–
Foreign government	2,478	(8)	1	–	–	–
States and political subdivisions	11,015	(293)	29	–	–	–
Corporates	151,291	(2,961)	104	12,690	(845)	14
Mortgage- and asset-backed securities	30,685	(365)	25	37,215	(2,653)	20
Total fixed-maturity securities	201,819	(3,688)		49,905	(3,498)	
Equity securities	–	–	–	30	(7)	2
Total fixed-maturity and equity securities	$201,819	$(3,688)		$49,935	$(3,505)	

The amortized cost and fair value of available-for-sale fixed-maturity securities in default were as follows:

	December 31, 2011		December 31, 2010	
	Amortized cost	Fair value	Amortized cost	Fair value
	(In thousands)			
Fixed-maturity securities in default	$3,983	$5,168	$970	$1,558

Impairment charges recognized in earnings on available-for-sale securities were as follows:

	Year ended December 31,		
	2011	2010	2009
	(In thousands)		
Impairments on fixed-maturity securities in default	$ 179	$ 39	$20,275
Impairments on fixed-maturity securities not in default	1,831	11,855	38,765
Impairments on equity securities	5	264	2,354
Total impairment charges	$2,015	$12,158	$ 61,394

The fixed-maturity and equity securities noted above were considered to be other-than-temporarily impaired due to adverse credit events, such as news of an impending filing for bankruptcy; analyses of the issuer's most recent financial statements or other information in which liquidity deficiencies, significant losses and large declines in capitalization were evident; and analyses of rating agency information for issuances with severe ratings downgrades that indicated a significant increase in the possibility of default.

During 2011, we recognized impairment charges primarily as a result of further declines in the fair value of previously impaired corporate and mortgage-backed securities. During 2010 and 2009, we recognized impairments primarily as a result of our intent to sell certain corporate and mortgage-backed securities in anticipation of the reinsurance and reorganization transactions.

As of December 31, 2011, the unrealized losses on our invested asset portfolio were largely caused by interest rate sensitivity and changes in credit spreads. We believe that fluctuations caused by interest rate movement have little bearing on the recoverability of our investment. Because the decline in fair value is attributable to changes in interest rates and not credit quality, and because we have the ability to hold these investments until a market price recovery or maturity as well as no present intention to dispose of them, we do not consider these investments to be other-than-temporarily impaired.

Net impairment losses recognized in earnings were as follows:

	Year ended December 31,		
	2011	2010	2009
	(In thousands)		
Impairment losses related to securities which the Company does not intend to sell or is more-likely-than-not that it will not be required to sell:			
Total OTTI losses recognized	$ 1,109	$ 1,402	$34,616
Less portion of OTTI loss recognized in accumulated other comprehensive income (loss)	(183)	(553)	(13,573)
Net impairment losses recognized in earnings for securities that the Company does not intend to sell or is more-likely-than-not that it will not be required to sell before recovery	926	849	21,043
OTTI losses recognized in earnings for securities that the Company intends to sell or more-likely-than-not will be required to sell before recovery	1,089	11,309	40,351
Net impairment losses recognized in earnings	$2,015	$12,158	$61,394

The roll-forward of the credit-related losses recognized in income for all fixed-maturity securities still held follows.

	Year ended December 31,	
	2011	2010
	(In thousands)	
Cumulative OTTI credit losses recognized for securities still held, beginning of period	$ 41,129	$98,528
Additions for OTTI securities where no credit losses were recognized prior to the beginning of the period	830	9,842
Additions for OTTI securities where credit losses have been recognized prior to the beginning of the period	1,180	2,052
Reductions due to sales, maturities or calls of credit impaired securities	(9,067)	(69,293)
Cumulative OTTI credit losses recognized for securities still held, end of period	$34,072	$ 41,129

Derivatives. We use foreign currency swaps to reduce our foreign exchange risk due to direct investment in foreign currency-denominated debt securities. The aggregate notional balance and fair value of these currency swaps follow.

	December 31,	
	2011	2010
	(In thousands)	
Aggregate notional balance of currency swaps	$ 5,878	$5,878
Aggregate fair value of currency swaps	(2,032)	(2,228)

The change in fair value of these currency swaps is reflected in other comprehensive income as they effectively hedge the variability in cash flows from these foreign currency-denominated debt securities.

The embedded conversion options associated with fixed-maturity securities are bifurcated from the fixed-maturity security host contracts and separately recognized as equity securities. The change in fair value of these bifurcated conversion options is reflected in realized investment gains, including OTTI losses. The fair value of these bifurcated options follows.

	December 31,	
	2011	2010
	(In thousands)	
Aggregate fair value of embedded conversion options	$8,583	$3,269

We have a deferred loss related to closed forward contracts that were used to mitigate our exposure to foreign currency exchange rates that resulted from the net investment in our Canadian operations. The amount of deferred loss included in accumulated other comprehensive income was as follows:

	December 31,	
	2011	2010
	(In thousands)	
Deferred loss related to closed forward contracts	$26,385	$26,385

While we have no current intention to do so, these deferred losses will not be recognized until such time as we sell or substantially liquidate our Canadian operations.

(4) Fair Value of Financial Instruments

Fair value is the price that would be received upon the sale of an asset in an orderly transaction between market participants at the measurement date. Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our view of market assumptions in the absence of observable market information. We classify and disclose all invested assets carried at fair value in one of the following three categories:

- Level 1. Quoted prices for identical instruments in active markets. Level 1 primarily consists of financial instruments whose value is based on quoted market prices in active markets, such as exchange-traded common stocks and actively traded mutual fund investments;
- Level 2. Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 includes those financial instruments that are valued using industry-standard pricing methodologies, models or other valuation methodologies. Various inputs are considered in deriving the fair value of the underlying financial instrument, including interest rate, credit spread, and foreign exchange rates. All significant inputs are observable, or derived from observable information in the marketplace or are supported by observable levels at which transactions are executed in the marketplace. Financial instruments in this category primarily include: certain public and private corporate fixed-maturity and equity securities; government or agency securities; certain mortgage- and asset-backed securities and certain non-exchange-traded derivatives, such as currency swaps and forwards; and

- Level 3. Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable. Level 3 consists of financial instruments whose fair value is estimated based on industry-standard pricing methodologies and models using significant inputs not based on, nor corroborated by, readily available market information. Valuations for this category primarily consist of non-binding broker quotes. Financial instruments in this category primarily include less liquid fixed-maturity corporate securities.

As of each reporting period, all assets and liabilities recorded at fair value are classified in their entirety based on the lowest level of input (level 3 being the lowest) that is significant to the fair value measurement. Significant levels of estimation and judgment are required to determine the fair value of certain of our investments. The factors influencing these estimations and judgments are subject to change in subsequent reporting periods.

The estimated fair value and hierarchy classifications were as follows:

	December 31, 2011			
	Level 1	Level 2	Level 3	Fair value
		(In thousands)		
Fair value assets:				
Fixed-maturity securities:				
U.S. government and agencies	$ –	$ 10,985	$ –	$ 10,985
Foreign government	–	111,845	–	111,845
States and political subdivisions	–	30,935	–	30,935
Corporates	256	1,349,021	4,924	1,354,201
Mortgage-and asset-backed securities	–	449,228	1,962	451,190
Total fixed-maturity securities	256	1,952,014	6,886	1,959,156
Equity securities	18,069	8,592	51	26,712
Trading securities	–	9,640	–	9,640
Separate accounts	–	2,408,598	–	2,408,598
Total fair value assets	$18,325	$4,378,844	$6,937	$ 4,404,106
Fair value liabilities:				
Currency swaps	$ –	$ 2,032	$ –	$ 2,032
Separate accounts	–	2,408,598	–	2,408,598
Total fair value liabilities	$ –	$ 2,410,630	$ –	$ 2,410,630

	December 31, 2010			
	Level 1	Level 2	Level 3	Fair value
	(In thousands)			
Fair value assets:				
Fixed-maturity securities:				
U.S. government and agencies	$ –	$ 22,202	$ –	$ 22,202
Foreign government	–	94,541	–	94,541
States and political subdivisions	–	27,219	–	27,219
Corporates	–	1,366,774	19,147	1,385,921
Mortgage- and asset-backed securities	–	549,188	2,290	551,478
Total fixed-maturity securities	–	2,059,924	21,437	2,081,361
Equity securities	15,110	4,542	3,561	23,213
Trading securities	–	22,767	–	22,767
Separate accounts	–	2,446,786	–	2,446,786
Total fair value assets	$15,110	$ 4,534,019	$24,998	$ 4,574,127
Fair value liabilities:				
Currency swaps	$ –	$ 2,228	$ –	$ 2,228
Separate accounts	–	2,446,786	–	2,446,786
Total fair value liabilities	$ –	$ 2,449,014	$ –	$ 2,449,014

In assessing fair value of our investments, we use a third-party pricing service for approximately 94% of our securities. The remaining securities are primarily thinly traded securities valued using models based on observable inputs on public corporate spreads having similar tenors (e.g., sector, average life and quality rating) and liquidity and yield based on quality rating, average life and treasury yields. All observable data inputs are corroborated by independent third-party data. In the absence of sufficient observable inputs, we utilize non-binding broker quotes, which are reflected in our Level 3 classification as we are unable to evaluate the valuation technique(s) or significant inputs used to develop the quote.

We corroborate pricing information provided by our third-party pricing servicing by performing a review of selected securities. Our review activities include obtaining detailed information about the assumptions, inputs and methodologies used in pricing the security; documenting this information; and corroborating it by comparison to independently obtained prices and or independently developed pricing methodologies.

We perform internal reasonableness assessments on fair value determinations within our portfolio throughout the month and at month-end, including pricing variance analyses and comparisons to alternative pricing sources and benchmark returns. If a fair value appears unusual relative to these assessments, we will re-examine the inputs and may challenge a fair value assessment made by the pricing service. If there is a known pricing error, we will request a reassessment by the pricing service. If the pricing service is unable to perform the reassessment on a timely basis, we will determine the appropriate price by requesting a reassessment from an alternative pricing service or other qualified source as necessary. We do not adjust quotes or prices except in a rare circumstance to resolve a known error.

Because many fixed-maturity securities do not trade on a daily basis, fair value is determined using industry-standard methodologies by applying available market information through processes such as U.S. Treasury curves, benchmarking of similar securities, sector groupings, quotes from market participants and

matrix pricing. Observable information is compiled and integrates relevant credit information, perceived market movements and sector news. Additionally, security prices are periodically back-tested to validate and/or refine models as conditions warrant. Market indicators and industry and economic events are also monitored as triggers to obtain additional data. For certain structured securities with limited trading activity, industry-standard pricing methodologies use adjusted market information, such as index prices or discounting expected future cash flows, to estimate fair value. If these measures are not deemed observable for a particular security, the security will be classified as Level 3 in the fair value hierarchy.

Where specific market information is unavailable for certain securities, pricing models produce estimates of fair value primarily using Level 2 inputs along with certain Level 3 inputs. These models include matrix pricing. The pricing matrix uses current treasury rates and credit spreads received from third-party sources to estimate fair value. The credit spreads incorporate the issuer's industry- or issuer-specific credit characteristics and the security's time to maturity, if warranted. Remaining un-priced securities are valued using an estimate of fair value based on indicative market prices that include significant unobservable inputs not based on, nor corroborated by, market information, including the utilization of non-binding broker quotes.

The roll-forward of the Level 3 asset category was as follows:

	Year ended December 31,	
	2011	2010
	(In thousands)	
Level 3 assets, beginning of period	$24,998	$ 771,271
Net unrealized losses through other comprehensive income	(169)	(2,904)
Net realized gains (losses) through realized investment gains, including OTTI	1,446	(28)
Purchases	–	11,250
Sales	(4,770)	(24,049)
Settlements	(2,747)	(16,105)
Transfers into level 3	9	44,522
Transfers out of level 3	(11,830)	(236,587)
Transfers due to funding of reinsurance transactions	–	(522,372)
Level 3 assets, end of period	$ 6,937	$24,998

We obtain independent pricing quotes based on observable inputs as of the end of the reporting period for all securities in Level 2. Those inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, market bids/offers, quoted prices for similar instruments in markets that are not active, and other relevant data. We monitor these inputs for market indicators, industry and economic events. We recognize transfers into new levels and out of previous levels as of the end of the reporting period, including interim reporting periods, as applicable. There were no transfers between Level 1 and Level 2 during 2011 and 2010.

Invested assets included in the transfer from Level 2 to Level 3 in both 2011 and 2010 primarily were fixed-maturity investments for which we were unable to corroborate independent broker quotes with observable market data. Invested assets included in the

transfer from Level 3 to Level 2 in 2011 primarily were fixed-maturity investments for which we were able to corroborate independent broker quotes with observable market data. Invested assets included in the transfer from Level 3 to Level 2 during 2011 primarily were fixed-maturity investments with embedded options for which we were able to obtain independent pricing quotes based on observable inputs. Invested assets included in the transfer from Level 3 to Level 2 during 2010 primarily were non-agency mortgage-backed securities. There were no significant transfers between Level 1 and Level 3 during 2011 and 2010.

The carrying values and estimated fair values of our financial instruments were as follows:

	December 31, 2011		December 31, 2010	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
	(In thousands)			
Assets:				
Fixed-maturity securities	$ 1,959,156	$ 1,959,156	$ 2,081,361	$ 2,081,361
Equity securities	26,712	26,712	23,213	23,213
Trading securities	9,640	9,640	22,767	22,767
Policy loans	25,982	25,982	26,229	26,229
Other invested assets	14	14	14	14
Deposit asset underlying 10% reinsurance agreement	59,975	59,975	50,099	50,099
Separate accounts	2,408,598	2,408,598	2,446,786	2,446,786
Liabilities:				
Note payable	$ 300,000	$ 329,779	$ 300,000	$ 323,670
Currency swaps and forwards	2,032	2,032	2,228	2,228
Separate accounts	2,408,598	2,408,598	2,446,786	2,446,786

The fair values of financial instruments presented above are estimates of the fair values at a specific point in time using various sources and methods, including market quotations and a complex matrix system that takes into account issuer sector, quality, and spreads in the current marketplace.

Estimated fair values of investments in fixed-maturity securities are principally a function of current spreads and interest rates that are corroborated by independent third-party data. Therefore, the fair values presented are indicative of amounts we could realize or settle at the respective balance sheet date. We do not necessarily intend to dispose of or liquidate such instruments prior to maturity. Trading securities, which primarily consist of fixed-maturity securities, are carried at fair value. Equity securities, including common and non-redeemable preferred stocks, are carried at fair value. The carrying value of policy loans and other invested assets approximates fair value. The fair value of our note payable is based on prevailing interest rates and an estimated spread based on notes of comparable issuers and maturity. Currency swaps are stated at fair value. Segregated funds in separate accounts are carried at the underlying value of the variable insurance contracts, which is fair value.

The carrying amounts for cash and cash equivalents, receivables, accrued investment income, accounts payable, cash collateral and payables for security transactions approximate their fair values due to the short-term nature of these instruments. Consequently, such instruments are not included in the above table.

Fair Value Option. In connection with our corporate reorganization, in the first quarter of 2010 we transferred to Citi or sold to third parties all of the securities that had previously been accounted for using the fair value option. On January 1, 2010, these securities had a fair value of approximately $7.7 million. Fair value gains included in net investment income were approximately $667,000 in 2010 and approximately $3.1 million in 2009.

(5) Reinsurance

Reinsurance arrangements do not relieve us of our primary obligation to the policyholder. Our reinsurance contracts typically do not have a fixed term. In general, the reinsurers' ability to terminate coverage for existing cessions is limited to such circumstances as material breach of contract or nonpayment of premiums by the ceding company. Our reinsurance contracts generally contain provisions intended to provide the ceding company with the ability to cede future business on a basis consistent with historical terms. However, either party may terminate any of the contracts with respect to the future business upon appropriate notice to the other party. Generally, the reinsurance contracts do not limit the overall amount of the loss that can be incurred by the reinsurer.

Our policy is to limit the amount of life insurance retained on the life of any one person to $1 million. To limit our exposure with any one reinsurer, we monitor the concentration of credit risk we have with our reinsurance counterparties, as well as their financial condition. We have not experienced any credit losses related to our reinsurance counterparties during the three-year period ended December 31, 2010.

Due from reinsurers represents ceded policy reserve balances and ceded claim liabilities. The amounts of ceded claim liabilities included in due from reinsurers that we paid and which are recoverable from those reinsurers were as follows:

	December 31,	
	2011	2010
	(In thousands)	
Ceded claim liabilities recoverable from reinsurers	$37,756	$30,981

As part of our corporate reorganization and prior to completion of the IPO, we formed a new subsidiary, Prime Re, to which we made an initial capital contribution. On March 31, 2010, we entered into a series of coinsurance agreements with the Citi reinsurers. Under these agreements, we ceded between 80% and 90% of the risks and rewards of our term life insurance policies in force at year-end 2009. Because these agreements were part of a business reorganization among entities under common control, they did not generate any deferred gain or loss upon their execution. Concurrent with signing these agreements, we transferred the corresponding account balances in respect of the coinsured policies along with the assets to support the statutory liabilities assumed by the Citi reinsurers. On April 1, 2010, as part of our corporate reorganization, we transferred all of the issued and outstanding capital stock of Prime Re to Citi. Each of the transferred account balances, including the invested assets and the distribution of Prime Re, were transferred at book value with no gain or loss recorded in net income.

Three of the Citi coinsurance agreements satisfy GAAP risk transfer rules. Under these agreements, we ceded between 80% and 90% of our term life future policy benefit reserves, and we transferred a corresponding amount of assets to the Citi reinsurers. These transactions did not impact our future policy benefit

reserves. As such, we have recorded an asset for the same amount of risk transferred in due from reinsurers. We also reduced DAC by a corresponding amount, which reduces future amortization expenses. In addition, we are transferring between 80% and 90% of all future premiums and benefits and claims associated with these policies to the corresponding reinsurance entities. We receive ongoing ceding allowances, which are reflected as a reduction to insurance expenses, to cover policy and claims administration expenses as well as certain corporate overhead charges under each of these reinsurance contracts.

A fourth coinsurance agreement relates to a 10% reinsurance transaction that includes an experience refund provision. This agreement does not satisfy GAAP risk transfer rules. As a result, we have accounted for this contract using deposit method accounting and have recognized a deposit asset in other assets on our balance sheet for assets backing the economic reserves. The deposit assets held in support of this agreement were $60.0 million at December 31, 2011, with no associated liability. We make contributions to the deposit asset during the life of the agreement to fulfill our responsibility of funding the economic reserve. The market return on these deposit assets is reflected in net investment income during the life of the agreement. Prime Re is responsible for ensuring that there are sufficient assets to meet all statutory requirements. We pay Prime Re a 3% finance charge for any statutory reserves required above the economic reserves. This finance charge is reflected in interest expense in our statements of income.

The net impact of these transactions was reflected as an increase in paid-in capital. Because the agreements were executed on March 31, 2010, but transferred the economic impact of the agreements retroactive to January 1, 2010, we recognized the earnings attributable to the underlying policies through March 31, 2010 in our statement of income. The corresponding impact on retained earnings was equally offset by a return of capital to Citi.

Due from reinsurers represents ceded policy reserve balances and ceded claim liabilities. The amounts of ceded claim liabilities included in due from reinsurers that we paid and which are recoverable those reinsurers were as follows:

	December 31,	
	2011	2010
	(Dollars in millions)	
Direct life insurance in force	$ 669,939	$ 662,135
Amounts ceded to other companies	(596,975)	(600,807)
Net life insurance in force	$ 72,964	$ 61,328
Percentage of reinsured life insurance in force	89%	91%

Due from reinsurers includes ceded reserve balances and ceded claim liabilities. Reinsurance receivable and financial strength ratings by reinsurer were as follows:

	December 31, 2011		December 31, 2010	
	Reinsurance receivable	A.M. Best rating	Reinsurance receivable	A.M. Best rating
	(In millions)			
Prime Reinsurance Company (1)	$2,439	NR	$2,353	NR
Financial Reassurance Company 2010, Ltd. (1)	335	NR	333	NR
American Health and Life Insurance Company (1)	164	A–	156	A
Due from related party reinsurers	2,938		2,842	
Swiss Re Life & Health America Inc. (3)	253	A+	242	A
SCOR Global Life Reinsurance Companies	143	A	139	A
Generali USA Life Reassurance Company	115	A–	112	A
Transamerica Reinsurance Companies	104	A+	103	A+
Munich American Reassurance Company	99	A+	97	A+
Korean Reinsurance Company	83	A	83	A–
RGA Reinsurance Company	68	A+	64	A+
All other reinsurers	53	–	50	–
Due from reinsurers (2)	$3,856		$3,732	

NR - not rated

(1) Amounts shown are net of their share of the reinsurance recoverable from other reinsurers. As of December 31, 2011, the reinsurer was no longer a related party.

(2) Totals may not add due to rounding.

(3) Includes amounts ceded to Lincoln National Life Insurance and 100% retroceded to Swiss Re Life & Health America Inc.

Certain reinsurers with which we do business receive group ratings. Individually, those reinsurers are Scor Global Life Re Insurance Company of Texas, Scor Global Life U.S. Re Insurance Company, Transamerica Financial Life Insurance Company, and Transamerica Life Insurance Company.

As Prime Re and Financial Reassurance Company 2010, Ltd. (FRAC) do not have financial strength ratings, we required various safeguards prior to executing the coinsurance agreements with these entities. Both coinsurance agreements include provisions to ensure that Primerica Life and Primerica Life Canada receive full regulatory credit for the reinsurance treaties. Under these agreements, Primerica Life and Primerica Life Canada will be able to recapture the ceded business with no fee in the event Prime Re or FRAC do not comply with the various safeguard provisions in their respective coinsurance agreements. Prime Re also has entered into a capital maintenance agreement requiring Citi to provide additional funding, if needed, at any point during the term of the agreement up to the maximum as described in the capital maintenance agreement.

In October 2010, a routine reinsurance audit identified payments to reinsurers that may have exceeded our obligations under our reinsurance agreements. We were uncertain of our ability to recover past ceded premiums, but in the fourth quarter of 2010, we approached our reinsurers and reached agreements to recover certain of these past ceded premiums for post-issue underwriting class upgrades. The most common reason for such an upgrade occurs when a policyholder who was originally issued a term life policy as a tobacco user subsequently quits using tobacco. Historically,

we have reduced policyholder premiums for such upgrades, but have not reduced ceded premiums to reflect the new underwriting class. As a result, we reduced ceded premiums in 2010 by approximately $13.1 million related to the agreements obtained with certain reinsurers to recover these ceded premiums. The recoveries recognized in 2010 reflect the agreements signed in the fourth quarter of 2010. Additionally, in the first quarter of 2011 we reduced ceded premiums by approximately $8.7 million related to agreements obtained with certain reinsurers to recover ceded premiums. The recoveries recognized in 2011 reflect the agreements signed in 2011. Further recoveries, if any, are not expected to be significant.

(6) Deferred Policy Acquisition Costs

The balances of and changes in DAC were as follows:

	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
DAC balance, beginning of period	$ 853,211	$2,789,905	$ 2,727,422
Capitalization	317,910	317,069	391,079
Amortization	(119,348)	(168,635)	(381,291)
Transferred to Citi reinsurers	–	(2,099,941)	–
Foreign exchange and other	(1,136)	14,213	52,695
DAC balance, end of period	$1,050,637	$ 853,211	$2,789,905

Investment yield reserve assumptions at December 31, 2011 ranged from 3.5% to 7.0% while investment yield assumptions ranged from 4.0% to 7.0% at December 31, 2010. We lowered the interest rate assumption in 2011 to reflect rates available in the current interest rate environment.

(7) Intangible Assets

The components of intangible assets were as follows:

	December 31, 2011		
	Gross carrying amount	Accumulated amortization	Net carrying amount
		(In thousands)	
Amortizing intangible asset	$ 84,871	$(58,218)	$26,653
Indefinite-lived intangible asset	45,275	–	45,275
Total intangible assets	$130,146	$(58,218)	$ 71,928

	December 31, 2010		
	Gross carrying amount	Accumulated amortization	Net carrying amount
		(In thousands)	
Amortizing intangible asset	$ 84,871	$(54,789)	$30,082
Indefinite-lived intangible asset	45,275	–	45,275
Total intangible assets	$130,146	$(54,789)	$75,357

We have an amortizing intangible asset related to a 1995 sales agreement termination payment to Management Financial Services, Inc. This asset is supported by a non-compete agreement with the founder of our business model. We calculate the amortization of this contract buyout on a straight-line basis over 24 years, which represents the life of the non-compete agreement. Intangible asset amortization expense was approximately $3.4 million in 2011 and approximately $3.5 million in each of 2010 and 2009. Amortization expense is expected to be approximately $3.4 million annually during the remainder of the amortization period. We assessed this asset for impairment as of October 1, 2011 and determined that no impairment had occurred. There have been no subsequent events requiring further analysis.

We also have an indefinite-lived intangible asset related to the 1989 purchase of the right to contract with our sales force. This asset represents the core distribution model of our business, which is our primary competitive advantage to profitably distribute term life insurance products on a significant scale, and as such, is considered to have an indefinite life. No amortization was recognized on this asset during the three-year period ended December 31, 2011. This intangible asset is supported by a significant portion of the discounted cash flows of our future business. We assessed this asset for impairment as of October 1, 2011 and determined that no impairment had occurred. There have been no subsequent events requiring further analysis.

(8) Separate Accounts

The Funds consist of a series of five banded investment funds known as the Asset Builder Funds and a money market fund known as the Cash Management Fund. The principal investment objective of each of the Asset Builder Funds is to achieve long-term growth while preserving capital through a diversified portfolio of publicly traded Canadian stocks, investment-grade corporate bonds, Government of Canada bonds, and foreign equity investments. The Cash Management Fund invests in government guaranteed short-term bonds and short-term commercial and bank papers, with the principal investment objective being the provision of interest income while maintaining liquidity and preserving capital.

Payments to policyholders under these contract offerings are only due upon death or upon a specific maturity date. Payments are based on the value of the policyholder's units in the portfolio at the payment date, but are guaranteed to be no less than 75% of the policyholder's contribution. Account values are not guaranteed for withdrawn units if policyholders make withdrawals prior to the maturity dates. Maturity dates vary policy-by-policy and range from 10 to 50 years from the policy issuance date.

Both the asset and the liability for the separate accounts reflect the value of the underlying assets in the portfolio as of the reporting date. Primerica Life Canada's exposure to losses under the guarantee at the time of account maturity is limited to policyholder accounts that have declined in value more than 25% since the original funding date. Because maturity dates range from 10 to 50 years, the likelihood of accounts meeting both of these criteria at any given point is very small. Additionally, the

portfolio consists of a very large number of individual contracts, further spreading the risk related to the guarantee being exercised upon death. The length of the contract terms provides significant opportunity for the underlying portfolios to recover any short-term losses prior to maturities or deaths of the policyholders.

We periodically assess the exposure related to these contracts to determine whether any additional liability should be recorded. As of December 31, 2011 and 2010, an additional liability for these contracts was deemed to be unnecessary.

(9) Insurance Reserves

Changes in policy claims and other benefits payable were as follows:

	December 31,		
	2011	2010	2009
	(In thousands)		
Policy claims and other benefits payable, beginning of period	$229,895	$ 218,390	$225,641
Less reinsured policy claims and other benefits payable	233,346	184,381	174,221
Net balance, beginning of period	(3,451)	34,009	51,420
Incurred related to current year	142,685	221,601	485,629
Incurred related to prior year	391	177	(1,852)
Total incurred	143,076	221,778	483,777
Paid related to current year	(153,540)	(193,320)	(455,377)
Paid related to prior year	18,945	(35,313)	(47,741)
Total paid	(134,595)	(228,633)	(503,118)
Transferred to Citi reinsurers	–	(31,125)	–
Foreign currency	(206)	520	1,930
Net balance, end of period	4,824	(3,451)	34,009
Add reinsured policy claims and other benefits payable	236,930	233,346	184,381
Balance, end of period	$ 241,754	$ 229,895	$218,390

The decrease in incurred and paid balances since 2009 reflects the effect of the Citi reinsurance transactions executed in connection with our corporate reorganization. Because the Citi reinsurance transactions were executed on March 31, 2010 but transferred the economic impact of the agreements retroactive to January 1, 2010, we have reflected reinsured claims activity attributable to the underlying policies as a reduction to policy claims and other benefits payable in 2010 in the amount of $31.1 million.

Investment yield reserve assumptions at December 31, 2011 from 3.5% to 7.0% while investment yield assumptions ranged from 4.0% to 7.0% in 2010. During 2010, we lowered the interest rate assumption to reflect rates available in the current interest rate environment.

(10) Note Payable

In April 2010, we issued to Citi a $300.0 million note as part of our corporate reorganization in which Citi transferred to us the businesses that comprise our operations. Prior to the issuance of the Citi note, we had no outstanding debt. The Citi note bears interest at an annual rate of 5.5%, payable semi-annually in arrears on January 15 and July 15, and matures March 31, 2015. We have the option to redeem the Citi note in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest to the date of redemption. In the event of a change in control, the holder of the Citi note has the right to require us to repurchase it at a price equal to 101% of the outstanding principal amount plus accrued and unpaid interest.

The Citi note also requires us to use our commercially reasonable efforts to arrange and consummate an offering of investment-grade debt securities, trust preferred securities, surplus notes, hybrid securities or convertible debt that generates sufficient net cash proceeds to repay the note in full at certain mutually agreeable dates, based on certain conditions.

We were in compliance with all of the covenants of the Citi note at December 31, 2011. No events of default or defaults occurred during the year ended December 31, 2011.

(11) Income Taxes

Income tax expense (benefit) attributable to income from continuing operations consists of the following:

	Current	Deferred	Total
		(In thousands)	
Year ended December 31, 2011:			
Federal	$ 58,542	$ 19,007	$ 77,549
Foreign	30,807	(11,417)	19,390
State and local	793	(164)	629
Total tax expense	$ 90,142	$ 7,426	$ 97,568
Year ended December 31, 2010:			
Federal	$ 71,533	$ 43,007	$ 114,540
Foreign	37,795	(10,660)	27,135
State and local	7	(317)	(310)
Total tax expense	$109,385	$ 32,030	$ 141,365
Year ended December 31, 2009:			
Federal	$217,339	$ 6,623	$223,962
Foreign	68,732	(25,949)	42,783
State and local	(890)	(489)	(1,379)
Total tax expense	$ 285,181	$ (19,815)	$265,366

Total income tax expense is different from the amount determined by multiplying earnings before income taxes by the statutory federal tax rate of 35%. The reason for such difference follows:

	Year ended December 31,					
	2011		2010		2009	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
			(Dollars in thousands)			
Computed tax expense	$96,545	35.0%	$139,699	35.0%	$265,984	35.0%
Other	1,023	0.4%	1,666	0.4%	(618)	(0.1)%
Total tax expense/effective rate	$97,568	35.4%	$ 141,365	35.4%	$265,366	34.9%

In conjunction with the IPO and the private sale, we made elections under Section 338(h)(10) of the Internal Revenue Code, which resulted in changes to our deferred tax balances and reduced stockholders' equity by $174.7 million.

Deferred income taxes are recognized for the future tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. The main components of deferred income tax assets and liabilities were as follows:

	December 31,	
	2011	2010
	(In thousands)	
Deferred tax assets:		
Policy benefit reserves and unpaid policy claims	$ 163,451	$132,006
Intangibles and tax goodwill	47,686	37,719
Other	12,919	9,542
Total deferred tax assets	224,056	179,267
Deferred tax liabilities:		
Deferred policy acquisition costs	(279,712)	(247,344)
Investments	(24,891)	(17,469)
Unremitted earnings on foreign subsidiaries	(2,593)	–
Other	(15,160)	(7,456)
Total deferred tax liabilities	(322,356)	(272,269)
Net deferred tax liabilities	$ (98,300)	$(93,002)

The majority of the deferred tax asset is attributable to policy benefit reserves and unpaid policy claims, which represents the difference between the financial statement carrying value and tax basis for liabilities for future policy benefits. The tax basis for policy benefit reserves and unpaid policy claims are actuarially determined in accordance with guidelines set forth in the Internal Revenue Code. The deferred tax liabilities for DAC represent the difference between the policy acquisition costs capitalized for GAAP purposes and those capitalized for tax purposes, as well as the difference in the resulting amortization methods.

The Company has state net operating losses resulting in a deferred tax asset of approximately $1.0 million, which are available for use through 2030. The Company has no other material net operating loss or credit carryforwards.

There was no deferred tax asset valuation allowance at December 31, 2011. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, carryback and carryforward periods, and tax planning strategies in making this assessment. Management believes that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets.

The Company has direct ownership of a group of controlled foreign corporations in Canada. We have asserted a position of permanent reinvestment for the difference in share basis and certain operational earnings. It is not practicable to estimate the amount of deferred taxes associated with this difference at this time. For those operational earnings for which we have not made a permanent reinvestment assertion, we have established a deferred tax liability to account for the U.S. tax liability that will occur upon repatriation of such earnings.

	December 31,	
	2011	2010
	(In thousands)	
Unrecognized tax benefits, beginning of period	$ 25,191	$26,608
Change in prior period unrecognized tax benefits	920	(300)
Change in current period unrecognized tax benefits	2,171	2,112
Reductions as a result of a lapse in statute of limitations	(6,926)	(3,229)
Unrecognized tax benefits, end of period	$21,356	$ 25,191

The total amount of unrecognized tax benefits that, if recognized, would affect our effective tax rate was as follows:

	December 31,	
	2011	2010
	(In thousands)	
Unrecognized tax benefits yet to impact the effective tax rate	$6,666	$4,859

We recognize interest expense related to unrecognized tax benefits in tax expense net of federal income tax. The total amount of accrued interest and penalties in the consolidated and combined balance sheet follows.

	December 31,	
	2011	2010
	(In thousands)	
Total amount of accrued interest and penalties	$4,054	$3,932

We recognized an interest benefit related to unrecognized tax benefits in the consolidated and combined statements of income as follows:

	Year ended December 31,		
	2011	2010	2009
	(In thousands)		
Interest benefit related to unrecognized tax benefits	$191	$2,576	$3,062

During the first quarter of 2010, our federal income tax return was included as part of Citi's consolidated federal income tax return. In March 2010, in anticipation of our corporate reorganization, we entered into a tax separation agreement with Citi. In accordance with the tax separation agreement, Citi is responsible for and shall indemnify and hold the Company harmless from and against any consolidated, combined, affiliated, unitary or similar federal, state or local income tax liability with respect to the Company for any taxable period ending on or before April 2010. After the closing date of the IPO, the Company was no longer part of Citi's consolidated federal income tax return.

We have no penalties included in calculating our provision for income taxes. As mentioned above, the Company is a party to a tax separation agreement that includes a tax indemnification agreement, which was negotiated and executed as part of the separation from Citi. The indemnification requires Citi to cover income tax liabilities incurred by the Company for any consolidated, combined, or unitary returns that end on or prior to the separation. As of December 31, 2011, the Company had a Citi tax indemnification asset of $15.2 million. All consolidated, combined or unitary tax liabilities are payable to either the Parent Company or Primerica Life, while tax liabilities related to separate return filings are payable to the appropriate taxing authority.

There is no significant change that is reasonably possible to occur within twelve months of the reporting date.

The major tax jurisdictions in which we operate are the United States and Canada. We are currently open to tax audit by the Internal Revenue Service for the years ended December 31, 2006 and thereafter for federal tax purposes. We are currently open to audit in Canada for tax years ended December 31, 2005 and thereafter for federal and provincial tax purposes.

(12) Stockholders' Equity

Prior to April 1, 2010, we had 100 shares of outstanding common stock. In the second quarter of 2010, we issued common stock as part of our corporate reorganization. A reconciliation of the number of shares of our common stock follows.

	Year ended December 31,	
	2011	2010 (1)
	(In thousands)	
Common stock - issued:		
Balance, beginning of period	72,843	–
Shares issued to Citi in connection with the IPO	–	75,000
New shares of common stock issued, net	348	11
Shares of common stock issued upon lapse of restricted stock units (RSUs)	784	122
Common stock retired	(9,092)	–
Treasury stock retired	–	(2,290)
Balance, end of period	64,883	72,843
Treasury stock:		
Balance, beginning of period	–	–
Treasury stock contributed from Citi	–	(5,021)
Treasury stock acquired	–	(6)
Treasury stock reissued as restricted common stock	–	2,737
Treasury stock retired	–	2,290
Balance, end of period	–	–
Common shares outstanding, end of period	64,883	72,843

(1) Period following our corporate reorganization and IPO on April 1, 2010

In November 2011, we repurchased approximately 8.9 million shares from Citi at a price of $22.42 per share, for a total purchase price of approximately $200.0 million. The per-share purchase price was determined based on the volume-weighted average price per share of Primerica common stock during the seven-day period prior to execution of the repurchase agreement. We funded this repurchase with funds made available by a dividend from Primerica Life to the Parent Company.

The above reconciliation excludes RSUs which do not have voting rights and are subject to sale restrictions. As the restrictions lapse during the three years following the issuance of the RSUs, we will issue common shares with voting rights. As of December 31, 2011, we had a total of approximately 3.2 million RSUs outstanding, including approximately 535,200 RSUs granted in 2011.

The following 2010 transactions took place in 2010 on or after April 1, 2010:

- we issued 74,999,900 shares of common stock to Citi;
- we issued warrants to Citi, exercisable for 4,103,110 additional shares of our common stock;
- our common stock began trading under the ticker symbol PRI on the New York Stock Exchange;

- Citi sold 24,564,000 shares of our common stock to the public in the IPO;
- Citi contributed 3,021,412 shares of common stock back to us;
- we granted equity awards consisting of 2,615,000 RSUs to certain sales force leaders;
- we granted 2,560,000 equity awards to management in the form of restricted common stock and RSUs;
- we issued 210,166 shares of restricted common stock upon the conversion of fully vested restricted stock awards previously granted by Citi and held by certain of our sales force leaders;
- we issued 11,246 shares of restricted common stock upon the conversion of restricted stock awards previously granted by Citi and held by management;
- we retired 2,284,375 common shares underlying the RSU awards described above, plus an additional 7,098 common shares to cover withholding taxes and employee forfeitures; and
- we granted 11,858 shares of restricted common stock to our independent directors.

As a result of the issuance of the 2010 equity awards, we recorded non-cash compensation charges based on the fair value of awards vested during the reporting period. Employee awards representing 2,571,246 shares were measured at their April 1, 2010 grant date fair values of $15.00 per share and vest over three years. We believe compensation expense related to these awards will be approximately $3.1 million per quarter, subject to change based on deviations from our forecasted forfeiture rates.

We granted 1,865,000 RSUs to certain sales force leaders on April 1, 2010. These RSUs were fully vested on April 1, 2010 with deferred delivery occurring over three years. We recorded the related compensation expense for the IPO grants, which excluded the converted awards, upon vesting. Because the awards were subject to deferred delivery and/or sale restrictions following their vesting, their fair value was discounted to reflect a corresponding illiquidity discount.

An additional 750,000 RSUs were granted to sales force leaders between April 1, 2010 and October 1, 2010, which vested between July 1, 2010 and January 1, 2011, with deferred delivery occurring over three years. These additional awards varied with and primarily related to life insurance policy acquisitions. As such, we deferred $12.3 million and recognized a corresponding increase in DAC which will be amortized over the life of the underlying policies. The fair value of these awards also has been discounted to properly reflect the illiquidity discount due to sales restrictions existing after the awards have vested.

In connection with the conversion of Citi stock awards to Primerica stock awards and concurrent with the signing of the reinsurance agreements on March 31, 2010, we recorded a reclass of approximately $23.5 million from due to affiliates and other liabilities to paid-in capital and Citi converted the underlying payable to a capital contribution.

In April 2010, Citi sold approximately 16.4 million shares of our common stock to Warburg Pincus for an aggregate purchase price of $230.0 million. The sale also included warrants held by Citi that will allow the Warburg Pincus funds to acquire from us an aggregate of approximately 4.1 million additional shares of our common stock, for up to seven years, at an exercise price of $18.00 per share. The warrants may be physically settled or net share settled at the option of the warrant holder. The warrant holder does not have the option to cash settle any portion of the warrants. The warrants are classified as permanent equity based on the fair value at the original April 1, 2010 issuance date. Subsequent changes in fair value will not be recognized as long as the warrants continue to be classified as equity. Because the warrants were issued as

a return of capital to Citi, there was no net impact on stockholders' equity related to the warrants. The warrant holder is not entitled to receipt of dividends declared on the underlying common stock or non-voting common stock (but will be entitled to adjustments for extraordinary dividends), or to any voting or other rights that might accrue to holders of common stock or non-voting common stock. As of December 31, 2011, Warburg Pincus owned approximately 16.4 million shares of our outstanding common stock.

(13) Earnings Per Share

The calculation of basic and diluted EPS follows.

	Year ended December 31,	
	2011	2010 (1)
	(In thousands, except per-share amounts)	
Basic EPS:		
Numerator:		
Net income	$178,276	$257,778
Income attributable to unvested participating securities	(5,565)	(10,433)
Net income used in calculating basic EPS	$ 172,711	$247,345
Denominator:		
Weighted-average vested shares	72,283	72,099
Basic EPS	$ 2.39	$ 3.43
Diluted EPS:		
Numerator:		
Net income	$178,276	$257,778
Income attributable to unvested participating securities	(5,507)	(10,326)
Net income used in calculating diluted EPS	$172,769	$247,452
Denominator:		
Weighted-average vested shares	73,107	72,882
Diluted EPS	$ 2.36	$ 3.40

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

(14) Share-Based Transactions

As of December 31, 2011, the Company had outstanding equity awards under its Omnibus Incentive Plan (OIP). The OIP provides for the issuance of equity awards, including stock options, stock appreciation rights, restricted stock, deferred stock, RSUs, unrestricted stock as well as cash-based awards. In addition to time-based vesting requirements, awards granted under the OIP also may be subject to specified performance criteria. As of December 31, 2011, we had 4.5 million shares available for future grants under this plan.

requirements. These awards vest over three years and are not subject to any sales restrictions or deferred delivery following vesting.

In connection with our granting of management equity awards, we recognized expense and tax benefit offsets as follows:

	Year ended December 31,	
	2011	2010
	(In thousands)	
Management equity award expense	$16,139	$11,894
Tax benefit associated with management equity awards	5,530	3,971

Employee Share-Based Transactions

The following table summarizes employee and director restricted stock activity during 2011 and 2010.

	Shares	Weighted-average measurement-date fair value per share
	(Shares in thousands)	
Unvested employee restricted stock and RSUs, December 31, 2009	–	$ –
Granted in 2010	2,569	15.02
Forfeited in 2010	(3)	15.00
Conversions from awards in Citi shares	11	15.00
Vested in 2010	(11)	15.00
Unvested employee restricted stock and RSUs, December 31, 2010	2,566	15.02
Granted in 2011	368	25.65
Forfeited in 2011	(12)	18.25
Vested in 2011	(858)	15.04
Unvested employee restricted stock and RSUs, December 31, 2011	2,064	16.88

The value of restricted stock and RSUs granted to employees was based on the fair market value of our common stock at the date of grant. We granted shares of restricted stock to U.S. employees and non-employee directors and RSUs to Canadian employees. All outstanding management awards have time-based vesting

Management equity award expense reflects vesting activity related to management IPO shares granted on April 1, 2010 as well as vesting activity for approximately 354,500 shares granted on February 22, 2011 at $25.80, less a nominal forfeiture adjustment. As of December 31, 2011, total compensation cost not yet recognized in our financial statements related to equity awards with time-based vesting conditions yet to be reached was as follows:

	December 31, 2011 (Dollars in thousands)
Total management equity award compensation cost not yet recognized	$ 22,318
Weighted-average period over which cost will be recognized	1.5 years

Non-Employee Share-Based Transactions

The following table summarizes non-employee restricted stock unit activity during 2011 and 2010.

	Shares	Weighted-average measurement-date fair value per share
	(Shares in thousands)	
Unvested non-employee RSUs, December 31, 2009	–	–
Granted in 2010	2,615	$13.27
Vested in 2010	(2,427)	12.80
Unvested non-employee RSUs, December 31, 2010	188	19.37
Granted in 2011	517	17.17
Vested in 2011	(588)	17.70
Unvested non-employee RSUs, December 31, 2011	117	17.55

All of our 2011 non-employee share-based transactions relate to the granting of RSUs to members of our sales force. These awards are earned over a three month service period and vest at the conclusion of the service period. However, they are subject to long-term sales restrictions expiring over three years. Because the sale restrictions extend up to three years beyond the vesting period, the awards are subject to an illiquidity discount reflecting the risk associated with the post-vesting restrictions. To quantify this discount for each award, we used a series of Black-Scholes models with one-, two- and three-year tenors to estimate put option costs less a nominal transaction cost as a methodology for quantifying the cost of eliminating the downside risk associated with the sale restrictions.

The most significant assumptions in the Black-Scholes models were the volatility assumptions. Because our stock and the options on our stock have had a very limited active trading history, we derived volatility assumptions by analyzing other public insurance companies' historical and implied volatilities over terms comparable to the sale restriction terms.

The following table presents the assumptions used in valuing quarterly RSU grants:

	Year ended December 31,	
	2011	2010
Expected volatility	29 to 67	36 to 52
Quarterly dividends expected	$0.01 to $0.03	$0.00 to $0.01
Risk-free interest rates	Less than 1%	Less than 2%

Our quarterly incentive awards to our sales force leaders have performance-based vesting requirements for which the granting and the service period occur within the same calendar quarter. These awards are granted in the form of RSUs which vest upon the conclusion of the quarterly contest and are subject to sale restrictions expiring over the three years subsequent to vesting. Because the awards are subject to sale restrictions following their vesting, their fair value is discounted to reflect a corresponding illiquidity discount. These awards vary with and primarily relate to acquiring life insurance policies and therefore are deferred and amortized in the same manner as other deferred policy acquisition costs.

Details on the granting and valuation of these awards follows:

	Year ended December 31,	
	2011	2010
	(Dollars in thousands, except per-share amounts)	
Total quarterly RSUs granted	517,374	750,000
Measurement date per-share fair value of awards	$14.08 to $21.06	$15.44 to $19.37
Illiquidity discounts	17% to 32%	20% to 28%
Quarterly incentive awards expense deferred	$8,805	$12,318
Concurrent tax benefit of deferred expense	$2,836	$4,031

As of December 31, 2011, all non-employee equity awards were fully vested with the exception of approximately 116,600 shares that vested on January 1, 2012. As such, any related compensation cost not recognized in our financial statements through December 31, 2011 is immaterial. Shares awarded under performance-based, non-employee grants were earned by certain of our sales force leaders based on performance criteria varying with and primarily relating to acquiring life insurance policies, and therefore increased our DAC. These amounts are then amortized over the terms of the underlying policies acquired.

For the year ended December 31, 2010, we also recognized approximately $22.4 million of expense in connection with the IPO shares granted to certain of our sales force leaders in April 2010. This IPO-related grant expense was partially offset by a tax benefit of approximately $7.1 million. The IPO price per share was $15.00. We recognized a discounted fair value of these awards of $12.00 per RSU, reflecting the illiquidity discount described above.

All of our outstanding equity awards are eligible for dividends or dividend equivalents regardless of vesting status.

(15) Statutory Accounting and Dividend Restrictions

U.S. Insurance Subsidiaries

Our U.S. insurance subsidiaries are required to report their results of operations and financial position to state authorities on the basis of statutory accounting practices prescribed or permitted by such authorities and the National Association of Insurance Commissioners (NAIC), which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Prescribed statutory accounting practices include a variety of publications of the NAIC, as well as state laws, regulations and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. Primerica Life's statutory financial statements are prepared on the basis of accounting practices prescribed or permitted by the NAIC and the Massachusetts Division of Insurance (Massachusetts DOI), while NBLIC's statutory financial statements are prepared on the basis of accounting practices prescribed or permitted by the NAIC and the New York State Department of Financial Services (NYSDFS). Our U.S. insurance subsidiaries' ability to pay dividends is subject to and limited by the various laws and regulations of their respective states.

For Primerica Life, statutory dividend capacity is based on the greater of (1) the previous year's statutory net gain from operations (not including pro rata distributions of any class of the insurer's own securities) or (2) 10% of the previous year-end statutory surplus (net of capital stock), subject to a maximum limit equal to statutory unassigned surplus. Dividends that, together with the amount of other distributions or dividends made within the preceding 12 months, exceed this statutory limitation are referred to as extraordinary dividends. Extraordinary dividends require advance notice to the Massachusetts DOI, Primerica Life's primary state insurance regulator, and are subject to potential disapproval. For dividends exceeding these thresholds, Primerica Life must provide notice to the Massachusetts DOI and receive notice that the Massachusetts DOI does not object to the payment of such dividends. Primerica Life's statutory surplus was $440.6 million at December 31, 2011. Its statutory net gain from operations was $182.0 million in 2011. However, as a result of our corporate reorganization, we had negative unassigned surplus as of December 31, 2011. Therefore, any dividend payments in 2012 will require regulatory approval.

For NBLIC, statutory dividend capacity is based on the lesser of (1) 10% of the previous year-end statutory earned surplus or (2) the previous year's statutory net gain from operations, not including realized capital gains. Dividends that, together with the amount of other distributions or dividends in any calendar year, exceed this statutory limitation are considered to be extraordinary dividends. Extraordinary dividends require advance notice to the NYSDFS, NBLIC's primary state insurance regulator, and are subject to potential disapproval. For dividends exceeding these thresholds, NBLIC must provide notice to the NYSDFS and receive notice that the NYSDFS does not object to the payment of such dividends.

NBLIC's earned surplus was $171.2 million as of December 31, 2011. Its statutory net gain from operations, not including realized capital gains, was $16.1 million in 2011.

The amount of dividends that our U.S. insurance subsidiaries may pay in 2012 without regulatory consent follows:

	2012 Statutory Dividend Capacity
	(In thousands)
Primerica Life	$181,995
NBLIC	16,075

The statutory capital and surplus of our U.S insurance subsidiaries was es follows:

	December 31,	
	2011	2010
	(In thousands)	
Primerica Life capital and surplus	$443,141	$629,842
NBLIC capital and surplus	173,679	163,249

Primerica Life and NBLIC both exceed the minimum risk-based capital requirements for insurance companies operating in the United States.

Canadian Insurance Subsidiary

Primerica Life Canada is incorporated under the provisions of the Canada Business Corporations Act and is a domiciled Canadian Company subject to regulation under the Insurance Companies Act (Canada) by the Office of the Superintendent of Financial Institutions Canada (OSFI) and by Provincial Superintendents of Financial Institutions/ Insurance in those provinces in which Primerica Life Canada is licensed. The financial statements of Primerica Life Canada are prepared in accordance with International Financial Reporting Standards, or IFRS.

In Canada, dividends can be paid subject to the paying insurance company continuing to meet the regulatory requirements for capital adequacy and liquidity and upon 15 days' minimum notice to OSFI. The amount of dividends that may be paid in 2012 without regulatory consent for Primerica Life Canada is CAD53.3 million, or $52.3 million using the December 31, 2011 period-end exchange rate.

Primerica Life Canada exceeds the minimum capital requirements for insurance companies regulated by the Office of Supervision of Financial Institutions in Canada.

(16) Commitments and Contingent Liabilities

Commitments

We lease office equipment and office and warehouse space under various noncancelable operating lease agreements that expire through June 2023. Rent expense was as follows:

	Year ended December 31,		
	2011	2010	2009
	(In thousands)		
Minimum rent expense	$6,726	$6,490	$6,483
Total rent expense	$6,726	$6,490	$6,483

We had no contingent rent expense during 2011, 2010, and 2009. In September 2011, we signed an agreement to lease a new build-to-suit facility which will replace and consolidate substantially all of our existing Duluth, Georgia-based executive and home office operations. We expect the building to be complete and ready for occupancy in the second quarter of 2013. The initial lease term will be 15 years with estimated minimum annual rental payments ranging from approximately $4.5 million at inception to approximately $5.6 million in year 15. The leases covering our existing Duluth, Georgia-based executive and home office operations will terminate in the second quarter of 2013. As such, we do not expect a material increase in our annual operating lease expenditures.

At January 1, 2012, the minimum aggregate rental commitments for operating leases were as follows:

	Year ending December 31, (In thousands)
2012	$ 6,803
2013	6,559
2014	6,356
2015	5,863
2016	5,916
Thereafter	61,064
Total minimum rental commitments for operating leases	$92,561

Contingent Liabilities

In late 2011 and early 2012, several arbitration claims were filed with the Financial Industry Regulatory Association (FINRA) against our subsidiary, PFS Investments, Inc. and certain of its registered representatives seeking unspecified damages arising from the allegation that the representatives improperly recommended that the claimants transfer their retirement benefits from the Florida Retirement System's defined benefit plan to its defined contribution plan. In addition, a case alleging the same claims has been filed against us, PFS Investments, Inc. and a registered representative in Miami-Dade County Circuit Court. We believe we have meritorious defenses to the claims, and we intend to vigorously defend against them. We could incur significant costs and liabilities defending and/or resolving these claims, and we are unable at this early stage to assess with confidence what effect, if any, the ultimate resolution of these claims will have on our business, financial position or results of operations.

The lawyer representing the claimants in this matter has informed us that he intends to pursue similar claims on behalf of other potential claimants. We could incur significant costs and liabilities defending and/or settling these claims, and we are unable at this early stage to assess with confidence what effect, if any, the ultimate resolution of these claims will have on our business, financial condition or results of operations.

The Company is involved from time to time in legal disputes, regulatory inquiries and arbitration proceedings in the normal course of business. These disputes are subject to uncertainties, including the large and/or indeterminate amounts sought in certain of these matters and the inherent unpredictability of litigation. As such, the Company is unable to estimate the possible loss or range of loss that may result from these matters. While it is possible that an adverse outcome in certain cases could have a material adverse effect upon the Company's financial position, based on information currently known by the Company's management, in management's opinion, the outcomes of such pending investigations and legal proceedings are not likely to have such an effect.

(17) Benefit Plans

We participated in various benefit plans, including a pension plan and a 401(k) plan, sponsored by Citi during the period prior to our corporate reorganization in 2010. These plans are now either closed or no longer effective for our employees. The expense, if any, associated with the benefits earned under such plans was immaterial during 2011, 2010, and 2009.

In connection with our corporate reorganization, we established a 401(k) plan for the benefit of our employees in 2010. The expense associated with this plan was approximately $6.1 million in 2011 and approximately $3.1 million in 2010.

(18) Related Party Transactions

The net distributions we declared and paid to Citi, as a then-wholly owned subsidiary, were as follows:

	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
Distributions declared	$–	$3,491,556	$ 193,927
Distributions paid	–	3,491,556	44,927
Distributions payable	–	–	149,000

The increase in net distributions in 2010 was a direct result of the transactions executed in connection with our corporate reorganization.

The revenues we earned or expenses we incurred in connection with other material related party transactions were as follows:

	Year ended December 31,		
	2011	2010	2009
		(In thousands)	
Loan origination service revenues from Citi affiliates	$ 4,990	$ 10,327	$29,519
Payroll, employee benefits and shared services expenses	–	(13,463)	(34,142)
Customer service telephone support expense	(4,286)	(5,921)	(6,406)
Citi stock award expense	–	(3,244)	(5,660)

We had various agreements with various wholly owned subsidiaries of Citi, whereby we provided these affiliates with certain services related to their origination of unsecured personal, consumer and student loans. The receivables related to these loan origination services were immaterial as of December 31, 2011 and 2010.

We had arrangements with various Citigroup affiliates whereby they provided payroll processing services and paid for employee benefits and various shared services on behalf of the Company. These arrangements terminated in July 2010. Amounts due to or from affiliates under these arrangements at December 31, 2010 were immaterial.

We had an arrangement with Citicorp Data Systems, Inc. (CDS), a wholly owned subsidiary of Citi, whereby CDS provided customer service telephone support for the Company. This arrangement terminated in October 2011.

We had arrangements in relation to unvested stock awards and other payables related to stock awards for various share-based compensation plans sponsored by Citi during the period prior to our corporate reorganization. These plans are closed or no longer effective for our employees except for exercise or delivery associated with awards granted prior to our corporate reorganization. The payables to Citi related to these agreements were as follows:

	December 31,	
	2011	2010
	(In thousands)	
Payables related to vested Citi stock awards	$2,249	$7,501

Remaining arrangements to provide services to or receive services from Citi affiliates were immaterial during 2011, 2010, and 2009.

In November 2011, we repurchased from Citi approximately 8.9 million shares of our common stock at a price of $22.42 per share, for a total purchase price of approximately $200.0 million. The per-share purchase price was determined based on the volume-weighted average price per share of Primerica, Inc. common stock during the seven-day period prior to execution of the repurchase agreement. We funded this repurchase with funds made available by a dividend from Primerica Life to the Parent Company.

In April 2011, Citi sold 12.0 million shares of our common stock in an underwritten public offering at a price of $22.75 per share. In December 2011, Citi sold approximately 8.1 million shares of our common stock,

representing all of its remaining shares of our common stock, in an underwritten public offering at a price of $22.29 per share. We did not receive any proceeds from the sale of these shares. As required by the registration rights agreement, we incurred expenses of approximately $1 million on behalf of Citi in connection with these offerings.

In 2010, the Company forgave and wrote off an expense reimbursement receivable of approximately $0.7 million due from Warburg Pincus, a significant stockholder with two representatives on our Board of Directors at the time of the forgiveness. The receivable arose out of an agreement between Citi and Warburg Pincus pursuant to which Warburg Pincus agreed to reimburse the Company for a specified portion of certain costs expected to be incurred by the Company for a business event to be held in connection with the closing of the IPO. The agreement was signed prior to our corporate reorganization. Warburg Pincus requested a waiver of the obligation in 2010, which the Audit Committee approved.

Unaudited Quarterly Financial Data

In management's opinion, the following quarterly consolidated and combined financial information fairly presents the results of operations for such periods and is prepared on a basis consistent with our annual audited consolidated and combined financial statements. Financial information for the quarter ended March 31, 2010 was prepared on a combined basis, while financial information for quarters ending after March 31, 2010 was prepared on a consolidated basis.

We completed our IPO on April 1, 2010. Prior to April 2010, outstanding stock consisted of 100 shares of stock issued to Citi in October 2009. As such, pro forma per-share earnings for the quarter ended March 31, 2010 are not presented as they would not be comparable to per-share earnings in periods after the Transactions due to the substantial increase in shares used in the computation of earnings per share.

	Quarter ended March 31, 2011	Quarter ended June 30, 2011	Quarter ended September 30, 2011	Quarter ended December 31, 2011
	(In thousands, except per-share amounts)			
Direct premiums	$ 552,069	$ 560,881	$ 560,739	$ 555,778
Ceded premiums	(422,238)	(435,564)	(425,643)	(419,630)
Net premiums	129,831	125,317	135,096	136,148
Commissions and fees	106,116	108,698	100,883	97,282
Net investment income	28,626	27,229	27,103	25,643
Realized investment gains (losses), including OTTI	327	2,035	(178)	4,256
Other, net	11,452	11,816	12,887	12,526
Total revenues	276,352	275,095	275,791	275,855
Total benefits and expenses	195,207	206,934	211,940	213,168
Income before income taxes	81,145	68,161	63,851	62,687
Income taxes	28,678	24,138	23,250	21,502
Net income	$ 52,467	$ 44,023	$ 40,601	$ 41,185
Earnings per share – basic	$ 0.69	$ 0.58	$ 0.54	$ 0.58
Earnings per share – diluted	$ 0.68	$ 0.58	$ 0.53	$ 0.57

	Quarter ended March 31, 2010	Quarter ended June 30, 2010	Quarter ended September 30, 2010	Quarter ended December 31, 2010
	(In thousands, except per-share amounts)			
Direct premiums	$537,845	$547,455	$ 547,444	$548,330
Ceded premiums	(148,119)	(447,213)	(437,054)	(417,981)
Net premiums	389,726	100,242	110,390	130,349
Commissions and fees	91,690	93,226	89,737	108,288
Net investment income	82,576	27,991	27,855	26,688
Realized investment gains, including OTTI	31,057	374	1,015	1,700
Other, net	11,893	12,466	12,239	12,362
Total revenues	606,942	234,299	241,236	279,387
Total benefits and expenses	386,540	197,961	179,357	198,864
Income before income taxes	220,402	36,338	61,879	80,523
Income taxes	77,116	14,330	22,284	27,634
Net income	$ 143,286	$ 22,008	$ 39,595	$ 52,889
Earnings per share – basic	n/a	$ 0.29	$ 0.53	$ 0.70
Earnings per share – diluted	n/a	$ 0.29	$ 0.52	$ 0.69

Quarterly amounts may not agree in total to the corresponding annual amounts due to rounding.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING MATTERS.

There have been no changes in, or disagreements with, accountants on accounting and financial disclosure matters during the years ended December 31, 2011 and 2010.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Co-Chief Executive Officers and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based on such evaluation, the Company's Co-Chief Executive Officers and Chief Financial Officer have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth fiscal quarter of 2011 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Annual Report On Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company. With the participation of the Co-Chief Executive Officers and the Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework and criteria established in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2011.

Our independent auditor, KPMG LLP, an independent registered public accounting firm, has issued an attestation report on the effectiveness of our internal control over financial reporting. This attestation report appears below.

Item 9A. Controls And Procedures

Report of Independent Registered Public Accounting Firm

The stockholders and board of directors of Primerica, Inc.:

We have audited Primerica, Inc.'s (the Company) internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Primerica, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control – Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Primerica, Inc. as of December 31, 2011 and 2010, and the related consolidated and combined statements of income, changes in stockholders' equity, comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2011, and our report dated February 28, 2012 expressed an unqualified opinion on those consolidated and combined financial statements.

/s/ KPMG LLP

Atlanta, Georgia
February 28, 2012

ITEM 9B. OTHER INFORMATION.

Not applicable.

PART III

Pursuant to General Instruction G to Form 10-K, and as described below portions of Items 10 through 14 of this report are incorporated by reference from the Company's definitive Proxy Statement relating to the Company's 2012 Annual Meeting of Stockholders (the "Proxy Statement"), which will be filed with the SEC within 120 days of December 31, 2011, pursuant to Regulation 14A under the Exchange Act. The Report of the Audit Committee and the Report of the Compensation Committee to be included in the Proxy Statement shall be deemed to be furnished in this report and shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, as a result of such furnishing.

Our website address is *www.primerica.com*. You may obtain free electronic copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports from the investors section of our website. These reports are available on our website as soon as reasonably practicable after we electronically file them with the SEC. These reports should also be available through the SEC's website at *www.sec.gov*.

We have adopted corporate governance guidelines. The guidelines and the charters of our board committees are available in the corporate governance subsection of the investor relations section of our website, *www.primerica.com*, and are also available in print upon written request to the Corporate Secretary, Primerica, Inc., 3120 Breckinridge Boulevard, Duluth, GA 30099.

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

For a list of executive officers, see Part I Item X. Executive Officers of the Registrant.

We have adopted a written code of conduct that applies to all directors, officers and employees, including a separate code that applies to only our principal executive officers and senior financial officers in accordance with Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC promulgated thereunder. Our Code of Conduct is available in the corporate governance subsection of the investor relations section of our website, *www.primerica.com*, and is available in print upon written request to the Corporate Secretary, Primerica, Inc., 3120 Breckinridge Blvd., Duluth, GA 30099. In the event that we make changes in, or provide waivers from, the provisions of the Code of Conduct that the SEC requires us to disclose, we will disclose these events in the corporate governance section of our website.

Except for the information above and the information set forth in Part I, Item X. Executive Officers of the Registrant, the information required by this Item will be contained under the following headings in the Proxy Statement and is incorporated herein by reference:

- Corporate Governance - Independence of Committee Members;
- Corporate Governance - Code of Conduct;
- Corporate Governance - Section 16(a) Beneficial Ownership Reporting Compliance;
- Board of Directors - Members of Our Board;
- Board of Directors - Committees of the Board;
- Executive Compensation - Employment Agreements with Named Executive Officers;
- Audit Committee Matters - Report of the Audit Committee;
- Related Party Transactions - Transactions with Citigroup; and
- Related Party Transactions - Transactions with Warburg Pincus.

Item 11. EXECUTIVE COMPENSATION.

The information required by this item will be contained under the following headings in the Proxy Statement and is incorporated herein by reference:

- Board of Directors - Committees of the Board - Compensation Committee;
- Board of Directors - Director Compensation; and
- Executive Compensation.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Except for the information set forth in Part II, Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities, the information required by this item will be contained under the following headings in the Proxy Statement and is incorporated herein by reference:

- Corporate Governance - Beneficial Ownership of Common Stock.

Item 13. CERTAIN RELATIONSHIPS AND RELATIONSHIPS, AND DIRECTOR INDEPENDENCE.

The information required by this item will be contained under the following headings in the Proxy Statement and is incorporated herein by reference:

- Introductory paragraph to Corporate Governance;
- Corporate Governance - Independence of Directors;
- Corporate Governance - Categorical Standards of Independence;
- Corporate Governance - Independence of Committee Members;
- Board of Directors - Committees of the Board; and
- Related Party Transactions.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The information required by this item will be contained under the following headings in the Proxy Statement and is incorporated herein by reference:

- Matters to be Voted on - Proposal 2: Ratification of the Appointment of the Independent Registered Public Accounting Firm;
- Board of Directors - Committees of the Board - Audit Committee; and
- Audit Committee Matters - Fees and Services of the Independent Registered Public Accounting Firm.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) 1. FINANCIAL STATEMENTS

Included in Part II, Item 8, of this report:

Primerica, Inc.:

2. FINANCIAL STATEMENT SCHEDULES

Included in Part IV of this report:

3. EXHIBIT INDEX

An "Exhibit Index" has been filed as part of this Report beginning on the following page and is incorporated herein by reference.

Schedules other than those listed above are omitted because they are not required, are not material, are not applicable, or the required information is shown in the financial statements or notes thereto.

(b) Exhibit Index.

The agreements included as exhibits to this report are included to provide information regarding the terms of these agreements and are not intended to provide any other factual or disclosure information about the Company or its subsidiaries, our business or the other parties to these

agreements. These agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the application agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to our investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time, and should not be relied upon by investors.

Exhibit Number	Description
2.1	Securities Purchase Agreement dated February 8, 2010, by and among Citigroup Insurance Holding Corporation, Primerica, Inc., Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. (Incorporated by reference to Exhibit 2.1 to Primerica's Registration Statement on Form S-1 (File No. 333-162918))
3.1	Restated Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
3.2	Amended and Restated Bylaws of the Registrant (Incorporated by reference to Exhibit 3.2 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
4.1	Warrant to purchase 3,975,914 shares of common stock dated as of April 15, 2010 (Incorporated by reference to Exhibit 4.1 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
4.2	Warrant to purchase 127,196 shares of common stock dated as of April 15, 2010 (Incorporated by reference to Exhibit 4.2 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
4.3	Note Agreement dated April 1, 2010 between the Registrant, the Guarantors named therein and Citigroup Insurance Holding Corporation (Incorporated by reference to Exhibit 4.3 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
4.4	Note of the Registrant in favor of Citigroup Insurance Holding Company dated as of April 1, 2010 (Incorporated by reference to Exhibit 4.4 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
10.1	Intercompany Agreement dated as of April 7, 2010 by and between the Registrant and Citigroup Inc. (Incorporated by reference to Exhibit 10.1 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

Item 15. Exhibits, Financial Statement Schedules

10.2 Transition Services Agreement dated as of April 7, 2010 by and between the Registrant and Citigroup Inc. (Incorporated by reference to Exhibit 10.2 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.3 Tax Separation Agreement dated as of March 30, 2010 by and between the Registrant and Citigroup Inc. (Incorporated by reference to Exhibit 10.3 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.4 Long-Term Services Agreement dated as of April 7, 2010 by and between CitiLife Financial Limited and Primerica Life Insurance Company (Incorporated by reference to Exhibit 10.4 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.5 80% Coinsurance Agreement dated March 31, 2010 by and between Primerica Life Insurance Company and Prime Reinsurance Company, Inc. (Incorporated by reference to Exhibit 10.5 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.6 10% Coinsurance Agreement dated March 31, 2010 by and between Primerica Life Insurance Company and Prime Reinsurance Company, Inc. (Incorporated by reference to Exhibit 10.6 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.7 80% Coinsurance Trust Agreement dated March 29, 2010 among Primerica Life Insurance Company, Prime Reinsurance Company, Inc. and The Bank of New York Mellon (Incorporated by reference to Exhibit 10.7 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.8 10% Coinsurance Economic Trust Agreement dated March 29, 2010 among Primerica Life Insurance Company, Prime Reinsurance Company, Inc. and The Bank of New York Mellon (Incorporated by reference to Exhibit 10.8 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.9 10% Coinsurance Excess Trust Agreement dated March 29, 2010 among Primerica Life Insurance Company, Prime Reinsurance Company, Inc. and The Bank of New York Mellon (Incorporated by reference to Exhibit 10.9 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.10 Capital Maintenance Agreement dated March 30, 2010 by and between Citigroup Inc. and Prime Reinsurance Company, Inc. (Incorporated by reference to Exhibit 10.10 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.11 90% Coinsurance Agreement dated March 31, 2010 by and between National Benefit Life Insurance Company and American Health and Life Insurance Company (Incorporated by reference to Exhibit 10.11 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.12 Trust Agreement dated March 29, 2010 among National Benefit Life Insurance Company, American Health and Life Insurance Company and The Bank of New York Mellon (Incorporated by reference to Exhibit 10.12 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))

10.13	Coinsurance Agreement dated March 31, 2010 by and between Primerica Life Insurance Company of Canada and Financial Reassurance Company 2010, Ltd. (Incorporated by reference to Exhibit 10.13 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
10.14	Common Stock Exchange Agreement dated as of April 15, 2010 among the Registrant, Warburg Pincus LLC and Warburg Pincus & Co. (Incorporated by reference to Exhibit 10.39 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
10.15	Registration Rights Agreement dated as of April 7, 2010 by and among Citigroup Insurance Holding Corporation, Warburg Pincus Private Equity X, L.P., Warburg Pincus X Partners, L.P. and the Registrant (Incorporated by reference to Exhibit 10.40 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
10.16	Monitoring and Reporting Agreement dated as of March 31, 2010 by and among Primerica Life Insurance Company and Prime Reinsurance Company, Inc. (Incorporated by reference to Exhibit 10.41 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
10.17	Monitoring and Reporting Agreement dated as of March 31, 2010 by and among National Benefit Life Insurance Company and American Health and Life Insurance Company (Incorporated by reference to Exhibit 10.42 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
10.18	Monitoring and Reporting Agreement dated as of March 31, 2010 by and among Primerica Life Insurance Company of Canada and Financial Reassurance Company 2010 Ltd. (Incorporated by reference to Exhibit 10.43 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
10.19†	Occupancy Services Agreement dated as of April 7, 2010, between National Benefit Life Insurance Company and Citibank, N.A.
10.20†	Amendment No. 1 dated as of October 7, 2011 to Occupancy Services Agreement dated as of April 7, 2010, between National Benefit Life Insurance Company and Citibank, N.A.
10.21	Primerica, Inc. Stock Purchase Plan for Agents and Employees (Incorporated by reference to Exhibit 10.45 to Primerica's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (Commission File No. 001-34680))
10.22*†	Primerica, Inc. Amended and Restated 2010 Omnibus Incentive Plan
10.23*†	Form of Restricted Stock Award Agreement under the Primerica, Inc. 2010 Omnibus Incentive Plan
10.24†	Form of Director Restricted Stock Award Agreement
10.25*	Form of Restricted Stock Award Agreement for Messrs. Addison and R. Williams (Incorporated by reference to Exhibit 10.47 to Primerica's Registration Statement on Form S-1 (File No. 333-162918))
10.26*	Form of Indemnification Agreement for Directors and Officers. (Incorporated by reference to Exhibit 10.48 to Primerica's Registration Statement on Form S-1 (File No. 333-162918))

Item 15. Exhibits, Financial Statement Schedules

10.27*	Employment Agreement, dated as of August 19, 2010, between the Registrant and Mr. D. Richard Williams. (Incorporated by reference to Exhibit 99.1 to Primerica's Current Report on Form 8-K dated August 19, 2010 (Commission File No. 001-34680)
10.28*	Employment Agreement, dated as of August 19, 2010, between the Registrant and Mr. John A. Addison, Jr. (Incorporated by reference to Exhibit 99.2 to Primerica's Current Report on Form 8-K dated August 19, 2010 (Commission File No. 001-34680)
10.29*	Employment Agreement, dated as of August 19, 2010, between the Registrant and Mr. Peter W. Schneider (Incorporated by reference to Exhibit 99.3 to Primerica's Current Report on Form 8-K dated August 19, 2010 (Commission File No. 001-34680)
10.30*	Employment Agreement, dated as of August 19, 2010, between the Registrant and Mr. Glenn J. Williams (Incorporated by reference to Exhibit 99.4 to Primerica's Current Report on Form 8-K dated August 19, 2010 (Commission File No. 001-34680)
10.31*	Employment Agreement, dated as of August 19, 2010, between the Registrant and Ms. Alison S. Rand (Incorporated by reference to Exhibit 99.5 to Primerica's Current Report on Form 8-K dated August 19, 2010 (Commission File No. 001-34680)
10.32*	Employment Agreement, dated as of August 19, 2010, between the Registrant and Mr. Gregory C. Pitts (Incorporated by reference to Exhibit 99.6 to Primerica's Current Report on Form 8-K dated August 19, 2010 (Commission File No. 001-34680)
10.33	Nonemployee Directors' Deferred Compensation Plan, effective as of January 1, 2011, adopted on November 10, 2010 (Incorporated by reference to Exhibit 10.31 to Annual Report on Form 10-K for the year ended December 31, 2010 (Commission File No. 001-34680)
10.34†	Share Repurchase Agreement dated as of November 1, 2011, between the Registrant and Citigroup Insurance Holding Corporation
21.1†	Subsidiaries of the Registrant
23.1†	Consent of KPMG LLP
31.1†	Rule 13a-14(a)/15d-14(a) Certification, executed by D. Richard Williams, Chairman of the Board and Co-Chief Executive Officer
31.2†	Rule 13a-14(a)/15d-14(a) Certification, executed by John A. Addison, Jr., Chairman of Primerica Distribution and Co-Chief Executive Officer
31.3†	Rule 13a-14(a)/15d-14(a) Certification, executed by Alison S. Rand, Executive Vice President and Chief Financial Officer
32.1†	Certifications required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), executed by D. Richard Williams, Chairman of the Board and Co-Chief Executive Officer, John A. Addison, Jr., Chairman of Primerica Distribution and Co-Chief Executive Officer, and Alison S. Rand, Executive Vice President and Chief Financial Officer
101.INS**†	XBRL Instance Document (1)
101.SCH**†	XBRL Taxonomy Extension Schema
101.CAL**†	XBRL Taxonomy Extension Calculation Linkbase

101.DEF**† XBRL Taxonomy Extension Definition Linkbase

101.LAB**† XBRL Taxonomy Extension Label Linkbase

101.PRE**† XBRL Taxonomy Extension Presentation Linkbase

† Filed herewith.

* Identifies a management contract or compensatory plan or arrangement.

** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections. The financial information contained in the XBRL(eXtensible Business Reporting Language)-related documents is "unaudited" and "unreviewed".

(1) Includes the following materials contained in this Annual Report on Form 10-K for the year ended December 31, 2011, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated and Combined Statements of Income, (iii) Consolidated and Combined Statements of Stockholders' Equity, (iv) Consolidated and Combined Statements of Comprehensive Income, (v) Consolidated and Combined Statements of Cash Flows, (vi) Notes to Consolidated and Combined Financial Statements.

Item 15. Exhibits, Financial Statement Schedules

(c) Financial Statement Schedules.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON FINANCIAL STATEMENT SCHEDULES

The stockholders and board of directors of Primerica, Inc.:

Under date of February 28, 2012, we reported on the consolidated balance sheets of Primerica, Inc. and subsidiaries (the Company) as of December 31, 2011 and 2010, and the related consolidated and combined statements of income, stockholders' equity, comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2011. In connection with our audits of the aforementioned consolidated and combined financial statements, we also audited the related financial statement schedules. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic consolidated and combined financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in note 1 to the consolidated and combined financial statements, in April 2010 the Company completed its initial public offering and a series of related transactions. Also as discussed in note 1 to the consolidated and combined financial statements, the Company adopted the provisions of FASB Staff Position Financial Accounting Standard No. 115-2 and Financial Accounting Standard No. 124-2, Recognition and Presentation of Other-Than-Temporary Impairments (included in FASB ASC Topic 320, Investments – Debt and Equity Securities) as of January 1, 2009.

/s/ KPMG LLP

Atlanta, Georgia
February 28, 2012

Schedule I
Summary of Investments – Other Than Investments in Related Parties
PRIMERICA, INC.

Type of Investment	As of December 31, 2011		
	Cost	Value	Amount at which shown in the balance sheet
		(in thousands)	
Fixed maturities:			
Bonds:			
United States Government and government agencies and authorities	$ 10,050	$ 10,986	$ 10,986
States, municipalities and political subdivisions	28,264	30,935	30,935
Foreign governments	97,206	111,845	111,845
Public utilities	–	–	–
Convertibles and bonds with warrants attached	11,850	12,099	12,099
All other corporate bonds	1,672,318	1,801,846	1,801,846
Certificates of deposit	75	75	75
Redeemable preferred stocks	1,389	1,010	1,010
Total fixed maturities	1,821,152	1,968,796	1,968,796
Equity securities:			
Common stocks:			
Public utilities	2,462	3,618	3,618
Banks, trusts and insurance companies	5,492	7,698	7,698
Industrial, miscellaneous and all other	13,290	15,199	15,199
Nonredeemable preferred stocks	85	197	197
Total equity securities	21,329	26,712	26,712
Mortgage loans on real estate	–	–	–
Real estate	–	–	–
Policy loans	25,982	25,982	25,982
Other long-term investments	–	–	–
Short-term investments	14	14	14
Total investments	$1,868,477	$2,021,504	$2,021,504

See the accompanying report of independent registered public accounting firm.

Schedule II
Condensed Financial Information of Registrant

PRIMERICA, INC. (Parent Only)
Condensed Balance Sheets

	December 31,	
	2011	2010
	(In thousands)	
Assets		
Investments:		
Fixed-maturity securities available for sale, at fair value (amortized cost: $23,077 in 2011 and $0 in 2010)	$ 23,069	$ –
Total investments	23,069	–
Cash and cash equivalents	28,093	250
Due from affiliates*	257	–
Other receivables	112	–
Income taxes receivable from subsidiaries*	–	1,640
Investment in subsidiaries*	1,683,682	1,738,699
Other assets	28	–
Total assets	$ 1,735,241	$1,740,589
Liabilities and Stockholders' Equity		
Liabilities:		
Note payable	$ 300,000	$ 300,000
Current tax payable	2,696	–
Deferred tax payable	1,477	–
Due to affiliates*	247	897
Interest payable	7,608	7,608
Other liabilities	572	592
Commitments and contingent liabilities (see Note F)		
Total liabilities	312,600	309,097
Stockholders' equity:		
Common stock ($.01 par value, authorized 500,000 in 2011 and 2010 and issued 64,883 shares in 2011 and 72,843 shares in 2010)	649	728
Paid-in capital	707,912	883,168
Retained earnings	566,021	395,057
Accumulated other comprehensive income, net of income tax	148,059	152,539
Total stockholders' equity	1,422,641	1,431,492
Total liabilities and stockholders' equity	$ 1,735,241	$1,740,589

* Eliminated in consolidation.

See the accompanying notes to condensed financial statements.

See the accompanying report of independent registered public accounting firm.

Schedule II
Condensed Financial Information of Registrant

PRIMERICA, INC. (Parent Only)
Condensed Statements of Income

	Year ended December 31,		Period from October 29, 2009 to December 31, 2009
	2011	2010	
	(In thousands)		
Revenues:			
Dividends from subsidiaries*	$275,250	$ 7,313	$ –
Net investment income	61	–	–
Realized investment losses, including other-than-temporary impairment losses	(5)	–	–
Other, net	–	18	–
Total revenues	275,306	7,331	–
Expenses:			
Interest expense	16,500	12,375	–
Other operating expenses	8,554	8,936	–
Total expenses	25,054	21,311	–
Income (loss) before income taxes	250,252	(13,980)	–
Income tax benefit	(7,131)	(8,281)	–
Income (loss) before equity in undistributed earnings of subsidiaries	257,383	(5,699)	–
Equity in undistributed earnings of subsidiaries*	(79,107)	120,191	–
Net income	$ 178,276	$114,492	$ –

* Eliminated in consolidation.

See the accompanying notes to condensed financial statements.

See the accompanying report of independent registered public accounting firm.

Schedule II
Condensed Financial Information of Registrant

PRIMERICA, INC. (Parent Only)
Condensed Statements of Comprehensive Income

	Year ended December 31,		Period from October 29, 2009 to December 31, 2009
	2011	2010	
	(In thousands)		
Net income	$178,276	$114,492	$ –
Other comprehensive (loss) income before income taxes:			
Unrealized investment gains (losses):			
Equity in unrealized holding gains on investments securities held by subsidiaries	(625)	15,027	–
Change in unrealized losses on investment securities	(13)	–	–
Reclassification adjustment for realized investment losses included in net income	5	–	–
Foreign currency translation adjustments:			
Equity in unrealized foreign currency translation gains of subsidiaries	(3,850)	3,416	–
Total other comprehensive (loss) income before income taxes	(4,483)	18,443	–
Income tax benefit related to items of other comprehensive (loss) income	(3)	–	–
Other comprehensive (loss) income, net of income taxes	(4,480)	18,443	–
Total comprehensive income	$173,796	$132,935	$ –

See the accompanying notes to condensed financial statements.
See the accompanying report of independent registered public accounting firm.

Schedule II
Condensed Financial Information of Registrant

PRIMERICA, INC. (Parent Only)
Condensed Statements of Cash Flows

	Year ended December 31,		Period from October 29, 2009 to December 31,
	2011	2010	2009
		(in thousands)	
Cash flows from operating activities:			
Net income	$ 178,276	$ 114,492	$ –
Adjustments to reconcile net income to cash provided by operating activities:			
Equity in undistributed earnings of subsidiaries*	79,107	(120,191)	–
Non-cash securities dividends received from subsidiaries*	(21,742)	–	–
Realized investment losses, including other-than-temporary impairments	5	–	–
Accretion and amortization of investments	40	–	–
Share-based compensation	(3,913)	(6)	–
Deferred tax provision	2,533	–	–
Change in accrued and other income taxes	3,297	(1,640)	–
Change in due to/from affiliates*	(907)	897	–
Change in other receivables	(112)	–	–
Change in interest payable	–	7,608	–
Change in other liabilities	(21)	592	–
Change in other assets	(28)	–	–
Net cash provided by operating activities	236,535	1,752	–
Cash flows from investing activities:			
Available-for-sale investments sold, matured or called:			
Fixed-maturity securities–matured or called	5,210	–	–
Available-for-sale investments acquired:			
Fixed-maturity securities	(6,590)	–	–
Net cash used in investing activities	(1,380)	–	–
Cash flows from financing activities:			
Repurchase of shares held by Citi	(200,000)	–	–
Dividends	(7,312)	(1,502)	–
Net cash used in financing activities	(207,312)	(1,502)	–
Change in cash and cash equivalents	27,843	250	–
Cash and cash equivalents, beginning of period	250	–	–
Cash and cash equivalents, end of period	$ 28,093	$ 250	$ –
Supplemental disclosures of cash flow information:			
Interest paid	$ 16,500	$ 4,767	$ –
Non-cash activities:			
Share-based compensation	$ 29,443	$ 44,023	$ –
Net contributions from Citi	1,573	1,728,574	–

* Eliminated in consolidation.

See the accompanying notes to condensed financial statements.

See the accompanying report of independent registered public accounting firm.

Schedule II
Condensed Financial Information of Registrant

PRIMERICA, INC. (Parent Only)
Notes to Condensed Financial Statements

(A) Corporate Organization

Primerica, Inc. was incorporated in Delaware on October 29, 2009 by Citi to serve as a holding company for the life insurance and financial product distribution businesses that we have operated for more than 30 years. At such time, we issued 100 shares of common stock to Citi. These businesses, which prior to April 1, 2010 were wholly owned indirect subsidiaries of Citi, were transferred to us on April 1, 2010. In conjunction with our reorganization, we issued to a wholly owned subsidiary of Citi (i) 74,999,900 shares of our common stock (of which 24,564,000 shares of common stock were subsequently sold by Citi in the IPO completed in April 2010; 16,412,440 shares of common stock were subsequently sold by Citi in April 2010 to certain private equity funds managed by Warburg Pincus LLC (Warburg Pincus) (the private sale); and 5,021,412 shares of common stock were immediately contributed back to us for equity awards granted to our employees and sales force leaders in connection with the IPO), (ii) warrants to purchase from us an aggregate of 4,103,110 shares of our common stock (which were subsequently transferred by Citi to Warburg Pincus pursuant to the private sale), and (iii) a $300.0 million note payable due on March 31, 2015 bearing interest at an annual rate of 5.5% (the Citi note). Prior to our corporate reorganization, we had no material assets or liabilities. Upon completion of the corporate reorganization, we became a holding company with our primary asset being the capital stock of our operating subsidiaries and our primary liability being the Citi note.

(B) Basis of Presentation

These condensed financial statements reflect the results of operations, financial position and cash flows for the parent company. We prepare our financial statements in accordance with GAAP. These principles are established primarily by the FASB. The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect financial statement balances, revenues and expenses and cash flows as well as the disclosure of contingent assets and liabilities. Management considers available facts and knowledge of existing circumstances when establishing the estimates included in our financial statements.

The most significant item that involves a greater degree of accounting estimates subject to change in the future is determination of our investments in subsidiaries. Estimates for this and other items are subject to change and are reassessed by management in accordance with GAAP. Actual results could differ from those estimates.

The accompanying condensed financial statements should be read in conjunction with the consolidated and combined financial statements and notes thereto of Primerica, Inc. and Subsidiaries included in Part II, Item 8 of this report.

(C) Note Payable

In April 2010, we issued to Citi a $300.0 million note as part of our corporate reorganization in which Citi transferred to us the businesses that comprise our operations. Prior to the issuance of the Citi note, we had no outstanding debt. The Citi note bears interest at an annual rate of 5.5%, payable semi-annually in arrears on January 15 and July 15, and matures March 31, 2015. Citi may participate out, assign or sell all or any portion of the note at any time.

We have the option to redeem the Citi note in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest to the date of redemption. In the event of a change in control, the holder of the Citi note has the right to require us to repurchase it at a price equal to 101% of the outstanding principal amount plus accrued and unpaid interest.

The Citi note also requires us to use our commercially reasonable efforts to arrange and consummate an offering of investment-grade debt securities, trust preferred securities, surplus notes, hybrid securities or convertible debt that generates sufficient net cash proceeds (after deducting fees and expenses) to repay the note in full at certain mutually agreeable dates, based on certain conditions.

We were in compliance with all of the covenants of the Citi note at December 31, 2011. No events of default or defaults under the Citi note occurred during 2011.

(D) Income Taxes

In conjunction with the IPO and the private sale, we made elections under section 338(h)(10) of the Internal Revenue Code, which has resulted in changes to the deferred tax balances of our direct and indirect wholly owned subsidiaries and reduced our stockholders' equity by $174.7 million.

Prior to the IPO, our federal income tax return was included as part of Citi's consolidated federal income tax return. On March 30, 2010, in anticipation of our corporate reorganization, we entered into a tax separation agreement with Citi and prepaid our estimated tax liability to Citi. In accordance with the tax separation agreement, Citi will indemnify the Company and its subsidiaries against any consolidated, combined, affiliated, unitary or similar federal, state or local income tax liability for any taxable period ending on or before the closing date of the IPO. The advance tax payments paid to Citi exceeded our subsidiaries' actual tax liabilities. As a result, our subsidiaries reduced their tax assets and recorded the excess payments as a return of capital.

As a result of our corporate reorganization, we have direct ownership of a group of controlled foreign corporations in Canada. We have asserted a position of permanent reinvestment for the difference in share basis and certain operational earnings. It is not practicable to estimate the amount of deferred taxes associated with this difference at this time. For those operational earnings for which we have not made a permanent reinvestment assertion, we have established a deferred tax liability of approximately $2.6 million to account for the U.S. tax liability that will occur upon repatriation of such earnings. The Company has no other material deferred tax liabilities.

As of December 31, 2011, the Company has state net operating losses resulting in a deferred tax asset of approximately $1.0 million, which are available for use through 2030. The Company has no other material deferred tax assets.

There was no deferred tax asset valuation allowance at December 31, 2011. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, carryback and carryforward periods, and tax planning strategies in making this assessment. Management believes that it is more likely than not that the results of future

operations will generate sufficient taxable income to realize the deferred tax assets.

The earliest tax year for which the Company may be examined is 2010. However, the Company's subsidiaries are open to examination in the United States for the years 2006 and thereafter, and in Canada for the years 2005 and thereafter.

(E) Dividends

Primerica, Inc. received dividends from its non-life subsidiaries and life insurance subsidiaries of approximately $75.3 million and $200 million, respectively, in 2011. In 2010, the Company received dividends of approximately $7.3 million from its non-life subsidiaries. No dividends were received in 2010 from the life insurance subsidiaries. Primerica, Inc. had no subsidiaries until the corporate reorganization in April 2010.

(F) Commitments and Contingent Liabilities

The Company is involved from time to time in legal disputes, regulatory inquiries and arbitration proceedings in the normal course of business. These disputes are subject to uncertainties, including the large and/or indeterminate amounts sought in certain of these matters and the inherent unpredictability of litigation. As such, the Company is unable to estimate the possible loss or range of loss that may result from these matters. While it is possible that an adverse outcome in certain cases could have a material adverse effect upon the Company's financial position, based on information currently known by the Company's management, in its opinion, the outcomes of such pending investigations and legal proceedings are not likely to have such an effect.

Schedule III
Supplementary Insurance Information
PRIMERICA, INC.

	Deferred policy acquisition costs	Future policy benefits	Unearned premiums	Other policy benefits and claims payable	Separate account liabilities
			(In thousands)		
December 31, 2011:					
Term Life Insurance	$ 933,928	$4,445,472	$ –	$ 219,666	$ –
Investment and Savings Products	66,134	–	–	–	2,407,515
Corporate and Other Distributed Products	50,575	169,388	7,022	22,088	1,083
Total	$1,050,637	$4,614,860	$7,022	$ 241,754	$2,408,598
December 31, 2010:					
Term Life Insurance	$ 734,187	$4,237,487	$ –	$ 210,595	$ –
Investment and Savings Products	68,254	–	–	–	2,445,590
Corporate and Other Distributed Products	50,770	171,696	5,563	19,300	1,196
Total	$ 853,211	$4,409,183	$5,563	$229,895	$2,446,786

	Premium revenue	Net investment income	Benefits and claims	Amortization of deferred policy acquisition costs	Other operating expenses	Premiums written
			(In thousands)			
Year ended December 31, 2011:						
Term Life Insurance	$ 460,641	$62,688	$ 197,159	$103,553	$ 59,674	$ –
Investment and Savings Products	–	–	–	12,482	267,145	–
Corporate and Other Distributed Products	65,751	45,913	45,537	3,313	138,386	41,891
Total	$ 526,392	$108,601	$242,696	$ 119,348	$465,205	$ 41,891
Year ended December 31, 2010:						
Term Life Insurance	$ 664,668	$ 110,633	$ 277,653	$ 156,312	$ 75,559	$ –
Investment and Savings Products	–	–	–	9,330	238,947	–
Corporate and Other Distributed Products	66,039	54,478	40,050	2,393	162,476	40,429
Total	$ 730,707	$ 165,111	$ 317,703	$168,035	$476,982	$40,429
Year ended December 31, 2009:						
Term Life Insurance	$ 1,434,197	$274,212	$559,038	$ 371,663	$ 152,352	$ –
Investment and Savings Products	–	–	–	7,254	199,482	–
Corporate and Other Distributed Products	67,830	77,114	41,235	2,374	127,048	40,849
Total	$1,502,027	$351,326	$600,273	$ 381,291	$478,882	$40,849

See the accompanying report of independent registered public accounting firm.

Schedule IV
Reinsurance
PRIMERICA, INC.

	Gross amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
	Year ended December 31, 2011				
	(Dollars in thousands)				
Life insurance in force	$ 669,938,841	$ 596,975,143	$–	$ 72,963,698	– %
Premiums:					
Life insurance	$ 2,185,791	$ 1,701,269	$–	$ 484,522	– %
Accident and health insurance	43,676	1,806	–	41,870	– %
Total premiums	$ 2,229,467	$ 1,703,075	$–	$ 526,392	– %
	Year ended December 31, 2010				
	(Dollars in thousands)				
Life insurance in force	$ 662,135,294	$600,806,666	$–	$ 61,328,628	– %
Premiums:					
Life insurance	$ 2,138,912	$ 1,448,694	$–	$ 690,218	– %
Accident and health insurance	42,162	1,673	–	40,489	– %
Total premiums	$ 2,181,074	$ 1,450,367	$–	$ 730,707	– %
	Year ended December 31, 2009				
	(Dollars in thousands)				
Life insurance in force	$655,659,625	$ 421,621,165	$–	$234,038,460	– %
Premiums:					
Life insurance	$ 2,069,009	$ 610,020	$–	$ 1,458,989	– %
Accident and health insurance	43,772	734	–	43,038	– %
Total premiums	$ 2,112,781	$ 610,754	$–	$ 1,502,027	– %

See the accompanying report of independent registered public accounting firm.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Primerica, Inc.

By: /s/ **Alison S. Rand** February 28, 2012

Alison S. Rand
Executive Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ ***D. Richard Williams***	Chairman of the Board and Co-Chief Executive Officer (Principal Executive Officer)	February 27, 2012
D. Richard Williams		
/s/ ***John A. Addison, Jr.***	Chairman of Primerica Distribution and Co-Chief Executive Officer (Principal Executive Officer)	February 27, 2012
John A. Addison, Jr.		
/s/ ***Alison S. Rand***	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 28, 2012
Alison S. Rand		
/s/ ***Joel M. Babbit***	Director	February 27, 2012
Joel M. Babbit		
/s/ ***P. George Benson***	Director	February 27, 2012
P. George Benson		
/s/ ***Michael E. Martin***	Director	February 27, 2012
Michael E. Martin		
/s/ ***Mark Mason***	Director	February 27, 2012
Mark Mason		
/s/ ***Robert F. McCullough***	Director	February 27, 2012
Robert F. McCullough		
/s/ ***Barbara A. Yastine***	Director	February 27, 2012
Barbara A. Yastine		
/s/ ***Daniel Zilberman***	Director	February 27, 2012
Daniel Zilberman		

Stockholder Information

Annual Meeting
The annual meeting of stockholders of Primerica, Inc. will be held on May 16, 2012, at 10:00 a.m.

Primerica TV Studio
Building 4
3100 Breckinridge Blvd.
Duluth, GA 30099

Corporate Office
Primerica, Inc.
3120 Breckinridge Blvd.
Duluth, GA 30099
(770) 381-1000
www.primerica.com

Investor Contact
Investor Relations
Primerica, Inc.
3120 Breckinridge Blvd.
Duluth, GA 30099
(866) 694-0420
investorrelations@primerica.com

Media Contact
Corporate Communications
Primerica, Inc.
3120 Breckinridge Blvd.
Duluth, GA 30099
(770) 564-6329

Form 10-K
Copies of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, including financial statements, are available on the Company's Investor Relations website at *www.investors.primerica.com* or by written request to:

Investor Relations
Primerica, Inc.
3120 Breckinridge Blvd.
Duluth, GA 30099

Common Stock
Trading Symbol: PRI
New York Stock Exchange

Transfers Agent and Registrar
American Stock Transfer
Operations Center
6201 15th Avenue
Brooklyn, NY 11219
Toll Free Number: (800) 937-5449
http://www.amstock.com/shareholder/shareholder_services.asp

TTY for Hearing Impaired:
(866) 703-9077
Foreign Stockholders:
(718) 921-8124
TTY Foreign Stockholders:
(718) 921-8386

PRIMERICA

ATTACHMENT 27

PRIMERICA

Freedom Lives Here

March 30, 2012

To our fellow stockholders:

It is our pleasure to invite you to attend the 2012 Annual Meeting of Stockholders of Primerica, Inc. to be held on Wednesday, May 16, 2012 at 10:00 a.m., local time, at the Primerica TV Studio located on the campus of Primerica's home office, 3100 Breckinridge Boulevard, Suite 300 in Duluth, Georgia. The Annual Meeting will begin with a discussion of, and voting on, the matters described in the attached Proxy Statement and Notice of Annual Meeting of Stockholders, and will be followed by our report on Primerica's financial performance and operations.

The Proxy Statement is critical to our corporate governance process. We use this document to discuss the proposals being submitted to a vote of stockholders at the Annual Meeting, solicit your vote on such proposals, provide you with information about our Board of Directors and certain executive officers, and inform you of the steps we are taking to fulfill our responsibilities to you as stockholders.

Your vote is important to us. Your broker cannot vote on certain of the proposals without your instruction. Please inform us, or your broker, as to how you would like us to vote your shares on the proposals set forth in the Proxy Statement if you do not plan to attend the Annual Meeting in person.

We look forward to seeing you at the Annual Meeting. For your convenience, directions to the Annual Meeting are provided on the back of this document.

If you cannot attend in person, you may listen to a live webcast of the Annual Meeting at our investor relations website, *www.investors.primerica.com*. On behalf of our management and directors, we want to thank you for your continued support of, and confidence in, our company.

Sincerely,

D. RICHARD WILLIAMS
Chairman of the Board and
Co-Chief Executive Officer

JOHN A. ADDISON, JR.
Chairman of Primerica Distribution and
Co-Chief Executive Officer

PROXY SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider, and you should read the entire Proxy Statement carefully before voting.

Annual Meeting of Stockholders

• Date and Time	May 16, 2012 at 10:00 am local time
• Place	The Primerica TV Studio on the campus of Primerica's home office, 3100 Breckinridge Boulevard, Suite 300, Duluth, Georgia 30099
• Record Date	March 19, 2012
• Voting	Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.
• Admission	Attendance at the Annual Meeting will be limited to stockholders of Primerica or their authorized representatives as of the record date.

Voting Matters and Voting Recommendations

See "Matters To Be Voted On" on page 6 for more information.

Matter	Board Vote Recommendation
Election of Directors	"FOR" each director nominee
Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for fiscal 2012	"FOR"

Election of Directors (Proposal 1)

See "Board of Directors" beginning on page 16 for more information.

The following table provides summary information about each director nominee. Each director is elected by a plurality of votes cast.

Name	Age	Occupation	Independent	Committees
D. Richard Williams	55	Co-Chief Executive Officer, Primerica	No	None
Barbara A. Yastine	52	Chief Administrative Officer, Ally Financial, Inc.	Yes	Audit, Compensation
Daniel A. Zilberman	38	Partner, Warburg Pincus & Co.; Managing Director, Warburg Pincus LLC	Yes	Nominating and Corporate Governance

Each director nominee is a current director and attended at least 75% of the aggregate of all meetings of the Board of Directors and each committee on which he or she was a member during fiscal 2011.

Ratification of KPMG (Proposal 2)

See "Audit Committee Matters" beginning on page 53 for more information.

We ask that our stockholders ratify the selection of KPMG LLP as our independent auditor for fiscal 2012. KPMG's aggregate fees were $3.6 million for services provided in fiscal 2011 and $2.7 million for services provided in fiscal 2010. The increase in aggregate fees was primarily due to Primerica's compliance with Section 404 of the Sarbanes-Oxley Act of 2002 regarding internal control over financial reporting, additional statutory audit requirements, fees associated with Primerica's secondary offerings, as well as the timing of actual billings.

Executive Compensation Matters

See "Executive Compensation" beginning on page 24 for more information.

The Compensation Committee of the Board of Directors structured our executive compensation program to pay for performance and, over the long term, to provide compensation to our executive officers that is market competitive. Executive compensation for fiscal 2011 followed the arrangements established by the Compensation Committee during the year ended December 31, 2010.

The Compensation Committee structured our 2011 executive compensation program so that a meaningful percentage of compensation is tied to the achievement of challenging levels of Company performance and individual objectives. In addition to cash incentives being determined based on Company and individual performance objectives, the size of annual equity grants is also determined based on these performance results. Accordingly, we view both cash and equity awards as performance-based elements of our compensation program, even though the equity awards that are granted have time-based vesting. Each named executive officer has a maximum permissible payout that is equal to a designated percentage of operating income before income taxes. The Compensation Committee then exercises negative discretion to determine the actual award based on certain performance objectives established at the beginning of the year.

Incentive compensation for fiscal 2011 performance reflects Primerica's financial and distribution results. Fiscal 2011 was Primerica's first complete year as an independent public company following our April 2010 initial public offering. Operating results were strong. Sales force numbers were mixed, with licensing down but recruiting up compared to fiscal 2010. Our fiscal 2011 performance was highlighted by the following achievements:

- Operating revenues were $1,087.9 million in fiscal 2011, up 12.9% compared with $963.5 million in fiscal 2010. Net operating income was $177.1 million in fiscal 2011, up 9.7% compared with $161.5 million in fiscal 2010.
- The size of our life-licensed sales force decreased 3.9% to 91,176 at December 31, 2011 compared with 94,850 at December 31, 2010. Recruiting was up 5.8% in fiscal 2011 compared with fiscal 2010.

- Approximately 40,000 people joined us in June 2011 at the Georgia Dome for our first convention since 2007, where we introduced new products as well as technological advances to our sales tools.

Based on the Company's fiscal 2011 results described above, the Compensation Committee approved a corporate performance payout equal to 99.5% of the target bonus amount. The Compensation Committee balanced strong performance against individual objectives with weaker performance against the corporate sales force growth objective and determined to pay each named executive officer 100% of the individual portion of his or her target bonus amount.

2013 Annual Meeting

See "Stockholder Information" beginning on page 69 for more information.

- Stockholder proposals submitted for inclusion in our 2013 proxy statement pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 must be received by us by November 30, 2012.
- Notice of stockholder proposals that are not intended to be included in our 2013 proxy statement under Rule 14a-8 must be delivered to us no earlier than November 30, 2012 and no later than December 30, 2012.

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INFORMATION ABOUT THE ANNUAL MEETING

Primerica, Inc. ("Primerica" or the "Company") is furnishing this Proxy Statement in connection with the solicitation by its Board of Directors (the "Board" or the "Board of Directors") of proxies for the Company's 2012 Annual Meeting of Stockholders and any adjournments or postponements of the meeting (the "Annual Meeting") for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held on Wednesday, May 16, 2012 at 10:00 a.m., local time, at the Primerica TV Studio on the campus of Primerica's home office, 3100 Breckinridge Boulevard, Suite 300, Duluth, Georgia 30099.

We anticipate that a Notice of Internet Availability of Proxy Materials containing instructions on how to access the Proxy Statement and the annual report and how to vote over the Internet or how to request and return a proxy card by mail will first be mailed to our stockholders on or before March 30, 2012.

What is the purpose of this Proxy Statement?

This Proxy Statement provides information regarding matters to be voted on at the Annual Meeting. Additionally, it contains certain information that the Securities and Exchange Commission (the "SEC") requires the Company to provide annually to its stockholders. The Proxy Statement is also used by the Board of Directors to solicit proxies to be used at the Annual Meeting. Proxies are solicited to give all stockholders of record an opportunity to vote on the matters to be presented at the Annual Meeting, even if they cannot attend the meeting in person. The Board has designated a Proxy Committee, which will vote the shares represented by proxies at the Annual Meeting in the manner indicated by the proxies. The members of the Proxy Committee are John A. Addison, Jr. and D. Richard Williams, our Co-Chief Executive Officers, and Peter W. Schneider, our Executive Vice President and General Counsel.

Why will I receive a Notice of Internet Availability of Proxy Materials in the mail instead of a printed set of proxy materials?

We are permitted by SEC rules to furnish our proxy materials over the Internet to our stockholders by delivering a Notice of Internet Availability of Proxy Materials in the mail. We believe that this "e-proxy" process expedites your receipt of proxy materials, while also lowering the costs and reducing the environmental impact of the Annual Meeting. Unless requested, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice of Internet Availability of Proxy Materials instructs you on how to access and review the Proxy Statement and the annual report over the Internet at *www.proxyvote.com*. The Notice of Internet Availability of Proxy Materials also instructs you how you may submit your proxy over the Internet, or how you can request a full set of proxy materials. If you receive a Notice of Internet Availability of Proxy Materials in the mail and would like to receive a printed copy of the proxy materials, you should follow the instructions for requesting these materials provided in the Notice of Internet Availability of Proxy Materials.

Who is entitled to vote on the matters discussed in the Proxy Statement?

You are entitled to vote if you were a stockholder of record of the Company's common stock as of the close of business on March 19, 2012 (the "record date"). Your shares can be voted at the Annual Meeting only if you are present in person or represented by a valid proxy.

What constitutes a quorum for the Annual Meeting?

The holders of a majority of the outstanding shares of the Company's common stock as of

the close of business on the record date must be present, either in person or represented by valid proxy, to constitute a quorum necessary to conduct the Annual Meeting. On the record date, 65,302,416 shares of the Company's common stock were issued and outstanding. Shares represented by valid proxies received but marked as abstentions or as withholding voting authority for any or all director nominees, and shares represented by valid proxies received but reflecting broker non-votes, will be counted as present at the Annual Meeting for purposes of establishing a quorum.

How many votes am I entitled to for each share of the Company's common stock I hold?

Each share of the Company's common stock represented at the Annual Meeting is entitled to one vote.

What proposals will require my vote?

You are being asked to vote on the following proposals:

- the election of the three director nominees named in this Proxy Statement (Proposal 1); and
- the ratification of the appointment of KPMG LLP ("KPMG") as the Company's independent registered public accounting firm for the year ending December 31, 2012 ("fiscal 2012") (Proposal 2).

What vote is required to approve each proposal, and how will my vote be counted?

Proposal 1: Election of Directors

The three director nominees who receive the highest number of properly executed votes will be elected as directors for the ensuing three years.

Proposal 2: Ratification of the Appointment of KPMG

This proposal requires approval by the holders of a majority of the shares present in person or represented by valid proxy and entitled to vote at the Annual Meeting. Any shares that are not voted (whether by abstention or otherwise) will have no impact on the vote.

How does the Board of Directors recommend that I vote?

The Board recommends that you vote:

- "FOR" election of the three director nominees named in this Proxy Statement (Proposal 1); and
- "FOR" ratification of the appointment of KPMG as the Company's independent registered public accounting firm for fiscal 2012 (Proposal 2).

How do I vote?

If you are a registered stockholder, meaning that your shares are registered in your name and are not held through a broker, then you have four voting options. You may vote:

- over the Internet at the web address noted in the Notice of Internet Availability of Proxy Materials, proxy materials e-mail or proxy card that you received (we encourage you to vote in this manner);
- by telephone through the number noted on the proxy card that you received (if you received a proxy card);
- by signing and dating your proxy card (if you received a proxy card) and mailing it in the prepaid and addressed envelope enclosed therewith; or
- by attending the Annual Meeting and voting in person.

We encourage you to vote your shares as soon as possible by proxy even if you plan to attend the Annual Meeting.

If you are a beneficial holder (meaning that your shares are held through a broker), then please refer to the instructions provided by your broker, bank or other nominee regarding how to vote.

What is the difference between a registered stockholder and a beneficial holder of shares?

If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, then you are considered a "registered stockholder" with respect to those shares. Registered stockholders and holders of shares of stock held in the Primerica, Inc. Stock Purchase Plan (the "Stock Purchase Plan") will receive a Notice of Internet Availability of Proxy Materials containing instructions on how to access this Proxy Statement and the annual report and how to vote over the Internet, how to request and return a proxy card by mail and how to vote by telephone.

If your shares are held in "street name" through a broker, bank or other nominee, then you are considered the "beneficial holder" of the shares held for you. Beneficial holders of shares should refer to the instructions provided by their broker, bank or other nominee regarding how to vote or to revoke voting instructions. The availability of Internet and telephone voting depends on the voting processes of the broker, bank or other nominee. As the beneficial holder, you have the right to direct your broker, bank or other nominee how to vote your shares. Beneficial holders may vote in person only if they have a legal proxy to vote their shares as described below.

I am a beneficial holder. How are my shares voted if I do not return voting instructions?

Your shares may be voted if they are held in the name of a brokerage firm, even if you do not provide the brokerage firm with voting instructions. Under the rules of the New York Stock Exchange (the "NYSE"), brokerage firms have the authority to vote shares on certain routine matters for which their customers do not provide voting instructions by the tenth day before the Annual Meeting. The ratification of the appointment of KPMG as the Company's independent registered public accounting firm for fiscal 2012 is considered a routine matter.

The election of directors is not considered a routine matter. When a proposal is not a routine matter and the brokerage firm has not received voting instructions from the beneficial holder of the shares with respect to that proposal, the brokerage firm CANNOT vote the shares on that proposal. This is called a "broker non-vote." In tabulating the voting result for any particular proposal, shares that are subject to broker non-votes with respect to that proposal will not be considered votes either for or against the proposal. It is very important that you provide voting instructions to your brokerage firm if you want your shares to be voted at the Annual Meeting on a non-routine matter.

Can I change my mind after I vote?

If you vote by proxy, you can revoke that proxy at any time before it is voted at the Annual Meeting. You can do this in one of the following three ways:

- vote again using the Internet or by telephone prior to the Annual Meeting; or
- sign another proxy card with a later date and return it to us prior to the Annual Meeting; or
- attend the Annual Meeting in person and vote in person.

How will a proposal or other matter that was not included in the Proxy Statement be handled for voting purposes if it is raised at the Annual Meeting?

If any matter that is not described in this Proxy Statement should properly come before the Annual Meeting, then the Proxy Committee will vote the shares represented by valid proxy cards in accordance with its best judgment. Notwithstanding the foregoing, shares represented by valid proxy cards that are marked to deny discretionary authority to the Proxy Committee on other matters considered at the Annual Meeting will not be voted on those other matters and will not be counted in determining the number of votes cast with

respect to those other matters. At the time this Proxy Statement was printed, management was unaware of any other matters that might be presented for stockholder action at the Annual Meeting.

Who will tabulate and certify the vote?

Representatives of Broadridge Financial Solutions, Inc. will tabulate the vote, and Ms. Deborah Baker, a representative of Carl T. Hagberg and Associates, will act as the independent inspector of elections for the Annual Meeting and will certify the final vote.

What does it mean if I receive more than one Notice of Internet Availability of Proxy Materials, proxy materials e-mail or proxy card?

This means that you have multiple accounts holding shares of the Company's common stock with brokers and/or our transfer agent. You will need to vote separately with respect to each Notice of Internet Availability of Proxy Materials, proxy materials e-mail or proxy card that you receive. Please vote all of the shares you are entitled to vote.

Does the Company participate in householding?

A single set of proxy materials, along with individual proxy cards, or individual Notices of Internet Availability of Proxy Materials will be delivered in one envelope to multiple stockholders of record having the same last name and address, unless contrary instructions have been received from an affected stockholder. This is referred to as "householding." We believe this procedure provides greater convenience to our stockholders and saves money by reducing our printing and mailing costs and fees. If you would like to enroll in this service or receive individual copies of all documents, please contact Broadridge by calling toll-free at 1-800-542-1061, or by writing to Broadridge Financial Solutions, Inc., Householding Department, 51 Mercedes Way, Edgewood, New York 11717. Alternatively, if you participate in householding and would like to revoke your consent and receive separate copies of our proxy materials, please contact Broadridge as described above.

A number of brokerage firms have instituted householding. If you hold your shares in street name, please contact your bank, broker or other holder of record to request information about householding.

How do I vote the shares that I purchased through the Stock Purchase Plan?

If you are a registered stockholder and you own shares of the Company's common stock through the Stock Purchase Plan, and the accounts are registered in the same name, then you will receive one Notice of Internet Availability of Proxy Materials representing your combined shares. If your accounts are registered in different names, then you will receive separate Notices of Internet Availability of Proxy Materials. If you own shares only through the Stock Purchase Plan, then you will receive a Notice of Internet Availability of Proxy Materials representing those shares. If you hold shares through the Stock Purchase Plan, then your vote must be received by 11:59 p.m. Eastern daylight time on May 15, 2012, unless you vote in person at the Annual Meeting.

What happens if I abstain from voting?

Abstentions with respect to a proposal are counted for purposes of establishing a quorum. If a quorum is present, then abstentions will have no impact on the outcome of the vote.

What do I need to do if I want to attend the Annual Meeting?

You do not need to make a reservation to attend the Annual Meeting. However, attendance at the Annual Meeting is limited to Primerica stockholders, members of their immediate families or their named

representatives. The Company reserves the right to limit the number of named representatives who may attend the Annual Meeting.

How can I listen to the live webcast of the Annual Meeting?

You may listen to a live webcast of the Annual Meeting at *www.investors.primerica.com*. The webcast will allow you to listen to the Annual Meeting, but stockholders accessing the Annual Meeting through the webcast will not be considered present at the Annual Meeting and will not be able to vote their shares through the webcast or ask questions. If you plan to listen to the live webcast, then please submit your vote prior to the Annual Meeting using one of the methods described under "How do I vote?" above. An archived copy of the webcast will be available at *www.investors.primerica.com* until at least June 15, 2012. Registration to listen to the webcast will be required. We have included our website address for reference only. The information contained on our website is not incorporated by reference into this Proxy Statement.

Who is soliciting proxies?

The Board is soliciting your proxy. The expense of preparing and, when required, printing and mailing this Proxy Statement and the proxies solicited hereby will be paid by the Company. Solicitation will be made primarily by distribution via the Internet pursuant to SEC rules, but will also be sent via mail when requested by a stockholder. In addition to soliciting stockholders via the Internet and mail, the Company will request banks, brokers, and other custodians, nominees, and fiduciaries to forward solicitation materials or send a Notice of Internet Availability of Proxy Materials to the beneficial owners of the Company's common stock held of record by such persons, and the Company will reimburse them for their reasonable out-of-pocket expenses incurred in doing so. The Company may use the services of its officers and other Company employees, who will receive no compensation for their services, other than their regular compensation, to solicit proxies personally, by telephone, by e-mail or by facsimile transmission.

IN ORDER THAT YOUR SHARES OF THE COMPANY'S COMMON STOCK MAY BE REPRESENTED AT THE ANNUAL MEETING IN CASE YOU ARE NOT PERSONALLY PRESENT, YOU ARE REQUESTED TO FOLLOW THE INSTRUCTIONS PROVIDED IN THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 16, 2012.

Our Proxy Statement and the 2011 Annual Report to Stockholders are available free of charge at *www.proxyvote.com* and at *www.investors.primerica.com*

MATTERS TO BE VOTED ON

Proposal 1:

ELECTION OF DIRECTORS

Our Board of Directors has nine members. We divide our Board of Directors into three classes, with each class currently consisting of three members. We elect one class of directors to serve a three-year term at each Annual Meeting of Stockholders. At this year's Annual Meeting, we will elect three directors to hold office until the 2015 Annual Meeting of Stockholders. For additional information about the director nominees and their qualifications, see "Board of Directors - Members of Our Board - Nominees for Director." Each director will be elected by a plurality of the votes cast.

The Board recommends a vote "FOR" the election to the Board of each of the following director nominees:

Name	Age	Occupation
D. Richard Williams	55	Co-Chief Executive Officer, Primerica
Barbara A. Yastine	52	Chief Administrative Officer, Ally Financial, Inc.
Daniel A. Zilberman	38	Partner, Warburg Pincus & Co.; Managing Director, Warburg Pincus LLC

Proposal 2:

RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board (the "Audit Committee") has authority to retain and terminate the Company's independent registered public accounting firm. The Audit Committee has appointed KPMG as the independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for fiscal 2012. Although stockholder ratification of the appointment of KPMG is not required, the Board of Directors believes that submitting the appointment to the stockholders for ratification is a matter of good corporate governance. For a description of the fees paid to KPMG, see "Audit Committee Matters - Fees and Services of the Independent Registered Public Accounting Firm - Fees Paid to the Independent Registered Public Accounting Firm."

One or more representatives of KPMG are expected to be present at the Annual Meeting. The representatives will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate stockholder questions.

To ratify the appointment of KPMG as the Company's independent registered public accounting firm for fiscal 2012, the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting must vote in favor of ratification. Any shares that are not voted (whether by abstention or otherwise) will have no impact on the outcome of the vote. Unless otherwise instructed, the Proxy Committee will vote proxies held by them **FOR** the ratification of the appointment of KPMG.

The Board recommends a vote "FOR" the ratification of the appointment of KPMG.

CORPORATE GOVERNANCE

The Board has adopted Corporate Governance Guidelines that are posted on the corporate governance page of the Company's investor relations website at *www.investors.primerica.com* and are available in print to stockholders who request a copy. The Corporate Governance Guidelines set forth the practices that the Board follows with respect to matters such as director responsibilities, compensation, and access to management. In addition, the Corporate Governance Guidelines address the use of outside advisors, management succession and the annual self-assessment of the Board.

Board Structure

The Board currently consists of nine directors. The Company's Certificate of Incorporation gives the Board the right to set the number of directors at no less than three members and no more than 15 members.

The Company's governance documents provide the Board with flexibility to select the appropriate leadership structure for the Company. The Board does not have a policy as to whether the roles of Chairman of the Board and Co-Chief Executive Officer should be separate or whether the Chairman of the Board should be a management or a non-management director. The Nominating and Corporate Governance Committee of the Board (the "Nominating Committee") may, from time to time, make recommendations to the Board regarding the leadership structure of the Board, including the position of Chairman of the Board.

The Company's leadership structure has a combined Chairman of the Board and Co-Chief Executive Officer. Under the Company's Bylaws, the Chairman of the Board presides over meetings of the Board and meetings of the stockholders, while the Co-Chief Executive Officers have general and active management of the business affairs and property of the Company, subject to the supervision and oversight of the Board. Mr. Williams has served as Chairman of the Board and Co-Chief Executive Officer since October 2009.

In March 2011, the Nominating Committee recommended, and the Board appointed, Mr. Martin to serve as the Lead Director of the Board (the "Lead Director"). As the primary interface between management and the Board, the Lead Director provides a valuable counterweight to the combined Chairman and Co-Chief Executive Officer role and serves as a key contact for the independent directors, thereby enhancing the Board's independence from management. The Lead Director's responsibilities include:

- consulting with the Chairman of the Board regarding the agenda for meetings of the Board;
- scheduling and preparing agendas for meetings of independent directors;
- presiding over meetings of independent directors and executive sessions of meetings of the Board from which employee directors are excluded;
- acting as principal liaison between independent directors and the Chairman of the Board on sensitive issues; and
- raising issues with management on behalf of the independent directors when appropriate.

The Board has adopted a number of corporate governance-related measures to provide what it views as an appropriate balance between the respective needs for dependable strategic leadership by Mr. Williams as the Chairman of the Board and Co-Chief Executive Officer and the oversight and objectivity of independent directors. For example, only two of our directors are members of management and all of the Board's committees - the Audit Committee, the Compensation Committee (the "Compensation Committee"), and the Nominating Committee - consist entirely of independent directors. All directors play an active role in overseeing the Company's business both at the Board and the committee levels. In addition, directors have full and free access to members of management and the authority to retain independent financial, legal

or other advisors as they deem necessary without consulting, or obtaining the approval of, any member of management. Also, the Board holds separate executive sessions of its non-management directors and its independent directors at least annually. In 2011, the Lead Director presided over these sessions. Only one director (Mr. Mason) other than our Co-Chief Executive Officers is classified as non-independent by the rules of the NYSE.

The Board believes that having a single leader serving as Chairman of the Board and Co-Chief Executive Officer, together with an experienced and engaged Lead Director, is the most appropriate leadership strategy for the Company at this time and is in the best interests of our stockholders because it provides decisive and effective leadership. Further, the Company's independent directors were all elected to the Board in connection with or following completion of the Company's initial public offering in April 2010 (the "IPO") and, therefore, have a much more limited history with the Company than our Co-Chief Executive Officers. The Board also believes that this leadership structure, when combined with the Company's other governance policies and procedures, provides appropriate opportunities for oversight, discussion and evaluation of decisions and direction of the Board.

Independence of Directors

Mr. Addison, Chairman of Primerica Distribution and Co-Chief Executive Officer, and Mr. Williams, Chairman of the Board and Co-Chief Executive Officer, are not independent because they are members of management and employees of the Company.

Until April 7, 2010, the Company was a wholly owned subsidiary of Citigroup Inc. ("Citi"). Because of his affiliation as an officer of Citi, Mr. Mason will not be considered independent under the rules applicable to companies listed on the NYSE until April 2013.

The Board annually assesses the outside affiliations of each director to determine if any of these affiliations could cause a potential conflict of interest or could interfere with the independence of the director. Based on information furnished by all directors regarding their relationships with Primerica and its subsidiaries and research conducted by management and discussed with the Board with respect to outside affiliations, the Board has determined that none of the directors that served on the Board during fiscal 2011 has or had a material relationship with Primerica other than through his or her role as director, and, except as set forth above, each is independent because he or she satisfies:

- the categorical standards set forth below;
- the independence standards set forth in Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
- the criteria for independence set forth in Section 303A.02(b) of the NYSE Listed Company Manual.

A determination of independence under these standards does not mean that a director is disinterested under Section 144 of the Delaware General Corporation Law. Each director, relevant committee and the full Board may also consider whether any director is disinterested in any transaction brought before the Board or any of its committees for consideration.

Categorical Standards of Independence

The Company has established categorical standards of independence for the Board, which are outlined in the Corporate Governance Guidelines that are posted on the corporate governance page of the Company's investor relations website at *www.investors.primerica.com*. To be considered independent for purposes of the director qualification standards, (A) the director must meet bright-line independence standards under the NYSE Listed Company Manual and (B) the Board must affirmatively determine that the director otherwise has no material relationship with the Company, directly or as an officer, shareowner or partner of an organization that has a relationship with the Company.

To assist it in determining each director's independence in accordance with the NYSE's

rules, the Board has established guidelines, which provide that a director will be deemed independent unless:

(i) (A) the director is an employee, or an immediate family member of the director is an executive officer, of the Company or any of its affiliates, or (B) the director was an employee, or the director's immediate family member was an executive officer, of the Company or any of its affiliates during the immediately preceding three years;

(ii) (A) the director presently receives during any consecutive 12-month period more than $120,000 in direct compensation from the Company or any of its affiliates, or an immediate family member of the director presently receives during any consecutive 12-month period more than $120,000 in direct compensation for services as an executive officer of the Company or any of its affiliates, excluding director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), or (B) the director or the director's immediate family member had received such compensation during any consecutive 12-month period within the immediately preceding three years;

(iii) (A) the director is a current partner or employee of a firm that is the Company's internal or independent auditor, (B) an immediate family member of the director is a current partner of such a firm, (C) an immediate family member of the director is a current employee of such a firm and personally works on the Company's audit, or (D) the director or an immediate family member of the director was, within the last three years, a partner or employee of such a firm and personally worked on the Company's audit within that time period;

(iv) (A) an executive officer of the Company serves on the board of directors of a company that, at the same time, employs the director, or an immediate family member of the director, as an executive officer, or (B) Primerica and the company of which the director or his or her immediate family member is an executive officer had such relationship within the immediately preceding three years;

(v) (A) the director is a current executive officer or employee, or an immediate family member of the director is a current executive officer, of another company that makes payments to or receives payments from the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of $1 million, or two percent (2%) of such other company's consolidated gross revenues, or (B) Primerica and the company of which the director is an executive officer or employee or his or her immediate family member is an executive officer had such relationship within the immediately preceding three years;

(vi) the director serves as an executive officer, director or trustee, or his or her immediate family member who shares the director's household serves as an executive officer, director or trustee, of a charitable organization, and within the last three years, discretionary charitable contributions by the Company to such organization, in the aggregate in any one year, exceed the greater of $1 million or two percent (2%) of that organization's total annual charitable receipts;

(vii) the director has any interest in an investment that the director jointly acquired in conjunction with the Company;

(viii) the director has, or his or her immediate family member has, a personal services contract with the Company; or

(ix) the director is affiliated with, or his or her immediate family member is affiliated with, a paid advisor or consultant to the Company.

Independence of Committee Members

As of December 31, 2011, the Audit, Compensation and Nominating Committees were fully independent in accordance with the NYSE Listed Company Manual and the Board's director independence standards described above. No member of the Audit Committee received any compensation from Primerica other than directors' fees, and no member of the Audit Committee was, or is an affiliated person of, Primerica (other than by virtue of his or her directorship). Members of the Audit Committee meet the additional standards of audit committee members of publicly traded companies required by the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). Members of the Compensation Committee meet the additional standards applicable to outside directors under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and qualify as non-employee directors as defined in Rule 16b-3 under the Exchange Act.

Role of Compensation Consultant

The Compensation Committee retained Pearl Meyer & Partners ("Pearl Meyer") as its independent consultant for the year ended December 31, 2011 ("fiscal 2011") and determined that the Company would not retain Pearl Meyer for any projects in fiscal 2011 without the prior consideration and consent of the Compensation Committee. Pearl Meyer's responsibilities include:

- reviewing drafts of meeting agendas, materials, and minutes, as requested;
- reviewing the work of any other consultants;
- reviewing drafts of major management proposals;
- bringing any concerns or issues to the attention of the Compensation Committee Chair;
- annually evaluating the competitiveness of executive pay;
- annually evaluating the competitiveness of independent director pay;
- preparing materials for the Compensation Committee in advance of meetings;
- attending at least one Compensation Committee meeting each year;
- annually reviewing and commenting on compensation-related proxy disclosures;
- periodically reviewing the Compensation Committee Charter;
- periodically reviewing executive compensation tally sheets;
- teleconferences with the Compensation Committee Chair and management;
- being available for additional consultation to the Compensation Committee Chair; and
- undertaking special projects at the request of the Compensation Committee Chair.

See "Executive Compensation – Compensation Discussion and Analysis (CD&A) – Questions and Answers Related to Our 2011 Executive Compensation – Compensation Consultant Role."

Communicating with Our Board of Directors

Stockholders and other interested persons may communicate with the Chair of the Audit Committee or the Lead Director by addressing such communications to them in care of the Company's Corporate Secretary, at the Company's principal executive office address at 3120 Breckinridge Boulevard, Duluth, Georgia 30099. Further, stockholders and other interested persons may communicate with the Company's non-management directors or independent directors, each as a group, by addressing such communications to them in care of the Company's Corporate Secretary at the Company's principal executive office address. Stockholders and other interested persons may also communicate with the Board, the Audit Committee, the non-management

directors and the Chairman of the Board by sending an e-mail message as follows:

- with the Board, to *boardofdirectors@primerica.com;*
- with the Audit Committee, to *auditcommittee@primerica.com;*
- with the non-management directors, to *nonemployeedirectors@primerica.com;* or
- with the Chairman of the Board, to *chairman@primerica.com.*

In accordance with a policy approved by the Audit Committee, the Company's General Counsel or, solely with respect to matters that are not reasonably likely to have legal implications for the Company, the Compliance and Ethics Officer is required to:

- report communications of concerns relating to accounting, finance, internal controls, or auditing matters to the Audit Committee;
- investigate communications of concerns relating to conduct of employees, including concerns related to internal policies;
- report communications of concerns relating to non-compliant behavior, such as allegations of violations of the Company's Code of Conduct or antitrust violations, to the Audit Committee; and
- determine whether to maintain or discard the following communications received:
  - bulk mail,
  - solicitations to purchase products or services, and
  - all other communications that do not fall into the specific categories noted above.

If the correspondence is specifically marked as a private communication to the Board (or a specific member or members of the Board), the Corporate Secretary will not open or read the correspondence, and will forward it to the addressee. These procedures may change from time to time, and you are encouraged to visit our investor relations website for the most current means of communicating with our directors.

Director Nomination Process

In discharging its responsibility, the Nominating Committee receives input from the Chairman of the Board, other directors and, if applicable, the Nominating Committee's independent professional search firm. It also considers and evaluates any candidates recommended by stockholders, as described below.

The Board has determined that its members should bring to the Company a broad range of experience, knowledge and judgment. A successful board candidate must be prepared to represent the interests of the Company and all its stockholders, not the interests of particular constituencies. The Nominating Committee and the Board have not established specific minimum age, education, years of business experience or specific types of skills for potential candidates. The factors considered by the Nominating Committee and the Board in their review of potential candidates include whether:

- the candidate has exhibited behavior that indicates he or she is committed to the highest ethical standards;
- the candidate has had business, governmental, non-profit or professional experience at the Chairman, Chief Executive Officer, Chief Operating Officer or equivalent policy-making and operational level of a large organization that indicates that the candidate will be able to make a meaningful and immediate contribution to the Board;
- the candidate has special skills, expertise and background that would complement the attributes of the existing directors, taking into consideration the diverse communities and geographies in which the Company operates;
- the candidate has financial expertise;
- the candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of all of the Company's stockholders and our other stakeholders in reaching decisions, rather than advancing the interests of a particular constituency;

- the candidate possesses a willingness to challenge management while working constructively as part of a team in an environment of collegiality and trust; and
- the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a director.

The Nominating Committee carefully reviews all current directors and director candidates in light of these factors based on the context of the current and anticipated composition of the Board, the current and anticipated operating requirements of the Company and the long-term interests of our stockholders. In reviewing a candidate, the Nominating Committee considers the integrity of the candidate and whether the candidate would be independent as defined in the Corporate Governance Guidelines and the NYSE Listed Company Manual. The Nominating Committee expects a high level of involvement from the directors and reviews, if applicable, a candidate's service on other boards to assess whether the candidate has sufficient time to devote to Board duties.

The Nominating Committee decides whether to further evaluate each candidate and may select an independent professional search firm to assist in the discharge of its duties. The evaluation includes a thorough reference check, interaction and interviews, and discussions about the candidate's qualifications, availability and commitment. After discussion of each candidate's qualifications, the Chair of the Nominating Committee interviews each candidate. The Nominating Committee Chair then selects certain candidates to be interviewed by the Chairman of the Board and other members of the Nominating Committee. The Nominating Committee reviews the results of all interviews and makes a recommendation to the full Board with respect to the election of a potential candidate to the Board. The Board expects that all candidates recommended to the Board will have received the approval of all members of the Nominating Committee.

Any stockholder who wishes to have the Nominating Committee consider a candidate for election to the Board is required to give written notice of his or her intention to make such a nomination. For a description of the procedures required to be followed for a stockholder to nominate a director, see "Stockholder Information – Procedures for Business Matters and Director Nominations for Consideration at the 2013 Annual Meeting of Stockholders – Notice Requirements for Nomination of Directors." A proposed nomination that does not comply with these requirements will not be considered by the Nominating Committee. There are no differences in the manner in which the Nominating Committee considers or evaluates director candidates it identifies and director candidates who are recommended by stockholders.

Board's Role in Risk Oversight

The Board is ultimately responsible for establishment of our risk management framework, and responsibility for significant risk management policies resides with the Audit Committee under powers delegated by the Board. The Board believes that having a combined Chairman of the Board and Co-Chief Executive Officer provides a unique perspective on risk oversight. Our most senior executive officers are responsible for collaborating with the Audit Committee to provide oversight with respect to the risk management process, as well as prioritize and validate key risks. Management is then responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks. Management periodically reports to the Audit Committee on the effectiveness of its management of key business risks.

Each Board committee is responsible for monitoring and reporting on the material risks associated with its respective subject matter areas. The Audit Committee is responsible for oversight of our accounting and financial reporting processes, the integrity of our financial statements, and the review, and approval or ratification of, any related party transactions; the Compensation Committee is responsible for the oversight of risks associated with our compensation practices, including

limiting instances in which compensation could be tied to excessive risk taken by management; and the Nominating Committee is responsible for corporate governance risks, including director independence and succession planning. In terms of overseeing the broader company-wide risk management program, the Audit Committee is responsible for ensuring all risk areas are being monitored by senior management and that all risk management matters are being reported to the Board or appropriate Board committee and being addressed as needed. Additionally, the Board of Directors collectively reviews, and is responsible for, risks associated with our strategic plans. See "Executive Compensation - Compensation Discussion and Analysis (CD&A) - Risks Related to Compensation Policies and Practices."

In fiscal 2011, management discussed the Company's risk profile with the Board, established an internal audit program, conducted an enterprise-wide review of the major risks facing the Company and presented a status update of these actions to the Board. The enterprise-wide assessment included a comprehensive review of the business and related risks; an assessment and ranking of the identified top risks based on their likelihood and the severity of the consequences, including both financial and non-financial impacts; and evaluation of existing controls to manage and mitigate such risks. Following completion of the enterprise-wide assessment, management established a Risk Committee and determined that the Risk Committee would present to the Audit Committee quarterly and to the Board annually.

The Board and the Audit Committee are briefed regularly by our Chief Auditor and General Counsel. The Audit Committee uses the results of its discussions with our Chief Auditor to set the audit schedule for the internal audit group. Our internal audit group identifies, assesses and assists management in addressing and managing risks by using the Integrated Framework by the Committee of Sponsoring Organizations of the Treadway Commission, also known as the COSO framework.

Board Diversity

Diversity is very important to us. We strive to offer an inclusive business environment that offers and benefits from diversity of people, thought, and experience. This also holds true for the Board. Although we have no formal written policy, pursuant to our Corporate Governance Guidelines the Board annually reviews the appropriate skills and characteristics of its members in light of the current composition of the Board, and diversity is one of the factors used in this assessment. In addition, in identifying a director candidate, the Nominating Committee and the Board consider and discuss diversity, among the other factors discussed under "– Director Nomination Process," with a view toward the role and needs of the Board as a whole. When identifying director nominees, the Nominating Committee and the Board generally view diversity expansively to include, without limitation, concepts such as race, gender, national origin, differences of viewpoint and perspective, professional experience, education, skill and other qualities or attributes that together contribute to the successful functioning of the Board.

Code of Conduct

Our Code of Conduct applies to all employees, directors, and officers of the Company and its subsidiaries. The Code of Conduct is posted on the Corporate Governance page of the Company's investor relations website at *www.investors.primerica.com* and is available in print free of charge to stockholders who request a copy. The Company also has made available an Ethics Hotline, which permits employees to anonymously report a violation of the Code of Conduct. Any changes to the Code of Conduct will be posted on the Company's website.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires executive officers and directors and persons who beneficially own more than 10% of the Company's common stock (the "Reporting

Persons") to file initial reports of ownership and reports of changes in ownership with the SEC. Reporting Persons are required by SEC rules to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such forms furnished to the Company and written representations from the executive officers and directors, the Company believes that the Reporting Persons complied with all Section 16(a) filing requirements during fiscal 2011 except that each of Messrs. Addison and Fendler and Ms. Rand filed one Form 4 late. Each such Form 4 related to a single transaction (the withholding of shares to pay taxes in connection with the vesting of a previously reported equity grant).

Beneficial Ownership of Common Stock

The following table furnishes information, as of February 29, 2012, as to shares of the Company's common stock beneficially owned by: (A) each person or entity who owns of record or beneficially 5% or more of the Company's common stock, (B) each of our directors (including each nominee for director) and our named executive officers identified in "Executive Compensation - Compensation Discussion and Analysis (CD&A)"; and (C) our directors and executive officers as a group.

As of February 29, 2012, there were 65,316,127 shares of the Company's common stock outstanding.

Name of Beneficial Owner (1)	Number of Shares of Common Stock Beneficially Owned	Percent of Outstanding Common Stock (2)
5% Beneficial Owners:		
Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. (3)	20,515,550	29.6%
Directors and Executive Officers:		
D. Richard Williams (4)	640,623	*
John A. Addison, Jr. (4)	579,873	*
Joel M. Babbit (4)	2,775	*
P. George Benson (4)	5,314	*
Michael E. Martin (4)(5)	20,518,358	29.6%
Mark Mason (6)	0	*
Robert F. McCullough (4)	7,822	*
Barbara A. Yastine (4)	5,355	*
Daniel A. Zilberman (4)(5)	20,518,358	29.6%
Gregory C. Pitts (4)	112,867	*
Alison S. Rand (4)	100,838	*
Peter W. Schneider (4)	123,824	*
Glenn J. Williams (4)	154,287	*
All directors, director nominees and executive officers as a group (17 people) (7)	22,618,989	32.6%

* Less than one percent.

(1) The address for each of our directors (other than Messrs. Martin, Mason and Zilberman) and executive officers is c/o Primerica, Inc., 3120 Breckinridge Boulevard, Duluth, Georgia 30099.

(2) Based on 65,316,127 shares of the Company's common stock outstanding, except as otherwise noted.

(3) Includes 4,103,110 shares issuable upon exercise of warrants held by Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners L.P. (together, "Warburg Pincus"). The exercise price for the warrants is $18.00 per share. The percent of the Company's common stock outstanding that is beneficially owned by Warburg Pincus is based on 69,419,237 shares of the Company's common stock outstanding, which includes the 4,103,110 shares issuable upon exercise of the warrant. The address for each of Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. is c/o Warburg Pincus

LLC, 450 Lexington Avenue, New York, New York 10017-3911. Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. are affiliates of Warburg Pincus & Co. and Warburg Pincus LLC. Pursuant to the Securities Purchase Agreement, by and among Citi, Primerica and Warburg Pincus, dated as of February 8, 2010 (the "Securities Purchase Agreement"), Warburg Pincus & Co. and Warburg Pincus LLC (the controlling affiliates of Warburg Pincus) have agreed that, subject to exceptions, they and their controlled affiliates will not own more than 35% of the voting power of our outstanding voting securities or more than 45% of our economic equity interests.

(4) Includes unvested restricted shares.

(5) Each of Messrs. Martin and Zilberman is a Partner of Warburg Pincus & Co. and a Managing Director of Warburg Pincus LLC. Other than 2,808 shares of unvested restricted stock, all shares indicated as owned by Messrs. Martin and Zilberman are included because of their affiliation with the Warburg Pincus entities. The address for Messrs. Martin and Zilberman is c/o Warburg Pincus LLC, 450 Lexington Avenue, New York, New York, 10017-3911. Each of Messrs. Martin and Zilberman disclaims beneficial ownership of any of our shares held by Warburg Pincus.

(6) The address for Mr. Mason is c/o Citigroup Inc., 399 Park Avenue, New York, New York 10022. Because of its ownership interest in the Company, Mr. Mason did not receive cash or equity compensation for serving as a director in 2010 or 2011. Citi sold its remaining shares in the Company in December 2011, so Mr. Mason will receive an annual equity grant beginning in May 2012.

(7) Includes all shares beneficially owned by Warburg Pincus.

Members of Our Board

Nominees for Director

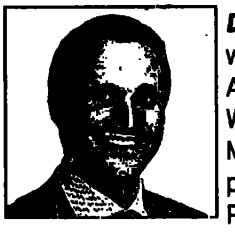
The three directors named below have been nominated for election at the Annual Meeting for a three-year term, ending at the 2015 Annual Meeting of Stockholders. In the event that any such nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who is designated by the present Board to fill the vacancy. The following is a brief description of the business experience, qualifications and skills of each of the three director nominees.

D. Richard Williams, age 55, was elected to our Board in October 2009. He is Chairman of the Board of Directors, has served as our Co-Chief Executive Officer since 1999 and has served our Company since 1989 in various capacities, including as the Chief Financial Officer and Chief Operating Officer of Primerica Financial Services, Inc. ("PFS"), a general agent and a subsidiary of Primerica. Mr. Williams serves on the board of trustees for the Woodruff Arts Center and the board of directors of the Anti-Defamation League Southeast Region. Mr. Williams earned both his B.S. degree and his M.B.A. from the Wharton School of the University of Pennsylvania.

Mr. Williams has led our company as Co-Chief Executive Officer for 11 years and brings to our Board over 20 years of knowledge of the Company's business, finances and operations along with expertise in senior management, finance, mergers and acquisitions ("M&A"), strategic planning, and risk and asset management.

Barbara A. Yastine, age 52, was elected to our Board in December 2010. She has been the Chief Administrative Officer of Ally Financial, Inc., a bank holding company, since May 2010. In this role, she has oversight responsibility for the risk, compliance, legal and technology areas and serves as the Chair of Ally Bank, a wholly owned subsidiary of Ally Financial. Prior to joining Ally Financial, she served as a Principal of Southgate Alternative Investments, a start-up diversified alternative asset manager, beginning in June 2007. From August 2004 through June 2007, Ms. Yastine was self-employed as an independent consultant. Before that, she was Chief Financial Officer for investment bank Credit Suisse First Boston from October 2002 to August 2004. From 1987 through 2002, Ms. Yastine worked at Citi and its predecessor companies. She graduated with a B.A. in Journalism from New York University, where she also earned her M.B.A.

Ms. Yastine brings to our Board expertise in general management, risk and asset management, finance and strategic planning. In particular, the Board considered her significant current and past experience serving in senior management positions in the investment banking and capital markets industries.



Daniel A. Zilberman, age 38, was elected to our Board in April 2010. He is a Partner of Warburg Pincus & Co. and a Managing Director of the private equity firm Warburg Pincus LLC, where he focuses on investments in insurance companies, banks, asset managers and service providers to the financial services industry. Prior to joining Warburg Pincus & Co. and Warburg Pincus LLC in 2005, Mr. Zilberman worked at Evercore Capital Partners, a private equity firm, from 2003 to 2005 and Lehman Brothers from 1997 to 1999 and 2001 to 2002. Mr. Zilberman received a B.A. in International

Relations from Tufts University and an M.B.A. in Finance from the Wharton School of the University of Pennsylvania.

Mr. Zilberman has been designated by Warburg Pincus to be one of our directors pursuant to its rights under the Securities Purchase Agreement. For a description of transactions between the Company and Warburg Pincus, see "Related Party Transactions – Transactions with Warburg Pincus."

Mr. Zilberman brings to our Board experience in general management, finance, M&A, strategic planning, government and regulatory affairs, and investment banking and capital markets.

Election of Directors

The three director nominees who receive the highest number of properly executed votes will be elected as directors. Unless otherwise instructed, the Proxy Committee will vote proxies held by them **"FOR"** the election of the director nominees listed above.

Incumbent Directors – Term Expiring 2013

P. George Benson, age 65, was elected to our Board in April 2010. He has been the President of the College of Charleston in Charleston, South Caroline since February 2007. From June 1998 until January 2007, he was Dean of the Terry College of Business at the University of Georgia. From July 1993 to June 1998, Mr. Benson served as Dean of the Rutgers Business School at Rutgers University and, prior to that, Mr. Benson was on the faculty of the Carlson School of Management at the University of Minnesota. Mr. Benson currently serves as Chair-elect of the Board of Directors for the Foundation for the Malcolm Baldrige National Quality Award, was chairman of the board of overseers for the Baldrige Award Program from 2004 to 2007 and was a national judge for the Baldrige Award from 1997 to 2000. He also serves as a member of the boards of directors of AGCO Corporation and Crawford & Company. Mr. Benson was a member of the board of directors of Nutrition 21, Inc. from 1998 to 2010. Mr. Benson received a B.S. degree in Mathematics from Bucknell University, completed graduate work in operations research in the Engineering School of New York University and earned a Ph.D. in business from the University of Florida.

Mr. Benson brings to our Board significant expertise in academics, senior management, corporate governance, strategic planning, risk and asset management, and finance. In particular, the Board considered his experience managing the College of Charleston's administrative staff of over 1,200, budget of over $200 million and endowment of over $50 million, as well as his service on the boards of directors of other public companies and as a member of their audit committees.

Michael E. Martin, age 56, was elected to our Board in April 2010. He is a Partner of Warburg Pincus & Co. and a Managing Director of the private equity firm Warburg Pincus LLC, where he is head of its financial services group and a member of its Executive Management Group. Prior to joining Warburg Pincus & Co. and Warburg Pincus LLC in 2009, Mr. Martin was President of Brooklyn NY Holdings, LLC, a private investment company, from 2006 to 2008. Mr. Martin worked at UBS Investment Bank from 2002 to 2006, where he served as a vice chairman and managing director of UBS Investment Bank and a member of its board of directors and Global Executive Committee. He has held senior positions at the investment bank Credit Suisse First Boston, and prior to that he practiced corporate law at the law firm of Wachtell, Lipton, Rosen & Katz. Mr. Martin also serves on the board of directors of SLM Corporation and National Penn Bancshares, Inc. and he was a member of the board of directors of BPW Acquisition Corp. from 2008 to 2010. Mr. Martin received a B.S. in economics from Claremont Men's College and a J.D. from Columbia University School of Law.

Mr. Martin has been designated by Warburg Pincus to be one of our directors pursuant to its

rights under the Securities Purchase Agreement. For a description of transactions between the Company and Warburg Pincus, see "Related Party Transactions – Transactions with Werburg Pincus."

Mr. Martin brings to our Board expertise in general management, legal, corporate governance, finance, executive compensation, strategic planning, risk and asset management, investment banking and capital markets, and M&A.

Mark Mason, age 42, was elected to our Board in March 2010. He has been the Chief Executive Officer of Citi Holdings, an operating segment of Citi that comprises financial services company Citi Brokerage and Asset Management, Global Consumer Finance and Special Assets Portfolios, since January 2012. He previously served as the Chief Operating Officer for Citi Holdings from January 2009 to December 2011 and the Chief Financial Officer from January 2006 to December 2008. Mr. Mason joined Citi in 2001 and has also served as the Chief Financial Officer and Head of Strategy and M&A for Citi's Global Wealth Management Division, Chief of Staff to Citi's Chairman and Chief Executive Officer, Chief Financial Officer and Chief Operating Officer for Citigroup Real Estate Investments and Vice President of Corporate Development at Citi. Prior to joining Citi, Mr. Mason held various positions at Lucent Technologies, Marakon Associates (a strategy consulting firm) and Goldman, Sachs & Co. He received a Bachelor of Business and Administration in finance from Howard University and an M.B.A. from Harvard Business School.

Mr. Mason has been designated by Citi to be one of our directors. For a description of transactions between the Company and Citi, see "Related Party Transactions – Transactions with Citigroup."

Mr. Mason brings to our Board expertise in general management, finance, strategic planning, M&A, and investment banking and capital markets.

Incumbent Directors – Term Expiring 2014

John A. Addison, Jr., age 54, was elected to our Board in October 2009. He is the Chairman of Primerica Distribution, has served as our Co-Chief Executive Officer since 1999 and has served our Company in various capacities since 1982 when he joined us as a business systems analyst. Mr. Addison has served in numerous officer roles with Primerica Life Insurance Company ("Primerica Life"), a life insurance underwriter, and PFS, both of which are subsidiaries of Primerica. He served as Vice President and Senior Vice President of Primerica Life. He also served as Executive Vice President and Group Executive Vice President of Marketing. In 1995, he became President of PFS and was promoted to Co-Chief Executive Officer in 1999. Mr. Addison earned his B.A. in Economics from the University of Georgia and his M.B.A. from Georgia State University.

Mr. Addison brings to the Board his 11 years of experience as our Co-Chief Executive Officer and nearly 30 years of understanding our Company and our business, along with general management and marketing expertise.

Joel M. Babbit, age 58, was elected to our Board of Directors in August 2011. Mr. Babbit is the Co-Founder and Chief Executive Officer of Mother Nature Network, one of the leading resources for environmental news and information. Prior to launching Mother Nature Network in 2009, Mr. Babbit spent over 20 years in the advertising and public relations industry, creating two of the largest advertising agencies in the Southeastern US - Babbit and Reiman (acquired by London-based GGT) and 360 (acquired by WPP Group's Grey Global Group). Following the acquisition of 360 by Grey Global Group in 2002, Mr. Babbit served as President and Chief Creative Officer of the resulting entity, Grey Atlanta, until 2009. He also previously served as President of WPP Group's

GCI, a public relations firm, and as Executive Vice President and General Manager for the New York office of advertising agency Chiat/ Day Inc. Advertising. Following his hometown of Atlanta being awarded the 1996 Summer Olympics, and at the request of Mayor Maynard Jackson, Mr. Babbit took a leave of absence from the private sector to serve as Chief Marketing and Communications Officer for the City and as a member of the Mayor's cabinet.

Mr. Babbit brings to the Board his 20 years of experience in marketing and advertising, his management experience and his expertise in social media.

Robert F. McCullough, age 69, was elected to our Board in March 2010. He has been a private investor since January 2007. He previously was Senior Partner of the investment fund manager Invesco Ltd. (formerly AMVESCAP PLC) from June 2004 to December 2006. Prior thereto, he was Chief Financial Officer of AMVESCAP PLC from April 1996 to May 2004.
Mr. McCullough joined the New York audit staff of Arthur Andersen LLP in 1964, served as Partner from 1972 until 1996, and served as Managing Partner in Atlanta from 1987 until 1996. Mr. McCullough also serves on the boards of directors of Acuity Brands, Inc. and Schweitzer-Mauduit International, Inc.
Mr. McCullough was a member of the board of directors of Comverge, Inc. from 2006 to 2009 and of Mirant Corporation from 2003 to 2006. He received his B.B.A. in Accounting from the University of Texas at Austin.

Mr. McCullough brings to the Board expertise in senior management, finance and accounting, corporate governance, and M&A. In particular, the Board considered his broad perspective in accounting, financial controls and financial reporting matters and his extensive audit experience based on his lengthy career in public accounting and his experience serving as the chairman of the audit committees of several public companies.

Director Attendance at Board, Committee and Annual Meetings

During fiscal 2011, the Board held ten meetings, including six telephonic meetings. Each director attended more than 75% of the meetings of the Board held during his or her term and of the committees of the Board on which he or she served during fiscal 2011. The non-management directors meet separately in regularly scheduled executive sessions, and the independent directors meet in their own executive session at least annually. During fiscal 2011, Mr. Martin, as the Lead Director, presided at the executive sessions of the non-management directors and the independent directors. Directors are expected to attend annual meetings of stockholders of the Company and each director who was on the Board as of the completion of the 2011 annual meeting of stockholders attended that meeting.

Committees of the Board

The Board has three standing committees that assist it in carrying out its duties - the Audit Committee, the Compensation Committee and the Nominating Committee. The charter of each committee is available on the Company's investor relations website at *www.investors.primerica.com* and may be obtained, without charge, by contacting the Corporate Secretary, Primerica, Inc., 3120 Breckinridge Boulevard, Duluth, Georgia 30099.

The following chart shows information regarding the membership of each of the Board's standing committees as of December 31, 2011.

Name	Audit	Compensation	Nominating and Corporate Governance
John A. Addison, Jr. (1)			
Joel M. Babbit			✓
P. George Benson	✓		Chair
Michael E. Martin		Chair	
Mark Mason (2)			
Robert F. McCullough	Chair	✓	
D. Richard Williams (1)			
Barbara A. Yastine	✓	✓	
Daniel A. Zilberman			✓
Number of fiscal 2011 meetings	23	8	12

(1) Employee of Primerica.
(2) Employee of Citi (the Company's former parent).

Audit Committee

The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act. Its primary purpose is to assist the Board in fulfilling its responsibility to the Company's stockholders relating to the financial reporting process and systems of internal control. The Audit Committee is also responsible for determining whether the Company's financial systems and reporting practices were established in accordance with applicable requirements. Further, the Audit Committee retains and terminates the Company's independent registered public accounting firm and approves its services and fees.

The Board has determined that all Audit Committee members are financially literate as required by the NYSE Listed Company Manual. The Board has further determined that the Chairman of the Audit Committee qualifies as an audit committee financial expert within the meaning of the rules and regulations of the SEC, and that all of such members are independent as required by the NYSE Listed Company Manual.

Compensation Committee

The Compensation Committee is responsible for overseeing the Company's overall human resources compensation program, including executive compensation, incentive plans, benefit plans and equity plans. The Compensation Committee approves and oversees the administration of the Company's material benefit plans, policies and programs, including all of the Company's equity plans and incentive plans. The Compensation Committee also reviews and approves principal elements of total compensation for the Company's executive officers and employment agreements for certain of the Company's executive officers. Further, the Compensation Committee is responsible for reviewing and recommending the compensation of non-management directors to the full Board, as well as reviewing and recommending directors' and officers' indemnification and insurance matters.

The Compensation Committee may delegate certain powers and functions with respect to employee benefit plans to the plan administration committee or to the respective plan administrators, or other appropriate committees or individuals, if such delegation is consistent with the Company's overall compensation policies, provided that the Compensation Committee may not delegate the power to: (A) create, authorize, approve, amend and/or terminate any new or existing incentive compensation or equity-based plan in which members of senior management or directors participate; or (B) terminate, or substantially reduce or freeze benefits or future accruals under, any plan other than welfare benefit plans.

The Compensation Committee discusses, evaluates and reviews the Company's policies and practices of compensating its employees, including non-executive officers, as they relate to risk management practices and risk-taking incentives and takes such action as the Compensation Committee deems necessary to limit risks relating to compensation. See "Corporate Governance – Board's Role in Risk Oversight."

Nominating and Corporate Governance Committee

The Nominating Committee takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board the Corporate Governance Guidelines applicable to the Company and monitoring the Company's compliance with such policies, practices and guidelines. The Nominating Committee is also responsible for identifying individuals qualified to become Board members, recommending to the Board the director nominees to be considered for election at the next annual meeting of stockholders, and leading the Board in its annual review of the Board's performance. The Nominating Committee's policy with regard to director candidates submitted by stockholders is to consider such submissions in accordance with the procedures described under "Corporate Governance - Director Nomination Process." Finally, the Nominating Committee is responsible for oversight of executive succession planning.

Director Compensation

The Compensation Committee, which consists solely of independent directors, is responsible for reviewing and considering any revisions to director compensation. The Board reviews the Compensation Committee's recommendations and determines the amount of director compensation annually. Executive officers have no role in determining or recommending director compensation. The Board determined that compensation for independent directors should be a mix of cash and equity-based compensation. Directors who are employees of Primerica or Citi did not receive any fees or additional compensation for services as members of the Board or any committee in 2011. The interests of our independent directors are aligned with the interests of stockholders by linking a portion of their compensation to stock performance.

Annual Retainer

In fiscal 2011, independent directors received an annual retainer of $120,000, paid 50% in cash and 50% in restricted stock vesting over a three-year period. In addition, for fiscal 2011, the following cash payments were approved:

- Lead Director – $25,000;
- Chair of the Audit Committee – $25,000;
- Chair of the Compensation Committee – $15,000;
- Chair of the Nominating Committee – $10,000;
- independent directors – an annual fee of $5,000 for service on any committee for which they do not serve as Chair; and
- each member of the Audit Committee – additional compensation of up to $10,000 ($15,000 for the Chair) for work the Audit Committee was requested to undertake in connection with our repurchase in November 2011 of approximately 8.9 million shares of the Company's common stock from Citi at a price of $22.42 per share (the "Repurchase Transaction").

We pay the cash portion of the annual fee in quarterly installments. We do not pay meeting fees.

During a review of non-employee director compensation at peer group companies in late 2011, the Compensation Committee determined that the Company's independent directors are paid aggregate annual fees that are below the median for the peer group. As a result, the Compensation Committee recommended, and the Board approved, an increase in director compensation for fiscal 2012. For fiscal 2012, non-employee directors will receive an annual retainer of $150,000, paid 50% in cash and 50% in restricted stock vesting over a three-year period. In addition, the Lead Director and the Chair of the Audit Committee each will receive $25,000, and the Chairs of the Compensation Committee and the Nominating Committee each will receive $15,000. Independent directors will also receive an annual fee of $10,000 for service on any committee for which they do not serve as Chair.

Travel Expenses

The Company reimburses all directors for travel and other related expenses in connection with attending Board and committee meetings and Board-related activities.

Director Compensation Table

The following table shows fiscal 2011 compensation for our independent directors.

Name	Annual Fees	Other Fees (1)	Equity Awards (2)	All Other Compensation (3)	Total
Joel M. Babbit (4)	$ 26,137	–	$59,996	$ 166	$ 86,299
P. George Benson	$ 73,750	$10,000	$59,979(5)	$427	$ 144,156
Michael A. Martin	$ 77,500	–	$59,979	$253	$ 137,732
Robert F. McCullough	$90,000	$15,000	$59,979(5)	$533	$ 165,512
Barbara A. Yastine	$ 67,500	$ 5,000	$59,979	$507	$132,986
Daniel A. Zilberman	$ 48,750	–	$59,979	$253	$108,982

(1) Special project fee to Audit Committee members in connection with the Repurchase Transaction.

(2) Each independent director was granted a number of whole shares of restricted stock (or, at the director's election, deferred stock units) equal to $60,000 divided by the closing market price of the Company's common stock on the NYSE on the trading day immediately preceding the grant date. At December 31, 2011, our independent directors held unvested restricted stock awards and deferred stock units as follows:

		Stock Awards	
Name	Grant Date	Number of Shares or Units of Stock That Have Not Vested (a)	Market Value of Shares or Units of Stock That Have Not Vested (b)
Joel M. Babbit	08/01/2011	2,775	$ 64,491
	Total	2,775	$ 64,491
P. George Benson	04/23/2010	1,662	$ 38,625
	05/18/2011	2,808	$ 65,258
	Total	4,470	$103,883
Michael A. Martin	05/18/2011	2,808	$ 65,258
	Total	2,808	$ 65,258
Robert F. McCullough	04/19/2010	2,667	$ 61,981
	05/18/2011	2,808	$ 65,258
	Total	5,475	$127,239
Barbara A. Yastine	12/07/2010	1,698	$ 39,462
	05/18/2011	2,808	$ 65,258
	Total	4,506	$104,719
Daniel A. Zilberman	05/18/2011	2,808	$ 65,258
	Total	2,808	$ 65,258

(a) All restricted shares and deferred stock units vest in equal installments on the first, second and third anniversary of the grant date.
(b) Represents the number of unvested restricted shares and deferred stock units owned at December 31, 2011 multiplied by $23.24, the closing market price per share of the Company's common stock on the NYSE on December 31, 2011.

(3) Represents dividends paid on unvested restricted shares and deferred stock units.
(4) For service on the Board since August 1, 2011.
(5) Messrs. Benson and McCullough elected to receive their equity awards in the form of deferred stock units under the Nonemployee Directors' Deferred Compensation Plan. See "—Deferred Compensation."

Deferred Compensation

The Board adopted the Primerica, Inc. Nonemployee Directors' Deferred Compensation Plan in November 2010, under which independent directors may elect to defer all or a portion of their directors' fees. At the director's option, the Company will convert all or a portion of his or her cash fees otherwise payable during a calendar quarter to deferred stock units equal in number to the maximum number of shares of the Company's common stock, or fraction thereof (to the nearest one hundredth (1/100) of one share), which could be purchased with the dollar amount of such fees at the closing market price of the Company's common stock on the first trading day of the following calendar quarter. These deferred stock units will be fully vested on such date.

At the director's option, the Company credits the deferral account with deferred stock units equal in number to the number of restricted stock awards to which the director was otherwise entitled. Any deferred stock units that are issued upon deferral of restricted stock awards are subject to the same vesting provisions as the restricted stock awards themselves. The Company also credits the deferral account with deferred stock units equal in number to the maximum number of shares of the Company's common stock, or fraction thereof (to the nearest one hundredth (1/100) of one share), which could have been purchased with the cash dividend, if any, which would have been payable had the participant received restricted stock awards to which he or she was otherwise entitled. The deferred stock units credited in lieu of the payment of dividends on restricted stock awards are fully vested on the dividend payment date.

The Company makes deferred payments, at the director's election, within 60 days of termination of Board service or, in the case of an installment election, within 60 days of termination of Board service and up to five anniversaries of such date.

During fiscal 2011, Messrs. Benson and McCullough participated in the Nonemployee Directors' Deferred Compensation Plan.

Director Stock Ownership Guidelines

Our independent directors are required to own shares valued at three times their annual cash retainer. In August 2011, the Board increased the stock ownership guideline for independent directors from two times the annual cash retainer to comply with best practices. In determining compliance with these guidelines, stock ownership includes shares beneficially owned by the director (or by immediate family members) and unvested restricted stock and deferred stock units. The participants have five years from the date of their election to achieve the targeted level of stock ownership.

The subsections within this Executive Compensation section are intended to be read together, and each section provides information not included in the others. For background information on the Compensation Committee and its responsibilities, see "Board of Directors – Committees of the Board – Compensation Committee."

In this Executive Compensation section, the terms "we," "our," and "us" refer to management, the Company and, as applicable, the Compensation Committee.

Compensation Committee Report[1]

The Compensation Committee participated in the preparation of the Compensation Discussion and Analysis and reviewed and discussed successive drafts with management. Following completion of this process, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 and this Proxy Statement.

COMPENSATION COMMITTEE:
Michael E. Martin, *Chair*
Robert F. McCullough
Barbara A. Yastine

Compensation Committee Interlocks and Insider Participation

Each of Messrs. Benson, Martin and McCullough and Ms. Yastine served as a member of the Compensation Committee during all or a portion of fiscal 2011. None of the current or former members of the Compensation Committee is a former or current officer or employee of the Company or any of its subsidiaries.

Compensation Discussion and Analysis ("CD&A")

Our fiscal 2011 named executive officers were:

- D. Richard Williams – Chairman of the Board and Co-Chief Executive Officer;
- John A. Addison, Jr. – Chairman of Primerica Distribution and Co-Chief Executive Officer;
- Gregory C. Pitts – Executive Vice President and Chief Operating Officer;
- Alison S. Rand – Executive Vice President and Chief Financial Officer;
- Peter W. Schneider – Executive Vice President, General Counsel, Corporate Secretary and Chief Administrative Officer; and
- Glenn J. Williams – President.

Executive Summary

The Compensation Committee structured our executive compensation program to pay for performance and, over the long term, to provide compensation to our executive officers that is market competitive. Executive compensation for fiscal 2011 followed the arrangements established by the Compensation Committee during the year ended December 31, 2010 ("fiscal 2010").

1 The material in the 2011 Compensation Committee Report shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement or any portion hereof into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

Fiscal 2011 Highlights

Fiscal 2011 was Primerica's first complete year as an independent public company following our IPO. Operating results were strong. Sales force numbers were mixed with licensing down but recruiting up compared to fiscal 2010. Our fiscal 2011 performance was highlighted by the following achievements:

- Operating revenues were $1,087.9 million in fiscal 2011, up 12.9% compared with $963.5 million in fiscal 2010. Net operating income was $177.1 million in fiscal 2011, up 9.7% compared with $161.5 million in fiscal 2010.
- The size of our life-licensed sales force decreased 3.9% to 91,176 at December 31, 2011 compared with 94,850 at December 31, 2010. Recruiting was up 5.8% in fiscal 2011 compared with fiscal 2010.
- Approximately 40,000 people joined us in June 2011 at the Georgia Dome for our first convention since 2007, where we introduced new products as well as technological advances to our sales tools.

Pay-for-Performance

The Compensation Committee structured our 2011 executive compensation program so that a meaningful percentage of compensation is tied to the achievement of challenging levels of Company performance and individual objectives. In addition to cash incentives being determined based on Company and individual performance objectives, the size of annual equity grants is also determined based on these performance results. Accordingly, we view both cash and equity awards as performance-based elements of our compensation program, even though the equity awards that are granted have time-based vesting. Each named executive officer has a maximum permissible payout that is equal to a designated percentage of operating income before income taxes. The Compensation Committee then exercises negative discretion to determine the actual award based on certain performance objectives established at the beginning of the year. The table below sets forth the relative weighting of the corporate and individual performance components for fiscal 2011:

	Corporate Performance	Individual Performance
Co-Chief Executive Officers	**75%**	**25%**
Other Named Executive Officers	**60%**	**40%**

Corporate performance for fiscal 2011 was measured based on three separate objectives:

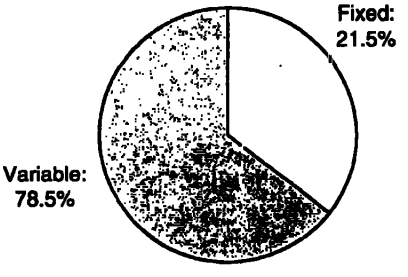
- Net operating income comprises 50% of the corporate performance factors, reflecting the overall success of our Company, our ability to manage expenses, our business mix and our achievement of pricing objectives. Our fiscal 2011 operating income of $177.1 million exceeded our target.
- Operating revenues comprises 25% of the corporate performance factors, capturing life and securities sales as well as the performance of our insurance book of business and assets under management. Our fiscal 2011 operating revenues of $1,087.9 million were approximately equal to our target.
- The size of our life-licensed sales force comprises 25% of the corporate performance factors, representing recruiting, licensing efficiency, turnover rates and long-term sustainability. Management viewed the corporate objective as aggressive. Our end of year life-licensed sales force of 91,176 was below our target but exceeded the threshold level required to qualify for incentive compensation.

Our fiscal 2011 incentive compensation plan was structured to pay 100% of the corporate portion of the executives' target bonus amounts if the weighted average of the Company's results met the target level of performance. The plan can pay up to a maximum payout of 150% if performance significantly exceeds target or a minimum payout of 50% if performance meets a required threshold level. Based on the Company's fiscal 2011 results described above,

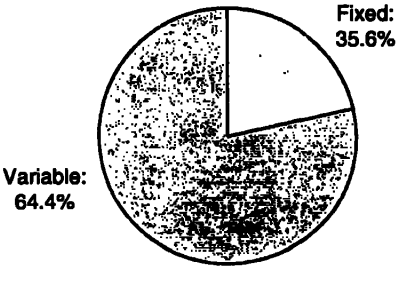
the Compensation Committee approved a corporate performance payout equal to 99.5% of the target bonus amount. The Compensation Committee balanced strong performance against individual objectives with weaker performance against the corporate sales force growth objective and determined to pay each named executive officer 100% of the individual portion of his or her target bonus amount.

To illustrate our pay-for-performance philosophy, the following charts reflect the mix of fixed vs. variable compensation for the Co-Chief Executive Officers and the other named executive officers (as a group) for fiscal 2011.

Co-Chief Executive Officers:



Other Named Executive Officers:



Questions and Answers Related to Our 2011 Executive Compensation

Compensation Program Objectives

Q: What are the objectives of the Company's compensation program for its named executive officers?

A: Our executive compensation program was designed to achieve the following primary objectives:

- linking pay and performance in the near term through the use of cash incentive opportunities based on Company and individual performance;
- aligning executive and stockholder interests over the long-term through the use of equity-based incentive awards tied to performance, retention and stockholder value creation (stock price appreciation and dividends);
- avoiding pay programs that may encourage excessive or unreasonable risk-taking, misalign the timing of rewards and performance, or otherwise fail to promote the creation of long-term stockholder value; and
- providing a competitive compensation opportunity that will allow the Company to attract and retain the very best executive talent.

Q: How did the May 2011 Say-on-Pay vote affect the subsequent decisions of the Compensation Committee?

A: In approving incentive compensation for fiscal 2011 performance and adopting a compensation program for fiscal 2012, the Compensation Committee considered the results of the advisory vote on executive compensation considered at the 2011 Annual Meeting of Stockholders. Because approximately 92.5% of votes cast approved the executive compensation program as described in the Company's proxy statement for the 2011 Annual Meeting of Stockholders, the Compensation Committee did not make significant changes to the executive compensation program. However, in order to further align executive pay and company performance in 2012 and beyond, the Compensation Committee approved changes to the performance measures and relative weightings used to determine both cash and equity awards in 2012 and also changed the equity grant mix for executive officers from 100% restricted stock to 2/3 restricted stock and 1/3 stock options. See "- Fiscal 2012 Compensation – Have there been any other actions with respect to executive compensation since the end of fiscal 2011?".

Compensation Elements

Q: What are the elements of the Company's executive compensation program and what purpose does each element serve?

A: The elements of Primerica's compensation program for its named executive officers are described below.

Element	Key Features	Objective
Base salary	• Each named executive officer's base salary is a fixed dollar amount, as specified in his or her employment agreement	• Provide a competitive compensation opportunity – Provide a guaranteed level of monthly income
Incentive awards	• For fiscal 2011, each named executive officer's maximum permissible payout was equal to a designated percentage of operating income before income taxes • The Compensation Committee exercised negative discretion to reduce awards to amounts that reflect achievement of corporate and individual objectives • Any portion of the incentive award above target may be paid in restricted stock at the Compensation Committee's discretion • The named executive officers are eligible for additional incentive awards paid in the form of restricted stock	• Provide a competitive compensation opportunity – Reward named executive officers for achieving or exceeding annual financial and operating objectives – Provide rewards for achievement of short-term objectives that have a long-term impact on Company performance – Enhance retention • Link pay and performance in the near term – Create a meaningful link between Company performance and individual performance and rewards • Align executive and stockholder interests over the long-term – Maintain executive focus on long-term Company growth • Avoid pay programs that may encourage excessive or unreasonable risk-taking, misalign the timing of rewards and performance or otherwise fail to promote the creation of long-term stockholder value
Retirement	• Named executive officers participate in the same 401(k) plan as do other salaried employees	• Provide a competitive compensation opportunity – Enable named executive officers to build a secure retirement

Element	Key Features	Objective
Perquisites	• Perquisites are generally limited to executive physicals and spousal travel	• Encourage named executive officers to maintain good health • Ensure that executive spouses are involved and engaged, to match the involvement of the partners and spouses of our sales force

Q: How did the Company determine the amount for each element of compensation for its named executive officers?

A: As part of its decision-making process, the Compensation Committee reviewed and considered a variety of factors, including prior year compensation practices, contractual obligations, internal pay equity, historical and projected performance, and competitive practice information. See "- Did the Committee rely on peer group companies in setting compensation for the Company's named executive officers?". Base salaries for fiscal 2011 were specified in the employment agreements executed in August 2010.

In fiscal 2011, both cash and equity awards, which combined represent the majority of the compensation paid to our named executive officers, was variable as it was subject to corporate and individual performance. Fiscal 2011 incentive opportunities included cash and equity awards and were structured in terms of maximum permissible payouts corresponding with a specified percentage of operating income before income taxes.[2] For fiscal 2011, operating income before income taxes was $274.1 million. The table below sets forth the fiscal 2011 target cash and equity award incentive payments for our named executive officers, as well as each executive's total target incentive award as a percentage of salary.

Name	Annual Salary	Target Cash Award	Target Restricted Stock Award	Total Target Incentive Award	Total Target Incentive Award as a Percentage of Salary
D. Richard Williams	$750,000	$1,500,000	$1,250,000	$2,750,000	366.7%
John A. Addison, Jr.	$750,000	$1,500,000	$1,250,000	$2,750,000	366.7%
Gregory C. Pitts	$450,000	$ 250,000	$ 400,000	$ 650,000	144.4%
Alison S. Rand	$450,000	$ 300,000	$ 400,000	$ 700,000	155.6%
Peter W. Schneider	$450,000	$ 600,000	$ 450,000	$1,050,000	233.3%
Glenn J. Williams	$450,000	$ 410,000	$ 450,000	$ 860,000	191.1%

In determining the total incentive award for each named executive officer, the Compensation Committee considered corporate performance, the contribution of each named executive officer to the Company's successes, the achievement of each named executive officer with respect to his or her individual performance objectives, and the overall performance of each named executive officer.

Corporate performance accounted for 75% of the incentive compensation for our Co-Chief Executive Officers and 60% of the incentive compensation for our other named executive officers. Operating income, operating revenue and the size of our life-licensed sales force comprised 50%, 25% and 25%, respectively, of the corporate performance factors. Individual performance accounted for 25% of the incentive compensation for our Co-Chief Executive Officers and 40% of the incentive compensation for our other named executive officers.

[2] Operating income before income taxes equals the income before income taxes, adjusted to exclude the impact of realized investment gains and losses, the expense associated with our IPO-related equity awards and the income related to ceded premium recoveries which previously had not been recognized due to the uncertain nature of their recovery.

The table below sets forth the fiscal 2011 actual incentive payments, as well as the maximum permissible payout for each named executive officer.

Name	Actual Cash Award	Actual Restricted Stock Award	Total Incentive Award	Maximum Permissible Payout as a Percentage of Operating Income Before Income Taxes	Maximum Permissible Payout as a Dollar Amount
D. Richard Williams	$1,494,375	$1,245,294	$2,739,669	2.00%	$ 5,481,280
John A. Addison, Jr.	$1,494,375	$1,245,294	$2,739,669	2.00%	$ 5,481,280
Gregory C. Pitts	$ 249,250	$ 398,776	$ 648,026	0.75%	$2,055,480
Alison S. Rand	$ 299,100	$ 398,776	$ 697,876	0.75%	$2,055,480
Peter W. Schneider	$ 598,200	$ 448,633	$1,046,833	0.75%	$2,055,480
Glenn J. Williams	$ 408,770	$ 448,633	$ 857,403	0.75%	$2,055,480

The table below sets forth the actual incentive award for each named executive officer as a percentage of target cash and target equity.

Name	Actual Cash Award	Target Cash Award	Restricted Stock Award	Target Restricted Stock Award	Total Incentive Award as a % of Target
D. Richard Williams	$1,494,375	$1,500,000	$1,245,294	$1,250,000	99.6%
John A. Addison, Jr.	$1,494,375	$1,500,000	$1,245,294	$1,250,000	99.6%
Gregory C. Pitts	$ 249,250	$ 250,000	$ 398,776	$ 400,000	99.7%
Alison S. Rand	$ 299,100	$ 300,000	$ 398,776	$ 400,000	99.7%
Peter W. Schneider	$ 598,200	$ 600,000	$ 448,633	$ 450,000	99.7%
Glenn J. Williams	$ 408,770	$ 410,000	$ 448,633	$ 450,000	99.7%

The Compensation Committee has discretion to determine if any portion of the annual cash incentive award in excess of the target award will be paid in restricted stock. Because the named executive officers received awards near target, the Compensation Committee did not award any portion of the cash incentive award in shares of restricted stock.

Q: What were the individual goals of the Company's named executive officers for fiscal 2011?

A: Each named executive officer had individual performance objectives for fiscal 2011 that were approved by the Compensation Committee. These goals focused on the professional development of each named executive officer as well as certain non-financial objectives tied to the needs of the business.

Q: Did the Compensation Committee rely on peer group companies in setting compensation for the Company's named executive officers?

A: The Compensation Committee reviewed peer analyses as part of its process of evaluating and setting compensation for the Company's named executive officers. However, given the Company's unique business model and recent separation from Citi, the Compensation Committee did not seek to benchmark or set compensation at any specific level relative to the peer data. Instead, the Compensation Committee used this information primarily to inform compensation plan design decisions and as a general reference point for pay levels.

In late fiscal 2011, the Compensation Committee requested an independent review and assessment of the Company's executive compensation program to further inform its decisions regarding compensation arrangements for fiscal 2012. Pearl Meyer, the Compensation Committee's independent compensation consultant, was directed by the Compensation Committee to:

- recommend a peer group against which the Compensation Committee could compare the Company's pay levels, program design, and practices;
- assess the competitiveness of pay levels and the alignment of variable pay plan design with peer group practices; and
- recommend any changes based on both their assessment and the unique facts and circumstances facing the Company.

In selecting peer companies, the Compensation Committee sought companies operating in similar industries (life insurance, financial services and direct marketing), with a similar business model (target customer, independent sales force and profitability) and similar size (revenue and market capitalization). This approach reflects the uniqueness and complexity of Primerica's product and service mix, as opposed to focusing on a more narrow view of Primerica as a traditional life insurance company. Although not all selected peer companies fit all identified criteria, the Compensation Committee approved the following peer group for purposes of the executive compensation assessment:

Name of Peer Company	Fiscal Year 2010 Revenue	Fiscal Year 2010 Net Income	Industry
	(In millions)		
American Equity Investment Life Holding Company	$ 1,286	$ 43	Life & Health Insurance
Ameriprise Financial, Inc.	$10,021	$ 1,097	Life & Health Insurance
FBL Financial Group, Inc.	$ 1,109	$ 121	Life & Health Insurance
Herbalife Ltd.	$ 2,734	$ 291	Direct Marketing – Personal Products
LPL Investment Holdings Inc.	$ 3,113	($ 57)	Investment Banking & Brokerage
Nu Skin Enterprises, Inc.	$ 1,537	$ 136	Direct Marketing – Personal Products
Protective Life Corporation	$ 3,079	$ 260	Life & Health Insurance
Raymond James Financial, Inc.	$2,980	$ 228	Investment Banking & Brokerage
Stifel Financial Corp.	$ 1,396	$ 2	Investment Banking & Brokerage
Symetra Financial Corporation	$ 1,879	$ 201	Life & Health Insurance
Torchmark Corporation	$ 3,369	$ 522	Life & Health Insurance
Tupperware Brands Corporation	$ 2,300	$ 226	Direct Marketing – Housewares & Specialties
Waddell & Reed Financial, Inc.	$ 1,054	$ 157	Asset Management & Custody Banks
Primerica, Inc.	**$1,362[1]**	**$ 258[1]**	**Direct Marketing – Financial Services**

[1] Due to our corporate reorganization in March and April of 2010, fiscal year 2010 Revenue and Net Income are not fully reflective of our historical or prospective financial performance.

The peer group analysis was intentionally limited to aggregate named executive officer pay levels for five of the Company's six named executive officers, as opposed to individual executive comparisons, due to the following considerations:

- the Company's Co-Chief Executive Officer leadership structure would be difficult to benchmark on a position-by-position basis;
- the Company's disclosed named executive officer positions are different from those disclosed by peer companies;
- the Company's named executive officers have certain contractual arrangements for a specified period of time following the IPO; and
- the purpose of the benchmark exercise was to obtain a high-level assessment of competitive positioning; not to inform decisions regarding individual executive pay opportunity levels.

Based on the peer group assessment, the Compensation Committee's independent consultant concluded that the Company's target pay opportunities were positioned near the peer group median and that the target pay mix between fixed and variable pay was also comparable to our peers. The analysis also compared the Company's cash and equity incentive plan with those of the peer companies, which revealed that the Company's programs were generally consistent with peer companies except for a lower maximum award opportunity as a percent of target for the cash incentive program (150% compared to 200% for many peers) and the absence of stock options as a form of equity award (which remains prevalent among peers). The Compensation Committee considered these analyses and findings as part of its overall decision-making process regarding fiscal 2012 compensation.

Q: Does Primerica provide for the clawback of the compensation of its named executive officers?

A: The Primerica, Inc. Amended and Restated 2010 Omnibus Incentive Plan (the "Omnibus Incentive Plan") provides that the Compensation Committee may require the reimbursement of cash or forfeiture of equity awards if the it determines that an award that was granted, vested or paid based on the achievement of performance criteria would have not been granted, vested or paid absent fraud or misconduct, an event giving rise to a restatement of the Company's financial statements or a significant write-off not in the ordinary course affecting the Company's financial statements. The clawback language will be expanded to the extent required by the SEC in a manner consistent with rules expected to be adopted in connection with The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Q: What other benefits does Primerica provide to its named executive officers?

A: As with other employees, our named executive officers are eligible to participate in our employee health benefit programs, including health and dental insurance plans, and a life insurance program on the same terms as regular employees. In addition, all employees receive dividends on unvested restricted stock, and regular employees are entitled to a Company match of employee contributions to our 401(k) plan.

Q: Are there any differences in compensation policies and programs with respect to individual named executive officers?

A: Our compensation policies are similar for all of our named executive officers except as described below.

- Co-Chief Executive Officer Arrangements
  - employment agreements have a five-year term expiring on August 19, 2015;
  - base salary is subject to annual review and may be increased but not decreased;
  - target cash award set at 200% of base salary;
  - along with their spouses and dependents, entitled to medical benefits for 18 months if their employment is terminated by us for cause or by them without good reason or as a result of nonrenewal of their employment agreements;

  - along with their spouses and dependents, entitled to lifetime participation in the Company's medical benefits, at their own expense, depending on the circumstances of termination; and
  - entitled to additional payments in the event they are obligated to pay taxes under Section 280G of the Code in connection with a change of control of the Company that occurs on or before April 1, 2013.
- Other Named Executive Officer Arrangements
  - employment agreements have a three-year term expiring on August 19, 2013;
  - base salary will be subject to annual review after three years and may be increased or decreased as a result of such review; and
  - target cash award to be specified annually by the Compensation Committee with input from the Co-Chief Executive Officers.

Equity Grants

Q: Did the Compensation Committee grant equity awards to the Company's named executive officers in fiscal 2011?

A: In February 2011, the Compensation Committee granted equity awards to our named executive officers based on individual and Company performance in fiscal 2010. In February 2012, the Compensation Committee granted equity awards to our named executive officers based on individual and Company performance in fiscal 2011. Based on fiscal 2011 results, the corporate component of both cash incentives and equity awards were earned at 99.5% of target levels.

Q: How does the Compensation Committee determine grant dates for equity awards?

A: The Compensation Committee approves all stock awards to named executive officers. The grant date is the date the awards are approved by the Compensation Committee. We do not coordinate equity grants with the release of material information. Further, the Compensation Committee does not accelerate or delay equity grants in response to material information, nor does the Company delay the release of material information for any reason related to the granting of equity awards.

Fiscal 2012 Compensation

Q: Have there been any other actions with respect to executive compensation since the end of fiscal 2011?

A: Since the end of fiscal 2011, the Compensation Committee has determined the extent to which the Company achieved the fiscal 2011 performance objectives required to earn cash and equity incentive awards. Based in part on the competitive review process completed in fiscal 2011 and in consideration of the Company's performance in fiscal 2011 and outlook for fiscal 2012, the Compensation Committee approved the following actions for fiscal 2012:

- No increase in base salary for any named executive officer;
- For fiscal 2012, the following four performance objectives will each constitute 25% of the overall corporate incentive:
  - operating income before income taxes
  - operating return on average equity
  - operating revenues
  - size of life-licensed sales force
- The Committee expects to grant the executive officers, including the named executive officers, approximately one-third of the value of their 2013 equity awards in the form of non-qualified stock options.

Post-Termination Compensation

Q: What retirement benefits does Primerica provide to its named executive officers?

A: All regular employees, including our named executive officers, are eligible to participate in our 401(k) plan. The Company matches employee contributions to our 401(k) plan at a rate of 100% on the first 4% of pay and 50%

on the next 2% of pay. The Company has no deferred compensation plan or defined pension plan.

Q: Does the Company provide any of its named executive officers with post-termination compensation?

A: Yes, the Company has entered into employment agreements with each named executive officer that provides for severance and change of control benefits under specified circumstances. These agreements generally provide for payments and other benefits if the named executive officer's employment terminates for a qualifying event or circumstance, such as being terminated without cause or leaving employment for good reason, as these terms are defined in the respective officer's employment agreement. Upon a change of control (as defined in the agreements) of the Company, each named executive officer may terminate his or her employment for good reason. Additional information regarding the employment agreements is found under the heading "Executive Compensation – Employment Agreements with Named Executive Officers" below, and a quantification of benefits that would have been received by the named executive officers had termination occurred on December 31, 2011 is found under the heading "Executive Compensation – Potential Payments and Other Benefits Upon Termination or Change of Control".

The Compensation Committee believes that these severance and change of control benefits are an important part of a competitive overall compensation arrangement for the named executive officers, are consistent with the objective of attracting, motivating and retaining highly talented executives and are important as a recruitment and retention device. The Compensation Committee also believes that change of control benefits will help to secure the continued employment and dedication of the named executive officers, mitigate concern that they might have regarding their continued employment prior to or following a change of control, and encourage independence and objectivity when considering possible transactions that may be in the best interests of our stockholders but may possibly result in the termination of their employment. Finally, the Compensation Committee believes that post-termination non-disclosure, non-competition and non-solicitation covenants to which the named executive officers have agreed in consideration for the Company providing these severance and change of control benefits are highly beneficial to the Company.

The Compensation Committee believes that the payment of specified multiples of base salary and target bonus and the accelerated vesting of restricted stock awards are consistent with competitive practices for positions at the level of the named executive officers. The potential amount of severance benefits an executive may receive in the event of a change of control did not influence the Compensation Committee's decisions regarding other compensation elements due to the fact that a change of control may never occur during the named executive officer's term of employment.

Stock Ownership Guidelines

Q: Does Primerica have stock ownership guidelines for its named executive officers?

A: Yes, we currently have the following stock ownership guidelines in place for our named executive officers:

Co-Chief Executive Officers	5 times base salary
Other Named Executive Officers	2.5 times base salary

In determining compliance with these guidelines, stock ownership includes shares beneficially owned by the participant (or by immediate family members) and unvested restricted stock. The participants have five years from the later of the date of the IPO or the date of their appointment or election to achieve the targeted level of stock ownership. Until the ownership guidelines are satisfied, the named executive officers are required to hold 75% of the net shares (after satisfying withholding for taxes) of awards from the Company's equity-based incentive compensation program. To monitor compliance with these guidelines, the Compensation

Committee annually reviews the stock ownership of the named executive officers. As of December 31, 2011, all named executive officers satisfied the stock ownership guidelines and, therefore, were not subject to additional holding periods.

Q: Do any named executive officers have pre-set trading plans?

A: As of December 31, 2011, each of our named executive officers was a party to a Rule 10b5-1 trading plan that provides for the sale by an independent broker-dealer of shares in order to fund taxes due upon the vesting of restricted shares. In addition, Ms. Rand and Messrs. Pitts and Schneider are each a party to a Rule 10b5-1 trading plan that provides for the sale of shares at certain designated prices or on certain designated dates. The purpose of such plans is to enable (i) shares to be sold by the named executive officers to fund taxes due upon the vesting of restricted shares and (ii) named executive officers to recognize the value of their compensation and diversify their holdings of the Company's common stock during periods in which they would otherwise be unable to buy or sell such stock because important information about Primerica had not been publicly released.

Q: Does Primerica permit directors and named executive officers to purchase financial instruments that are designed to hedge or offset any decrease in the market value of the Company's common stock?

A: Primerica's insider trading policy provides that employees, officers and members of the Board and its subsidiaries, and their related persons, are prohibited from purchasing, selling or trading in options, warrants, puts and calls or similar instruments on the Company's common stock or selling the Company's common stock short. In addition, employees, officers and members of the Board, and their related persons, may not hold the Company's securities in margin accounts.

Tax and Accounting Implications

Q: What are the tax implications of the Company's compensation programs for its named executive officers?

A: While reserving our right to offer such compensation arrangements as may from time to time be necessary to attract and retain top-quality management, we intend generally to structure such arrangements, where feasible, to minimize or eliminate the impact of the limitations of Section 162(m) of the Code. Section 162(m) limits the federal income tax deductibility of compensation paid to our Co-Chief Executive Officers and to each of our four other most highly compensated executive officers (excluding our Chief Financial Officer). Under Section 162(m), we may deduct such compensation with respect to any of these individuals only to the extent that during any fiscal year such compensation does not exceed $1,000,000 or meets certain other conditions (such as qualification of the compensation as performance-based compensation under Section 162(m)).

In designing our compensation programs, we also take into consideration the impact of Section 409A of the Code. Section 409A imposes additional significant taxes in the event that an executive officer, director or service provider receives deferred compensation that does not satisfy the requirements of Section 409A. Consequently, we structured our employment agreements and our equity awards in a manner intended either to avoid the application of Section 409A or to comply with its requirements.

We also consider Section 280G of the Code and related sections, which provide that our named executive officers could be subject to significant additional taxes if the total amount of payments to such officer that is contingent upon a change of control of Primerica (within the meaning of Section 280G), equals or exceeds three times the executive's base

amount (generally, the individual's average annual compensation for the five calendar years immediately preceding the change of control). Subject to certain exceptions, the portion of such payments in excess of the base amount may be treated as parachute payments under Section 280G. A portion of such payments would not be deductible by the Company, and the executive would be subject to a 20% excise tax on such portion of the payments. The employment agreements between the Company and our named executive officers attempt to minimize the likelihood of lost deductions and the imposition of excise taxes should a change of control transaction occur. However, there is no assurance that payments actually received by each of the executives in connection with a change of control transaction, if one were to occur, will be deductible by the Company or will not be subject to an excise tax. The ultimate determination would depend on various factors at the time a change of control transaction occurs, including transaction price, the actual base amount and other variables that cannot presently be predicted.

Q: How does the Company account for its compensation programs for its named executive officers?

A: Base salaries and cash incentive awards are expensed over the period in which they are earned. As such, the cash incentive award that was earned during 2011 and paid in March 2012, was recorded during fiscal 2011. Equity incentive awards to our named executive officers consist of restricted stock awards. The financial effects of granting restricted stock are recognized in accordance with U.S. generally accepted accounting principles ("GAAP"). As such, the restricted stock is measured at fair value on the date of grant and expensed during the requisite service period for those shares of restricted stock that are expected to vest. The requisite service period for this restricted stock matches the vesting period and is three years from the date of grant. At each reporting date, the Company evaluates the total number of shares of restricted stock that it expects to vest, including those awarded to named executive officers, taking into account estimated forfeitures. Compensation expense is recorded for those restricted stock awards expected to vest over the vesting period. If the number of restricted stock awards expected to vest changes, a cumulative adjustment is recorded at that time, taking into account the service period already elapsed. Compensation expense is based upon the grant date market price for most awards. The expense is recorded over the vesting period. The classification of the expense associated with the restricted stock in our Consolidated Statement of Income follows the same classification as salary and cash incentive awards for our executives. The expense associated with these awards is not capitalized and is classified within Other Operating Expenses on our Consolidated Statement of Income.

Q: What tools does the Compensation Committee use to set compensation of the Company's named executive officers?

A: The Compensation Committee reviews executive officer tally sheets at least annually to better understand the level of each named executive officer's compensation. These tally sheets set forth all components of compensation, a summary of the outstanding equity holdings of each named executive officer and the value of such holdings under various assumed share prices, the value of benefit plans and programs and perquisites. The tally sheets also set forth the estimated value that each of our named executive officers would realize upon separation under various scenarios, including voluntary termination of employment with and without good reason, involuntary termination of employment with and without cause, termination of employment in connection with a change of control, and death or disability. The Compensation Committee uses these tally sheets when considering adjustments to base salaries and awards of equity-based or other incentive compensation and in establishing incentive plan opportunity levels.

Compensation Consultant Role

Q: What is the role of the consultants retained by the Compensation Committee?

A: The Compensation Committee retained Pearl Meyer as its independant compensation consultant for fiscal 2011. During fiscal 2011, Pearl Meyer reviewed management recommendations regarding compensation programs, provided competitive market data and information regarding peer companies, assessed proposed plan designs, provided periodic updates on trends and developments in executive compensation and made recommendations with respect to executive and non-employee director compensation. Pearl Meyer does not provide services to management or the Company, but management works closely with Pearl Meyer as requested by and on behalf of the Compensation Committee.

Executive Officer Role

Q: What is the role of executive officers in setting compensation of our named executive officers?

A: Other than our Co-Chief Executive Officers, who participate in setting the compensation of the other executive officers through their recommendations to the Compensation Committee, our named executive officers do not directly participate in determining their compensation.

Q: How was compensation for the named executive officers set?

A: For the named executive officers other than the Co-Chief Executive Officers, as well as for the Company's other executive officers, our Co-Chief Executive Officers made recommendations for each individual's compensation package to the Compensation Committee. In making these recommendations, the Co-Chief Executive Officers considered the individual's performance and past contributions to the Company, the potential future contribution of the individual to the Company and achievement of the Company's business and financial goals, including the potential for the individual to make even greater contributions to the Company in the future than he or she has in the past, the risk that the individual may be lured away by a competitor and market compensation data. The Compensation Committee then discussed these recommendations with the Co-Chief Executive Officers. The Compensation Committee further reviewed and discussed these recommendations in executive sessions, and as part of these discussions, the Compensation Committee discussed the proposed compensation and retention programs with its independent compensation consultant.

For the Co-Chief Executive Officers, the Compensation Committee directly determined the compensation and retention package, considering the employment agreements and receiving input, recommendations and market data as it deemed appropriate from the Compensation Committee's independent compensation consultant and management. In addition to being reviewed and approved by the Compensation Committee, the compensation package for the Co-Chief Executive Officers was reviewed and ratified by the Board in executive session.

Risks Related to Compensation Policies and Practices

The Company has in place a risk management discipline that is designed to capture, monitor and control the risks created by its business activities, and the Compensation Committee considers risk in developing the compensation policies and practices for all employees, including our named executive officers. Although our compensation programs are generally designed to pay for performance and provide incentive-based compensation, the programs contain various mitigating factors to ensure our employees, including our named executive officers, are not encouraged to take unnecessary risks in managing our business.

These factors include:

- oversight of programs (or components of programs) by committees of the Board, including the Compensation Committee;
- internal controls that are designed to keep our financial and operating results from

being susceptible to manipulation by any employee, including our named executive officers;

- discretion provided to the Board and the Compensation Committee (including negative discretion) to set targets, monitor performance and determine final payouts;
- oversight of Company activities by a broad-based group of functions within the organization, including Human Resources, Finance, and Legal and at multiple levels within the organization (both corporate and business unit/region);
- a mixture of programs that provide focus on both short- and long-term goals and that provide a mixture of cash and stock-based compensation;
- caps on the maximum incentive payouts available to named executive officers;
- incentives focused primarily on the use of reportable and broad-based financial metrics (such as operating income before taxes), including a mixture of consolidated and business-specific goals, with no one factor receiving an excessive weighting;
- service-based vesting conditions with respect to equity awards;
- clawback provisions in the Omnibus Incentive Plan; and
- the significant long-term ownership interests in the Company held by certain of our key executive officers.

Executive Compensation Tables

Summary Compensation Table

The following table describes total compensation earned during fiscal 2011, fiscal 2010 and the year ended December 31, 2009 ("fiscal 2009") for our named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
D. Richard Williams	2011	$750,000	–	$ 449,978(1)	–	$1,494,375(2)	$ 17,560(3)	$ 58,182(4)	$2,770,095
Chairman of the Board and	2010	$ 672,115	–	$10,970,200(5)	–	$1,500,000(6)	$ 18,873(3)	$102,067	$13,263,255
Co-Chief Executive Officer	2009	$ 432,502	$ 117,500(7)	–	$ 69,347(8)	–	$56,466(3)	$ 14,700	$ 690,515
John A. Addison, Jr.	2011	$750,000	–	$ 449,978(1)	–	$1,494,375(2)	$35,856(3)	$ 55,993(4)	$2,786,202
Chairman of Primerica	2010	$ 672,115	–	$10,953,700(5)	–	$1,500,000(6)	$ 25,511(3)	$ 111,593	$13,262,919
Distribution and Co-									
Chief Executive Officer	2009	$ 425,002	$125,000(7)	–	$ 66,140(8)	–	$35,826(3)	$ 14,700	$ 666,668
Gregory C. Pitts	2011	$450,000	–	$ 399,977(1)	–	$ 249,250(2)	–	$ 28,043(4)	$ 1,125,270
Executive Vice President and	2010	$ 422,713	–	$ 1,647,130(5)	–	$ 250,000(6)	$ 41,468(3)	$ 23,466	$ 2,384,777
Chief Operating Officer	2009	$ 297,343	$ 146,914(7)	–	$ 63,599(8)	–	$ 29,019(3)	$ 14,700	$ 551,575
Alison S. Rand	2011	$450,000	–	$ 399,977(1)	–	$ 299,100(2)	$ 2,942(3)	$ 22,983(4)	$ 1,175,002
Executive Vice President and	2010	$ 419,626	–	$ 1,781,235(5)	–	$ 300,000(6)	$ 5,533(3)	$ 11,146	$ 2,517,540
Chief Financial Officer	2009	$ 281,755	$170,999(7)	$ 28,912(9)	$80,900(8)	–	$ 14,681(3)	$ 14,700	$ 591,947
Peter W. Schneider	2011	$450,000	–	$ 449,978(1)	–	$ 598,200(2)	$ 3,581(3)	$ 27,505(4)	$ 1,529,264
Executive Vice President,	2010	$ 422,115	–	$ 2,703,610(5)	–	$ 600,000(6)	$ 3,851(3)	$ 21,701	$ 3,751,277
General Counsel, Corporate	2009	$ 385,713	$ 79,288(7)	–	$114,975(8)	–	$ 11,565(3)	$ 14,700	$ 616,241
Secretary and Chief									
Administrative Officer									
Glenn J. Williams	2011	$450,000	–	$ 449,978(1)		$ 408,770(2)	$ 2,879(3)	$ 24,758(4)	$ 1,336,385
President	2010	$429,808	–	$ 2,212,130(5)	–	$ 410,000(6)	$ 3,099(3)	$ 15,204	$ 3,070,241
	2009	$ 315,929	$159,073(7)	–	$ 60,379(8)	–	$ 10,673(3)	$ 14,700	$ 560,754

(1) Represents restricted shares granted in February 2011 for performance in fiscal 2010. For the valuation assumptions underlying the awards, see the Company's audited financial statements for fiscal 2011 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 (the "2011 Form 10-K"). Messrs. R. Williams and Addison would each have been awarded $1,250,000 in restricted stock awards in fiscal 2011, but they requested that the Compensation Committee reallocate $1,500,000 of their awards to create an additional equity award pool for grants of restricted stock units to sales representatives in 2011 and 2012.

(2) Represents incentive awards paid in cash in March 2012 for performance in fiscal 2011.

(3) Represents the positive changes in the present value of the pension benefits for each named executive officer under The Citigroup Pension Plan and The Travelers Retirement Benefits Equalization Plan. The change in pension value for 2010 for Messrs. Addison and Pitts and Ms. Rand also includes any applicable adjustment for termination from The Citigroup Pension Plan calculated at the termination date from the Plan. The amount of each named executive officer's above-market or preferential earnings on compensation that was deferred on a basis that was not tax-qualified was $0.

(4) Represents dividends paid on unvested restricted stock, the 401(k) plan matching contribution for the 2011 plan year, executive healthcare benefits and spousal travel. No perquisites or personal benefits for any named executive officer exceeded the greater of $25,000 or 10% of the total except that Messrs. R. Williams and Addison each received dividends on unvested restricted shares in the amount of $42,188.

(5) Includes IPO-related one-time equity awards, and represents the award of stock-based compensation by Primerica and Citi as set forth below. For the valuation assumptions underlying the Primerica awards, see the Company's audited financial statements for fiscal 2010 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010. For the valuation assumptions underlying the Citi awards, see Citi's audited financial statements for fiscal 2010 included in its Annual Report on Form 10-K for the year ended December 31, 2010. The Citi awards set forth below were granted in February 2010 (prior to the IPO) for performance in fiscal 2009.

2010 Stock Awards:

	Primerica Awards				Citi Awards				
	Primerica IPO Awards (a)		Primerica Conversion Shares ($) (b)	Primerica Total ($)	Citi Stock Equivalent Award ($) (c)	Sale-Restricted Citi Stock Equivalent Award ($) (d)	Citi CAP($) Award (e)	Citi Total ($)	Total ($)
	#	$							
D. Richard Williams	575,000	$8,625,000	–	$8,625,000	$1,498,130	$847,070	–	$2,345,200	$10,970,200
John A. Addison, Jr.	575,000	$8,625,000	–	$8,625,000	$1,487,405	$ 841,295	–	$2,328,700	$10,953,700
Gregory C. Pitts	90,000	$1,350,000	$ 32,130	$ 1,382,130	$ 180,000	$ 85,000	–	$ 265,000	$ 1,647,130
Alison S. Rand	100,000	$1,500,000	$ 28,110	$ 1,528,110	$ 187,500	–	$65,625	$ 253,125	$ 1,781,235
Peter W. Schneider	115,000	$1,725,000	$48,210	$ 1,773,210	$ 578,510	$ 351,890	–	$ 930,400	$ 2,703,610
Glenn J. Williams	115,000	$1,725,000	$32,130	$ 1,757,130	$ 296,080	$159,080	–	$ 455,000	$ 2,212,130

(a) Represents a special grant awarded in connection with the IPO, none of which was vested at December 31, 2010.
(b) Represents shares of Primerica awarded upon conversion of unvested Citi awards.
(c) Represents the grant date value of common stock equivalent awards awarded by Citi in January 2010 to our named executive officers for performance in fiscal 2009. These awards were fully vested on the grant date and were paid in April 2010.
(d) Represents the grant date value of Citi's sale-restricted common stock equivalents in January 2010 to named executive officers who met Citi's Rule of 60 or Rule of 75 as of the grant date. These awards were fully vested on the grant date and are payable over four years.
(e) Represents awards made by Citi in January 2010 pursuant to the Citi Capital Accumulation Program. These awards provided that they would vest and be paid out in 25% increments over the subsequent four years, but the vesting was accelerated to April 7, 2010 in connection with the IPO.

(6) Represents incentive awards paid in cash in March 2011 for performance in fiscal 2010.
(7) Represents the sum of the cash incentives paid by Citi in January 2010 for performance in fiscal 2009 of $75,000 for each named executive officer, a lump sum retention payment made by Citi to each named executive officer in November 2009 and, in the case of Ms. Rand, a deferred cash award of $21,875 paid by Citi in respect of fiscal 2009 performance. Ms. Rand's deferred cash award provided that it would vest and be paid out in 25% increments over the subsequent four years, but the vesting was accelerated to April 7, 2010 in connection with the IPO.
(8) Represents the aggregate grant date fair value computed in accordance with GAAP of the stock options awarded by Citi to the named executive officers in 2009 in respect of performance for the year ended December 31, 2008. For the valuation assumptions underlying these awards, see Citi's audited financial statements for fiscal 2009 included in its Annual Report on Form 10-K for the year ended December 31, 2009.
(9) Represents Citi awards at the grant date fair value computed in accordance with GAAP, all of which were granted in October 2009. For the valuation assumptions underlying the Citi awards, see Citi's audited financial statements for fiscal 2009 included in its Annual Report on Form 10-K for the year ended December 31, 2009.

Salary (Column C)

These amounts reflect base salary earned by our named executive officers. Base salary for named executive officers in fiscal 2011 was unchanged from fiscal 2010. For each named executive officer, salary for fiscal 2010 reflects approximately three months compensation at the salary level established by Citi and nine months compensation at the salary level established by the Committee as of April 1, 2010. See "Compensation Discussion and Analysis (CD&A) – Questions and Answers Related to Our 2011 Executive Compensation – Compensation Elements."

Bonus (Column D)

Other than amounts included in the "Salary" column, Primerica did not award any non-incentive cash compensation to our named executive officers in fiscal 2011 or fiscal 2010.

Citi paid bonuses to our named executive officers in January 2010 in respect of fiscal 2009 performance according to the following guidelines:

- employees who received an incentive compensation award in excess of $100,000 participated in the Citi Capital Accumulation Program ("CAP");

- employees participating in CAP who did not meet the Rule of 60 or the Rule of 75 received the remainder of their incentive compensation award in a combination of fully vested cash ($75,000) and fully vested common stock equivalents ("CSEs") paid in April 2010 following the Citi 2010 annual meeting of stockholders; and
- employees participating in CAP who did not meet the Rule of 60 or the Rule of 75 received at least 25% of their incentive compensation award in the form of long-term incentive compensation (with the relative percentage of long-term incentive compensation increasing as the total incentive compensation award increased) payable 25% in the form of deferred cash awards and 75% in the form of either restricted stock awards or deferred stock awards, each vesting over four years subject to continued employment (or, in the case of employees satisfying the Rule of 60 or the Rule of 75 on or prior to the date of grant, in fully vested CSEs, payable over four years). Each CSE represented the right to receive one share of Citi common stock. Deferred cash awards were paid under the Deferred Cash Award Plan. These awards were accelerated at the time of the IPO.

The Rule of 75 was met if an employee's age plus number of full years of service with Citi, when added together, was equal to at least 75. For awards granted in 2007 or later, the Rule of 60 was met if either (i) the employee was at least age 50 and had completed a minimum of five years of service with Citi or (ii) the employee had a minimum of 20 years of service with Citi, provided that, in either event, the employee's age plus number of full years of service equaled at least 60. As of December 31, 2010, Messrs. R. Williams, Addison and G. Williams met the Rule of 75, Mr. Pitts met the Rule of 60, Mr. Schneider met the Rule of 60 for awards granted in 2007 or later only, and Ms. Rand met neither the Rule of 75 nor the Rule of 60.

Stock Awards (Column E)

The dollar amounts for the awards represent the grant-date fair value computed in accordance with GAAP and will vary from the actual amount ultimately realized by the named executive officers. The ultimate value of the award will depend on the price of the Company's or Citi's common stock on the date that the award vests. Details about fiscal 2011 awards are included in the Grant of Plan-Based Awards Table. Fiscal 2010 amounts reflected grants of both Primerica restricted stock and Citi stock equivalent awards.

Option Awards (Column F)

In October 2009, our named executive officers received nonqualified stock option grants under the Citi Employee Option Program (the "CEOG Options"). The exercise price of the CEOG Options is $40.80 (the adjusted closing price of Citi's common stock on the trading day immediately preceding the grant date after giving effect to the 10-for-1 reverse stock split effected on May 9, 2011). CEOG Options have an option term of six years from the grant date and expire in October 2015. CEOG Options were scheduled to vest in three equal annual installments beginning on the first anniversary of the grant date but vesting was accelerated to April 15, 2010 in connection with the IPO.

Non-Equity Incentive Plan Compensation (Column G)

These amounts reflect non-equity incentive plan compensation awards, which were earned by our named executive officers under the Omnibus Incentive Plan based on Company and individual performance during fiscal 2011 and fiscal 2010. Amounts were approved by the Compensation Committee in February 2012 and February 2011, respectively.

Change in Pension Value and Nonqualified Deferred Compensation Earnings (Column H)

These amounts are the positive changes in the present value of the pension benefits for each named executive officer under the Citigroup Pension Plan and the Travelers Nonqualified Plan. These benefits are all provided under Citi plans; Primerica does not have a pension plan or a deferred compensation plan.

All Other Compensation (Column I)

These amounts reflect the combined value of each named executive officer's perquisites, personal benefits and compensation that is not otherwise reflected in the table.

Fiscal 2011 Grants of Plan-Based Awards Table

The following table provides information about each grant of plan-based awards made to our named executive officers during fiscal 2011.

Each of the incentive awards granted by Primerica during fiscal 2011 and reported in the below table was granted under, and is subject to the terms of, the Omnibus Incentive Plan. The Omnibus Incentive Plan is administered by the Compensation Committee. The Compensation Committee has authority to interpret the Omnibus Incentive Plan and make all required determinations under the Omnibus Incentive Plan. Awards granted under the Omnibus Incentive Plan are transferable to trusts established solely for the benefit of the grantee's family members or to a beneficiary of a named executive officer upon his or her death.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)(2)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (#) (3)	Grant Date Fair Value of Stock and Option Awards
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold ($)	Target ($)	Maximum ($)		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
D. Richard Williams	(4) 02/22/11	$750,000	$1,500,000	$ 5,481,280	N/A	$1,250,000	(5)	19,379	$499,978
John A. Addison, Jr.	(4) 02/22/11	$750,000	$1,500,000	$ 5,481,280	N/A	$1,250,000	(5)	19,379	$499,978
Gregory C. Pitts	(4) 02/22/11	N/A	$ 250,000	$2,055,480	N/A	$ 400,000	(5)	15,503	$399,977
Alison S. Rand	(4) 02/22/11	N/A	$ 300,000	$2,055,480	N/A	$ 400,000	(5)	15,503	$399,977
Peter W. Schneider	(4) 02/22/11	N/A	$ 600,000	$2,055,480	N/A	$ 450,000	(5)	17,441	$449,978
Glenn J. Williams	(4) 02/22/11	N/A	$ 410,000	$2,055,480	N/A	$ 450,000	(5)	17,441	$449,978

(1) Represents total incentive award amounts for each named executive officer for performance in fiscal 2011, which were paid in February and March 2012. The threshold and target amounts for the Co-Chief Executive Officers represent 100% and 200% of annual base salary, respectively. The maximum amount represents a designated percentage of operating income before income taxes for fiscal 2011. "Operating income before income taxes" is defined as Primerica's income before income taxes, adjusted to exclude the impact of realized investment gains and losses, the expense associated with our IPO-related equity awards and the income we recognized in the first quarter of 2011 upon recovering certain payments related to past underwriting class upgrades not passed through to our reinsurance partners.

(2) The cash incentive award and the number of restricted shares awarded to each named executive officer under the incentive compensation plan in February and March 2012 for performance in fiscal 2011, as well as the grant date fair value of such awards, are set forth below:

		Stock Incentive Award		
	Cash Incentive Award	Number of Shares Awarded	Grant Date Fair Value	Total Incentive Award
D. Richard Williams	$1,494,375	48,931	$1,245,294	$2,739,669
John A. Addison, Jr.	$1,494,375	48,931	$1,245,294	$2,739,669
Gregory C. Pitts	$ 249,250	15,669	$ 398,776	$ 648,026
Alison S. Rand	$ 299,100	15,669	$ 398,776	$ 697,876
Peter W. Schneider	$ 598,200	17,628	$ 448,633	$1,046,833
Glenn J. Williams	$ 408,770	17,628	$ 448,633	$ 857,403

(3) Represents restricted shares granted under the incentive compensation plan in February 2011 for performance in fiscal 2010. The right to receive these shares was disclosed as an estimated future payout in the 2011 proxy statement.

(4) The Compensation Committee approved the 2011 incentive compensation program on February 22, 2011. Grants under the program were made on February 21, 2012.

(5) The maximum amounts set forth under column (E) represent total incentive awards, which include both a cash component and an equity component. The maximum permissible payout was determined in the aggregate only and it is not broken down between the cash and equity components.

Estimated Future Payouts Under Non-Equity Incentive Plan Awards (Columns C, D and E)

These amounts reflect the annual incentive compensation amounts that could have been earned during fiscal 2011 based upon the achievement of performance goals under the Omnibus Incentive Plan. The target incentive award is based on a pre-determined percentage of each named executive officer's salary. The maximum incentive award, which is equal to a specified percentage of operating income before income taxes, reflects an aggregate maximum for cash incentive and stock-based incentive awards.

The annual cash incentive compensation earned in fiscal 2011 by our named executive officers was approved by the Compensation Committee in February 2012 and paid in March 2012. These amounts are reflected in column (G) of the Summary Compensation Table. The terms of these awards are described under the heading "Compensation Discussion and Analysis (CD&A) - Questions and Answers Related to Our 2011 Executive Compensation - Compensation Elements."

Estimated Future Payouts Under Equity Incentive Plan Awards (Columns F, G and H)

The target equity incentive award represents an amount designated by the Compensation Committee at the beginning of fiscal 2011. As described above, the maximum incentive award, which is equal to a specified percentage of operating income before taxes, reflects the maximum permissible payment of the aggregate amount of cash incentive and equity incentive awards and is set forth under column (E).

All Other Stock Awards (Column I)

This column represents awards granted in 2011 for fiscal 2010 performance. The restrictions on all restricted stock awards lapse in equal installments on the first, second and third anniversary of the date of grant. Further, the restrictions on these restricted stock awards lapse automatically upon the death of the grantee. Upon disability of the grantee, the restricted stock continues to vest for 12 months and, if the grantee remains on approved disability leave, then the unvested portion vests as of the first anniversary of the commencement of such disability leave. Holders of restricted stock have the right to vote and dividend rights, but do not have the right to dispose of their restricted stock awards.

Grant Date Fair Value of Restricted Stock (Column J)

These amounts reflect $25.80 per share, which was the closing price of the Company's common stock on the trading day immediately preceding the grant date.

Outstanding Equity Awards at Fiscal Year-End Table

Primerica Awards:

The following table sets forth information regarding Primerica equity awards outstanding as of December 31, 2011, based on the closing price of the Company's common stock on that date of $23.24 per share.

		Stock Awards	
Name	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Shares or Units of Stock That Have Not Vested ($)
D. Richard Williams	04/01/10	383,334(1)	$8,908,682
	02/22/11	19,379(2)	$ 450,368
	Total	402,713	$9,359,050
John A. Addison, Jr.	04/01/10	383,334(1)	$8,908,682
	02/22/11	19,379(2)	$ 450,368
	Total	402,713	$9,359,050
Gregory C. Pitts	04/01/10	60,000(1)	$ 1,394,400
	02/22/11	15,503(2)	$ 360,290
	Total	75,503	$ 1,754,690
Alison S. Rand	04/01/10	66,667(1)	$ 1,549,341
	02/22/11	15,503(2)	$ 360,290
	Total	82,170	$ 1,909,631
Peter W. Schneider	04/01/10	76,667(1)	$ 1,781,741
	02/22/11	17,441(2)	$ 405,329
	Total	94,108	$ 2,187,070
Glenn J. Williams	04/01/10	76,667(1)	$ 1,781,741
	02/22/11	17,441(2)	$ 405,329
	Total	94,108	$ 2,187,070

(1) Vests in equal installments on April 1, 2012 and April 1, 2013.
(2) Vests in three equal annual installments beginning on February 22, 2012.

Citi Awards:

The following table sets forth information regarding Citi equity awards outstanding as of December 31, 2011. All share numbers and exercise prices reflect a 10-for-1 reverse stock split effected on May 9, 2011.

		Option Awards		
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) (1)	Option Exercise Price ($)	Option Expiration Date
D. Richard Williams	10/29/2009	4,893	$40.80	10/29/2015
John A. Addison, Jr.	10/29/2009	4,667	$40.80	10/29/2015
Gregory C. Pitts	10/29/2009	4,488	$40.80	10/29/2015
Alison S. Rand	10/29/2009	5,709	$40.80	10/29/2015
Peter W. Schneider	10/29/2009	8,114	$40.80	10/29/2015
Glenn J. Williams	10/29/2009	4,261	$40.80	10/29/2015

(1) The options were scheduled to vest in three equal annual installments beginning on October 29, 2010, but vesting was accelerated to April 15, 2010 in connection with the IPO.

Fiscal 2011 Option Exercises and Stock Vested Table

This table shows restricted stock held by our named executive officers for which restrictions lapsed during fiscal 2011. The dollar values shown in this table reflect the value realized on the vesting date, which differ from the grant date fair value disclosed elsewhere in this Proxy Statement.

	Stock Awards (1)	
Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) (2)
D. Richard Williams	191,666	$4,845,316
John A. Addison, Jr.	191,666	$4,845,316
Gregory C. Pitts	30,000	$ 758,400
Alison S. Rand	33,333	$ 842,658
Peter W. Schneider	38,333	$ 969,058
Glenn J. Williams	38,333	$ 969,058

(1) Includes shares that were withheld for the payment of taxes due upon the vesting of the restricted stock awards.
(2) Represents the number of shares of the Company's common stock vesting on April 1, 2011 multiplied by the closing stock price of the Company's common stock of $25.28 on that date.

Pension Plan Table

The following table sets forth information for each of our named executive officers regarding each plan that provides for payments or other benefits at, following, or in connection with retirement. These benefits are all provided under Citi plans and Citi provided plan descriptions. Primerica does not have a pension plan.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($) (1)	Payments During Last Fiscal Year ($)
D. Richard Williams	The Citigroup Pension Plan	28.42	$249,785	$ –
	Travelers Nonqualified Plan	22.42	$ 139,467	$ –
John A. Addison, Jr.	The Citigroup Pension Plan	25.08	$ –	$201,651
	Travelers Nonqualified Plan	19.08	$ 72,000	$ 1,847
Gregory C. Pitts (2)	The Citigroup Pension Plan	N/A	$ –	$ –
	Travelers Nonqualified Plan	N/A	$ –	$ –
Alison S. Rand	The Citigroup Pension Plan	12.92	$ 60,924	$ –
	Travelers Nonqualified Plan	6.92	$ 7,343	$ –
Peter W. Schneider	The Citigroup Pension Plan	7.50	$ 69,179	$ –
	Travelers Nonqualified Plan	1.50	$ 10,225	$ –
Glenn J. Williams	The Citigroup Pension Plan	8.00	$ 58,909	$ –
	Travelers Nonqualified Plan	2.00	$ 5,156	$ –

(1) The material assumptions used in determining the present value of the plan benefits are (a) a discount rate of 4.70%, and (b) an interest credit rate on cash balance plan benefits of 3.70%.
(2) Mr. Pitts' pension benefits were fully paid in 2010.

The Citigroup Pension Plan. The purpose of this broad-based, tax-qualified retirement plan is to provide retirement income on a tax-deferred basis to all U.S. employees of Citi, including Primerica's employees through April 7, 2010, the closing date of the IPO. Effective January 1, 2002, this plan adopted a single cash balance benefit formula for most of the covered population, including our named executive officers. This benefit is expressed in the form of a hypothetical account balance. Benefit credits accrued annually at a rate between 1.5% and 6% of eligible compensation; the rate increased with age and service. Interest credits are applied annually to the prior year's balance, and are based on the yield on 30-year Treasury bonds (as published by the Internal Revenue Service). Employees became

eligible to participate in the Citigroup Pension Plan (the "Citi Pension Plan") after one year of service, and benefits generally vested after three years of service. Effective December 31, 2006, the Citi Pension Plan was closed to new members, and effective December 31, 2007, future cash balance plan accruals ceased. All named executive officers were eligible for benefit accruals under this plan and continue to earn interest credits, like other participants.

Eligible compensation generally includes base salary and wages, plus shift differential and overtime (including any before-tax contributions to a 401(k) plan or other benefit plans), incentive awards paid in cash during such year, including any amount payable for such year, but deferred under a deferred compensation agreement, commissions paid during such year, any incentive bonus or commission granted during such year in the form of restricted stock or stock options under CAP, but excluding compensation payable after termination of employment, sign-on and retention bonuses, severence pay, cash and non-cash fringe benefits, reimbursements, tuition benefits, payment for unused vacation, any amount attributable to the exercise of a stock option, or attributable to the vesting of, or an 83(b) election with respect to, an award of restricted stock, moving expenses, welfare benefits, and payouts of deferred compensation. Annual eligible compensation was limited by Internal Revenue Service rules to $225,000 for 2007 (the final year of cash balance benefit accrual).

The normal form of benefit under the Citi Pension Plan is a joint and survivor annuity for married participants (payable over the life of the participant and spouse) and a single life annuity for unmarried participants (payable for the participant's life only). Although the normal form of the benefit is an annuity, the hypothetical account balance is also payable as a single lump sum, at the election of the participant. The Citi Pension Plan's normal retirement age is 65 years old. All optional forms of benefit under this formula available to our named executive officers are actuarially equivalent to the normal form of benefit. Benefits are eligible for commencement under the plan upon termination of employment at any age, so there is no separate eligibility for early retirement.

The Travelers Retirement Benefits Equalization Plan. The Travelers Retirement Benefits Equalization Plan (the "Travelers Nonqualified Plan"), a nonqualified retirement plan, provides retirement benefits using the applicable Citi Pension Plan formula, but based on the Citi Pension Plan's definition of (i) compensation, in excess of the Code's qualified plan compensation limit ($170,000 for 2001), or (ii) benefits, in excess of the Code's qualified plan benefit limit ($140,000 for 2001). In 1994, the Travelers Nonqualified Plan was amended to limit qualifying compensation under the plan to $300,000 and was further amended in 2001 to cease benefit accruals after 2001 for most participants (including the named executive officers).

All other terms of the Travelers Nonqualified Plan are the same as under the Citi Pension Plan, including definitions of eligible compensation and normal retirement age. The optional forms of benefit available under the Travelers Nonqualified Plan and their equivalent values are the same as those under the Citi Pension Plan.

Nonqualified Deferred Compensation Table

The following table provides information concerning the nonqualified deferred compensation of each of the named executive officers as of and for the year ended December 31, 2011. The amounts shown in the table represent the value of deferred stock granted to each named executive officer by Citi prior to April 1, 2010 under CAP as described above in "– Summary Compensation Table – Bonus (Column D)".

Name	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)
D. Richard Williams	($18,822)	$64,459	$24,270
John A. Addison, Jr.	($18,053)	$ 61,363	$23,274
Gregory C. Pitts	($ 5,611)	$ 19,527	$ 7,238
Alison S. Rand	–	–	–
Peter W. Schneider	($ 9,228)	$ 35,015	$ 11,935
Glenn J. Williams	($ 5,114)	$ 18,746	$ 6,607

Employment Agreements with Named Executive Officers

We entered into an employment agreements with each of our named executive officers as of August 19, 2010. Except as otherwise indicated, each of the employment agreements contains the same material terms and conditions, which are set forth below. The terms "cause," "good reason" and "change of control" are defined in the applicable employment agreement and are summarized under "Executive Compensation – Potential Payments and Other Benefits Upon Termination or Change of Control."

Positions and Employment Period

Pursuant to their respective employment agreements, Mr. R. Williams has been appointed Chairman of the Board and Mr. Addison has been appointed Chairman of Primerica Distribution, and both Messrs. R. Williams and Addison shall continue to serve as Co-Chief Executive Officers and shall continue to be nominated to serve on the Board.

Pursuant to their respective employment agreements: (i) Mr. Pitts shall continue to serve as the Company's Executive Vice President and Chief Operating Officer; (ii) Ms. Rand shall continue to serve as the Company's Executive Vice President and Chief Financial Officer; (iii) Mr. Schneider shall continue to serve as the Company's Executive Vice President, General Counsel and Chief Administrative Officer; and (iv) Mr. G. Williams shall continue to serve as the Company's President.

The initial term of each employment agreement ends: (i) with respect to each Co-Chief Executive Officer, on August 19, 2015 and (ii) with respect to each named executive officer, other than a Co-Chief Executive Officer, on August 19, 2013. Each employment agreement will automatically renew for successive one-year periods, unless the Company or the executive provides 90 days prior written notice that the employment agreement will not be renewed.

Base Salary

Each Co-Chief Executive Officer's annual base salary during the period of his employment shall be no less than $750,000, subject to annual review by the Compensation Committee for increase but not decrease pursuant to its normal performance review policies for senior executives. The annual base salary for each named executive officer, other than the Co-Chief Executive Officers, shall be $450,000, subject to annual review after the third anniversary of the employment agreement by the Compensation Committee pursuant to its normal performance review policies for senior executives and subject to increase or decrease as a result of such review.

Annual Cash Bonus

Each Co-Chief Executive Officer will be eligible to receive an annual cash bonus upon achieving certain performance targets that shall be established in good faith by the Compensation Committee, with the threshold and target annual cash bonus amounts being equal to 100% and 200%, respectively, of the Co-Chief Executive Officer's annual base salary. Each named executive officer, other than our Co-Chief Executive Officers, will be eligible to receive an annual cash bonus upon achieving certain performance targets that shall be established by the Compensation Committee, with such named executive officer's target annual cash bonus opportunity to be determined by the Compensation Committee based upon the recommendations of the Co-Chief Executive Officers. At the Compensation Committee's discretion, the Company may pay a portion of each annual bonus for any named executive officer in the form of restricted stock or RSUs, subject to certain restrictions.

Long-Term Incentive Awards

Beginning in 2011, each named executive officer is eligible to receive, in the good faith discretion of the Compensation Committee, annual equity compensation awards granted pursuant to the Company's long-term incentive compensation arrangements, which awards will be granted based on the performance of both the named executive officer and the Company and, in the case of the Co-Chief Executive Officers, will have time-based vesting. Upon the termination of a Co-Chief Executive Officer's employment (i) by the Company without cause or due to the Co-Chief Executive Officer's disability or the Company's nonrenewal of his employment agreement or (ii) by the Co-Chief Executive Officer for good reason or as a result of the Co-Chief Executive Officer's death, any long-term incentive award granted to the Co-Chief Executive Officer under his employment agreement will either vest immediately or continue to vest in accordance with the award's original vesting schedule, as determined by the Compensation Committee.

Post-Termination Payments

The material terms and conditions of the severance provisions of the employment agreements are set forth below.

For Cause or By the Named Executive Officer Without Good Reason. If a named executive officer terminates his or her employment without good reason, then the Company shall pay the named executive officer any accrued but unpaid annual base salary, any accrued but unused vacation pay, any accrued but unpaid annual bonus for the fiscal year prior to the year of termination and any amounts or benefits due to the named executive officer as of the date of his or her termination under the Company's plans or programs (together, "Accrued Compensation"). If a named executive officer is terminated by the Company for cause, then the named executive officer shall also be entitled to receive from the Company the Accrued Compensation, except that he or she will not be entitled to his or her annual bonus for the previous fiscal year of the Company.

In addition, if a Co-Chief Executive Officer's employment is terminated for cause or without good reason (other than as a result of the Co-Chief Executive Officer's nonrenewal of his employment agreement), then the Company shall provide (unless the Co-Chief Executive Officer is terminated for gross misconduct) the Co-Chief Executive Officer, his spouse and his dependents with medical (including vision and dental) benefits under a Company-sponsored plan for a period of 18 months following the date of termination so long as the Co-Chief Executive Officer pays any applicable premiums and is not employed with another employer and covered by an employer-sponsored plan providing substantially equivalent medical benefits. During this 18-month period, the Company will pay to the Co-Chief Executive Officer a monthly amount equal to the premium required to be paid by the Co-Chief Executive Officer for such benefits (the "Co-CEO Extended Benefits"). Furthermore, if a Co-Chief Executive Officer terminates his employment without good reason after the fifth anniversary of his employment agreement, or upon written agreement between the Co-Chief Executive Officer and the Company prior to the fifth

anniversary of his employment agreement, then the Co-Chief Executive Officer, his spouse at the time his employment agreement is executed (the "Covered Spouse") and his dependents from his marriage to the Covered Spouse (collectively, the "Covered Persons") shall be entitled to participate in the Company's medical (including vision and dental) plans until the later of the Co-Chief Executive Officer's death or the death of his Covered Spouse (such coverage, which in all cases is (i) subject to the Co-Chief Executive Officer or his Covered Spouse paying to the Company an amount equal to the fair market value thereof and (ii) secondary to any Medicare benefit for which the Covered Persons are eligible, is hereinafter referred to as the "Ongoing Health Coverage").

Death or Disability. If a named executive officer's employment is terminated as a result of his or her death or disability, then the Company shall pay to the named executive officer or his or her estate (if termination results from the named executive officer's death) the Accrued Compensation and a pro-rated annual bonus (based on actual performance) for the fiscal year of the termination (the "Pro-Rated Bonus"). In the case of termination of a Co-Chief Executive Officer as a result of death or disability, the Company also (i) shall provide to the Co-Chief Executive Officer the Co-CEO Extended Benefits and (ii) under certain circumstances and subject to certain restrictions, shall provide to the Co-Chief Executive Officer (if termination resulted from his disability) and the other Covered Persons the Ongoing Health Coverage. In the case of termination of any named executive officer, other than a Co-Chief Executive Officer, as a result of death or disability, the Company also shall provide to the named executive officer and his or her dependents for a period of 18 months following the date of such termination medical (including vision and dental) benefits and life insurance coverage equal to those that would have been provided to the named executive officer and to such dependents under a Company-sponsored plan if the named executive officer's employment had not been terminated (so long as the named executive officer pays any applicable premiums and is not employed with another employer and covered by an employer-sponsored plan providing substantially equivalent medical or life insurance benefits). During this 18-month period, the Company will pay to the named executive officer a monthly amount equal to the premium required to be paid by the named executive officer for such benefits (the "NEO Extended Benefits").

By Executive For Good Reason or by the Company Without Cause. If a Co-Chief Executive Officer's employment is terminated (i) by the Co-Chief Executive Officer for good reason or (ii) by the Company for any reason other than cause, death or disability, or as a result of the Company's nonrenewal of the employment agreement, then, subject to the Co-Chief Executive Officer's timely execution and delivery of a release of claims against the Company, the Company shall (a) pay to the Co-Chief Executive Officer the Accrued Compensation and Pro-Rated Bonus; (b) pay to the Co-Chief Executive Officer in a lump sum in cash, no later than the 60th day following his termination, an amount equal to two times the sum of the Co-Chief Executive Officer's annual base salary and target bonus as of the date of his termination, provided that such amount shall be three times the sum of his annual base salary and target bonus as of the date of his termination in the event that his termination occurs in anticipation of or during the two-year period following a change of control; (c) provide to the Co-Chief Executive Officer the Co-CEO Extended Benefits; and (d) provide to the Co-Chief Executive Officer the Ongoing Health Coverage.

If a named executive officer's, other than the Co-Chief Executive Officer's, employment is terminated (i) by such named executive officer for good reason or (ii) by the Company for any reason other than cause, death or disability, or as a result of the Company's nonrenewal of his or her employment agreement, then, subject to the named executive officer's timely execution and delivery of a release of claims against the Company, the Company shall (A) pay to such named executive officer Accrued Compensation and the Pro-Rated Bonus; (B) pay to such named executive officer in a lump sum in cash, no later than the 60th day following the named executive officer's termination, an amount

equal to one times the sum of the named executive officer's annual base salary and target bonus as of the date of the named executive officer's termination, provided that such amount shall be one-point-five times the sum of his or her annual base salary and target bonus as of the date of termination in the event that his or her termination occurs in anticipation of or during the two-year period following a change of control; and (C) provide to such named executive officer the NEO Extended Benefits.

Nonrenewal. If a named executive officer is terminated as a result of nonrenewal of his or her employment agreement, then the Company shall pay to the named executive officer the Accrued Compensation and Pro-Rated Bonus and, if a Co-Chief Executive Officer is so terminated, the Co-CEO Extended Benefits and the Ongoing Health Coverage.

Restrictive Covenants

Each named executive officer is prohibited from disclosing any confidential information or trade secrets of the Company during the period of his or her employment and for a two-year period following his or her termination, and the Company retains ownership of any work product and inventions developed by the named executive officer during the period of his or her employment (but each Co-Chief Executive Officer retains the right to use speeches, addresses and presentations made during such period). Additionally, during the period of the named executive officer's employment and for an 18-month period following his or her termination, each named executive officer is prohibited from recruiting, except during the period of his or her employment in connection with satisfying his or her duties to the Company, any person who is or was at any time during the previous six months an employee or representative of the Company or any of its affiliates. Finally, each named executive officer is prohibited from competing with, or soliciting the business of any of the clients or customers (with whom the executive had material contact during the 12 months prior to termination) of, the Company during the period of his or her employment and for an 18-month period following such termination; provided, however, the 18-month non-competition period shall be reduced to nine months for a named executive officer whose employment agreement is not renewed by the Company. This restriction on competition extends to any business or entity that engages in, or is working to engage in, the network marketing of life, auto or property insurance products, mutual funds, variable annuities or securities similar to those offered by the Company, to the extent operating in the United States, Canada or any other territory in which the Company operates prior to, or on the date of, termination of the named executive officer's employment. Notwithstanding the foregoing, being employed by, or providing services to, or holding compensatory equity of, an employer with a business that competes with the Company's business, standing alone, does not constitute competition by a named executive officer for purposes of his or her employment agreement so long as: (i) the employer has more than one discrete and readily distinguishable part of its business and (ii) the named executive officer's duties are not in a material manner at or involving the part of the business of the employer that competes with the Company's business.

Potential Payments and Other Benefits Upon Termination or Change of Control

The following table sets forth the potential benefits that each named executive officer would be entitled to receive upon termination of employment in the situations outlined below. These disclosed amounts are estimates only and do not necessarily reflect the actual amounts that would be paid to the named executive officers, which would only be known at the time that they become eligible for payment. The amounts shown in the table are the amounts that could be payable under existing plans and arrangements if the named executive officer's employment had terminated on December 31, 2011. The table below does not include amounts to which the named executive officers would be entitled that are already described in the compensation tables appearing earlier in this Proxy Statement, including the value of equity awards that have already vested. The definitions of "cause," "good reason" and "change of control" follow the table.

A = Severance arrangement for termination without cause or for good reason
B = Termination for cause
C = Termination without good reason
D = Termination without cause after a change of control
E = Death or disability

Name		Cash Severance	Bonus Earned as of Event Date (1)	Sec 280G Excise Tax and Related Gross- Up (2)	Total Cash Payments	Vesting of Unvested Long-Term Awards (3)	Health and Welfare Continuation (4)
D. Richard Williams	A	$4,500,000(5)	$1,494,375	–	$5,994,375	$9,359,050	$ 28,136
	B	–	–	–	$ 0	–	$ 28,136(9)
	C	–	$1,494,375	–	$ 1,494,375	–	$ 28,136
	D	$6,750,000(6)	$1,494,375	$5,881,030	$14,125,405	$9,359,050	$ 28,136
	E	–	$1,494,375	–	$ 1,494,375	$9,359,050	$ 28,136
John A. Addison, Jr.	A	$4,500,000(5)	$1,494,375	–	$5,994,375	$9,359,050	$ 28,136
	B	–	–	–	$ 0	–	$ 28,136(9)
	C	–	$1,494,375	–	$ 1,494,375	–	$ 28,136
	D	$6,750,000(6)	$1,494,375	$5,374,160	$13,618,535	$9,359,050	$ 28,136
	E	–	$1,494,375	–	$ 1,494,375	$9,359,050	$ 28,136
Gregory C. Pitts	A	$ 700,000(7)	$ 249,250	–	$ 949,250	$ 1,754,690	$24,333
	B	–	–	–	$ 0	–	–
	C	–	$ 249,250	–	$ 249,250	–	–
	D	$ 1,048,875(8)	$ 249,250	–	$ 1,298,125	$ 1,754,690	$24,333
	E	–	$ 249,250	–	$ 249,250	$ 1,754,690	$24,333
Alison S. Rand	A	$ 750,000(7)	$ 299,100	–	$ 1,049,100	$ 1,909,631	$16,034
	B	–	–	–	$ 0	–	–
	C	–	$ 299,100	–	$ 299,100	–	–
	D	$ 1,123,650(8)	$ 299,100	–	$ 1,422,750	$ 1,909,631	$16,034
	E	–	$ 299,100	–	$ 299,100	$ 1,909,631	$16,034
Peter W. Schneider	A	$ 1,050,000(7)	$ 598,200	–	$ 1,648,200	$ 2,187,070	$24,333
	B	–	–	–	$ 0	–	–
	C	–	$ 598,200	–	$ 598,200	–	–
	D	$ 1,572,300(8)	$ 598,200	–	$ 2,170,500	$ 2,187,070	$24,333
	E	–	$ 598,200	–	$ 598,200	$ 2,187,070	$24,333
Glenn J. Williams	A	$ 860,000(7)	$ 408,770	–	$ 1,268,770	$ 2,187,070	$24,333
	B	–	–	–	$ 0	–	–
	C	–	$ 408,770	–	$ 408,770	–	–
	D	$ 1,288,155(8)	$ 408,770	–	$ 1,696,925	$ 2,187,070	$24,333
	E	–	$ 408,770	–	$ 408,770	$ 2,187,070	$24,333

(1) Our named executive officers are entitled to a pro rata share of the current fiscal year bonus in the event of termination without cause or after a change of control. Amounts in this table assume a termination date of December 31, 2011 and reflect actual incentive compensation earned for fiscal 2011 performance.

(2) Section 4999 of the Internal Revenue Code imposes a nondeductible excise tax on the recipient of certain compensation payments defined in Section 280G that are made to an executive contingent upon a change-in-control and equal or exceeds three times the average base compensation payable to the executive. In the event an excise tax is imposed by Section 4999 in connection with a payment made prior to the third anniversary of the IPO, Messrs. R. Williams and Addison would be entitled to receive a gross-up payment in order to put them in the same after-tax position that they would have been in had they not been subject to the excise tax.

(3) The value of restricted shares is the closing price of the Company's common stock on December 31, 2011 multiplied by the number of restricted shares. The closing price of the Company's common stock on December 31, 2011 on the NYSE was $23.24 per share. Upon termination without cause, due to death or disability, or for good reason, the equity awards automatically vest in accordance with their terms.
(4) Health and welfare benefits are continued for up to 18 months from the separation date based on current elections and plan premiums.
(5) Cash severance is equal to 200% of the sum of current annual base salary and target bonus.
(6) Cash severance is equal to 300% of the sum of current annual base salary and target bonus.
(7) Cash severance is equal to 100% of the sum of current annual base salary and target bonus.
(8) Cash severance is equal to 150% of the sum of current annual base salary and target bonus.
(9) Health and welfare would not be paid in the event the named executive officer was terminated for gross misconduct.

A named executive officer's rights upon the termination of his or her employment will depend upon the circumstances of the termination. Central to an understanding of the rights of each named executive officer under the employment agreements is an understanding of the definitions of "cause," "good reason" and "change of control" that are used in those agreements.

Cause means: (i) the named executive officer's willful misconduct or gross negligence that causes material harm to the Company; (ii) the named executive officer's habitual substance abuse; (iii) the named executive officer's willful and continued failure (other than as a result of physical or mental incapacity) to perform the duties of the named executive officer's position or to follow the legal direction of the Board following written notice from the Board specifying such failure; (iv) the named executive officer's being convicted of, or pleading guilty or *nolo contendere* to a felony or a crime involving moral turpitude; (v) the named executive officer's willful theft, embezzlement or act of comparable dishonesty against the Company; or (vi) a material breach by the named executive officer of his or her employment agreement, which breach is not (if curable) cured by the executive within 30 days following his receipt of written notice thereof.

For purposes of the definition of "cause," no act or failure to act by the named executive officer shall be considered willful unless it is done, or omitted to be done, in bad faith and without reasonable belief that the named executive officer's action or omission was in the best interests of the Company.

Good Reason means: in the absence of the named executive officer's written consent, (i) a material diminution by the Company in the named executive officer's annual base salary or a material diminution in the named executive officer's target bonus opportunity as a percentage of the named executive officer's annual base salary (as determined by the terms of the named executive officer's employment agreement); (ii) a material diminution in the named executive officer's authority, duties or responsibilities; (iii) a material diminution in the named executive officer's reporting relationship that is inconsistent with the terms of the position and duties section of the named executive officer's employment agreement; (iv) the Company requiring the named executive officer's principal business location to be at any office or location more than 50 miles from the named executive officer's principal business location as of immediately prior to such relocation (other than to an office or location closer to the named executive officer's home residence); or (v) any material breach of the named executive officer's employment agreement by the Company.

Change of Control means: (i) any person, other than Citi or Warburg Pincus, is or becomes a beneficial owner of securities of the Company representing 35 percent or more of the combined voting power of the Company's then outstanding securities (other than through acquisitions from Citi or the Company); (ii) any plan or proposal for the dissolution or liquidation of the Company is adopted by the stockholders of the Company; (iii) individuals who constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but

excluding for this purpose any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board; (iv) all or substantially all of the assets of the Company are sold, transferred or distributed; or (v) there occurs a reorganization, merger, consolidation or other corporate transaction involving the Company, in each case, with respect to which the stockholders of the Company immediately prior to such transaction do not, immediately after the transaction, own more than 50 percent of the combined voting power of the Company or other entity resulting from such transaction (disregarding, in each case, Citi) in substantially the same respective proportions as such stockholders' ownership of the voting power of the Company immediately before such transaction.

AUDIT COMMITTEE MATTERS

Audit Committee Report

The Audit Committee reports as follows with respect to the audit of the Company's consolidated financial statements for the year ended December 31, 2011:

The Audit Committee's responsibility is to monitor and oversee the Company's financial reporting, internal controls and audit functions, and it operates under a written charter adopted by the Board. The Audit Committee has reviewed and discussed the consolidated financial statements for the year ended December 31, 2011 with management and KPMG, the Company's independent registered public accounting firm for fiscal 2011. Management is responsible for the presentation and integrity of the Company's consolidated financial statements; selecting accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act); establishing and maintaining internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act); evaluating the effectiveness of disclosure controls and procedures; evaluating the effectiveness of internal control over financial reporting for fiscal 2011; and evaluating any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

KPMG was responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles.

The Audit Committee reviewed KPMG's Report of Independent Registered Public Accounting Firm included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 related to its audit of the consolidated financial statements.

The Audit Committee has discussed with KPMG the matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," As amended (AICPA, Professional Standards Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. In addition, KPMG has provided the Audit Committee with the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence and the Audit Committee has discussed with KPMG the firm's independence.

Based on the foregoing discussions with and reports of management and the independent auditors of the Company and the Audit Committee's review of the representations of management, the Audit Committee recommended to the Board that the audited consolidated financial statements for the year ended December 31, 2011 be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 for filing with the SEC.

AUDIT COMMITTEE:
Robert F. McCullough, *Chair*
P. George Benson
Barbara A. Yastine

Fees and Services of the Independent Registered Public Accounting Firm

Pursuant to an appointment by the Audit Committee, KPMG has served as the Company's independent registered public accounting firm for fiscal 2011 and has audited the accounts of the Company and its subsidiaries for such year.

Fees Paid to the Independent Registered Public Accounting Firm

The following table sets forth the aggregate fees that KPMG billed to the Company for the fiscal years ended December 31, 2011 and 2010. All of the fees were approved by the Audit Committee in accordance with its policies and procedures. See "– Pre-Approval of Services Performed by the Independent Registered Public Accounting Firm."

	Fiscal 2011	Fiscal 2010
	(In thousands)	
Audit fees (1)	$3,434	$2,566
Audit-related fees (2)	88	–
Tax fees (3)	117	122
All other fees	–	–
Total fees	$3,639(4)	$2,688

(1) Reflects fees for professional services performed for the annual audit, quarterly reviews of the Company's consolidated and condensed financial statements, statutory audits of the Company's subsidiaries and other regulatory filings and public offering documents.
(2) Reflects fees for a Canadian benefit plan audit, an Internal Control Report issued on behalf of a subsidiary of the Company, and expenses related to the New York State Regulatory Examination.
(3) Rreflects fees for tax compliance services.
(4) Excludes certain fees billed in 2012 for work performed in 2011.

The increase in aggregate fees was primarily due to the Company's compliance with Section 404 of the Sarbanes-Oxley Act regarding internal control over financial reporting, additional statutory audit requirements, fees associated with the Company's secondary offerings, as well as the timing of actual billings. Non-audit fees (consisting of tax fees and all other fees) represented 3.2% of total fees in fiscal 2011.

Pre-Approval of Services Performed by the Independent Registered Public Accounting Firm

The Company has adopted a policy regarding pre-approval of non-audit services to be performed by the Company's independent registered public accounting firm. Specifically, non-audit fees to be incurred by the Company's independent registered public accounting firm for services permitted by the Sarbanes-Oxley Act to be performed by such firm must be approved in advance by the Audit Committee Chair (for individual projects in amounts up to $100,000) or the Audit Committee.

Policies and Procedures Governing Related Party Transactions

Our Board has adopted a written policy with respect to related party transactions. This policy provides procedures for the review, and approval or ratification, of certain transactions involving related parties required to be reported under applicable rules of the SEC. The policy, which is administered by our Audit Committee, applies to any transaction or series of transactions in which we or one of our subsidiaries is a participant, the amount involved exceeds or may be expected to exceed $120,000 in any fiscal year and a related party has a direct or indirect material interest. Certain transactions, including those contemplated by the intercompany agreement described under the heading "– Transactions with Citigroup – Intercompany Agreement", are excluded from the definition of related party transactions. Under the policy, a related party includes (i) any person who is or was, since the beginning of the last fiscal year, a director, executive officer or nominee for election as a director, (ii) a greater than 5% beneficial owner of any class of our voting securities, (iii) an immediate family member of either of the foregoing persons or (iv) any entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position in which such person has a 5% or greater beneficial ownership interest. Related party transactions are referred to our Audit Committee for approval, ratification or other action. Based on its consideration of all of the relevant facts and circumstances, our Audit Committee will approve or ratify a related party transaction only if it determines the transaction is in, or is not inconsistent with, the best interests of the Company and our stockholders.

Transactions with Citigroup

As of December 31, 2011, Citi no longer had an ownership interest in Primerica. In connection with the IPO, we entered into certain agreements and transactions with Citi. The following descriptions of such agreements and transactions are summaries only and are qualified in their entirety by reference to the complete documents, each of which has been filed as an exhibit to the 2011 Form 10-K.

Citi Reinsurance Transactions

In connection with the IPO, we entered into certain reinsurance transactions with certain Citi subsidiaries, as more fully described below.

Primerica Life Reinsurance Transactions

80% Coinsurance Agreement. Immediately prior to the completion of our IPO, Primerica Life, as ceding insurer, entered into an 80% coinsurance agreement with Prime Reinsurance Company ("Prime Re"), then a wholly owned subsidiary of Primerica Life. Pursuant to these reinsurance agreements, we distributed to Citi all of the issued and outstanding common stock of Prime Re. Under that agreement, Primerica Life ceded 80% of certain liabilities and benefits associated with its term life insurance policies that were in force at year-end 2009. In consideration of Prime Re assuming those policy liabilities, ongoing reinsurance premiums paid by Primerica Life to Prime Re are net of premiums paid on then current reinsurance placed with third-party reinsurers. In connection with the block of business that Primerica Life ceded to Prime Re under the 80% coinsurance agreement, we paid to (received from) Prime Re the following amounts:

	Year ended December 31, 2011
	(In millions)
Reinsurance premiums	$ 856.0
Claims	(309.3)
Ceding allowance	(123.2)
Year-to-date net cash payments/ settlements	$ 423.5

Under the 80% coinsurance agreement with Prime Re, Primerica Life continues to be

responsible for the administration of the businesses ceded, including paying claims and benefits in accordance with its current policy administration practices. Prime Re has not assumed responsibility for any administration of the ceded business.

Primerica Life continues to maintain its current reinsurance program with third-party reinsurers and has no current intention of terminating or materially modifying such reinsurance program. To the extent we purchase new yearly-renewable term ("YRT") reinsurance on policies reinsured by Prime Re, we are required to obtain the prior approval of Prime Re. To the extent any current reinsurance is terminated or a reinsurer fails to pay on its obligations, Prime Re will assume 80% of the claim amounts not otherwise covered by such YRT reinsurance, and we will assume the remainder that is not otherwise covered by the 10% coinsurance agreement discussed under "–10% Coinsurance Agreement."

Prime Re has established monthly settlement procedures by which Primerica Life and Prime Re settle amounts due to each other, including reimbursing Primerica Life for claims under the term life insurance business covered by the agreements. Prime Re is also obligated to pay Primerica Life a monthly expense allowance to reimburse Primerica Life for its expenses in administering the business, including the payment of commissions and premium taxes.

The business reinsured under the 80% coinsurance agreement excludes any policy converted at the end of its term for which the initial level premium period ends on or after January 1, 2017. The original initial level premium period of any policy references the period beginning with the original issue date of coverage and ending with the first premium increase date identified within the policy on which premiums for coverage will increase without a corresponding increase in the terms or limits of coverage. A conversion refers to the issuance by Primerica Life of new coverage in replacement of a coverage under a policy pursuant to an option granted under the terms of such policy. Policies issued as a result of end-of-term conversions are considered to be new policies that can contractually be excluded from the terms of a coinsurance agreement.

Additionally, Primerica Life is allowed to recapture the business ceded to Prime Re if:

- Prime Re is insolvent;
- Prime Re is unable (subject to a cure period) to provide full statutory financial statement credit to Primerica Life for the reinsurance ceded under the 80% coinsurance agreement;
- Prime Re has materially breached a covenant, representation or warranty within the agreement, subject to a cure period;
- Prime Re fails in any material respect to fund the trust account required to be established under the 80% coinsurance agreement, subject to a cure period; or
- Citi fails to maintain sufficient capital in Prime Re, pursuant to the Capital Maintenance Agreement between Citi and Prime Re, within 45 calendar days of any demand for payment by or on behalf of Primerica Life, and any 45-day extension thereof as consented to by Primerica Life, which consent may not be unreasonably conditioned, delayed or withheld, for a total of not more than 90 days to obtain such consent; provided that Primerica Life will not be required to consent to extend such period beyond an additional 45 days.

Primerica Life also has the right to recapture certain policies held or issued as a result of end-of-term renewals that occur after the original initial level premium period of any policy that reaches the end of the original initial level premium period on or after January 1, 2017. Policies issued as a result of an end-of-term renewal are not excluded from the terms of the 80% coinsurance agreement and may only be recaptured at Primerica Life's option.

In the event of a recapture as a result of the above recapture provisions, Primerica Life is not required to pay a recapture fee to Prime Re. Primerica Life will, however, be required to pay a recapture fee in the event of recapture due to a failure to obtain full statutory financial

statement credit for such reinsurance resulting from actions taken by Primerica Life.

In connection with the 80% coinsurance agreement, the parties also entered into a Monitoring and Reporting Agreement which permits Prime Re to monitor the management, administration and financial performance of the reinsured policies so long as Citi remains the ultimate controlling party of Prime Re.

The 80% coinsurance agreement terminates when there are no more liabilities arising out of the book of business covered by the agreement. The 80% coinsurance agreement may only be amended or assigned with the written consent of both parties. Massachusetts law governs this coinsurance agreement.

80% Coinsurance Trust Agreement. To secure the payment by Prime Re of its obligations to Primerica Life under the 80% coinsurance agreement, Prime Re is required to maintain in a trust account qualifying assets with an aggregate fair market value at least equal to the reinsurance obligations owed by Prime Re to Primerica Life under the 80% coinsurance agreement. The Bank of New York Mellon ("BNYM"), as trustee, is administering the trust account solely for the benefit of Primerica Life. The trust must comply with Massachusetts statutory credit for reinsurance requirements.

Primerica Life is permitted to withdraw from the trust account any amounts due to it pursuant to the terms of the 80% coinsurance agreement and not otherwise paid by Prime Re. Prime Re is not permitted to withdraw or substitute assets in the trust account so as to reduce the aggregate fair market value of assets in the trust accounts to less than the aggregate amount of Prime Re's obligations to Primerica Life under the 80% coinsurance agreement. There is also a limit on the types of assets Prime Re is permitted to place in the trust account. All interest, dividends and other income earned on the trust account will be the property of Prime Re and will be deposited in a bank account maintained by Prime Re outside of the trust agreement.

10% Coinsurance Agreement. Immediately prior to the completion of our IPO, Primerica Life, as ceding insurer, entered into a 10% coinsurance agreement with Prime Re relating to the same book of business which is currently reinsured under the 80% coinsurance agreement. Under that agreement, Primerica Life ceded 10% of certain liabilities and benefits associated with its term life insurance policies that were in force at year-end 2009. Ongoing reinsurance premiums paid by Primerica Life to Prime Re will be net of premiums paid on then current YRT reinsurance placed with third-party reinsurers. In connection with the block of business that Primerica Life ceded to Prime Re under the 10% coinsurance agreement, Primerica Life paid to (received from) Prime Re the following amounts:

	Year ended December 31, 2011
	(In millions)
3% Finance charge on excess reserves	$ 11.5
Funding of required balance for the economic reserve trust	9.9
Interest credit	(2.0)
Year-to-date net cash payments/settlements	$19.4

The remaining material terms of the 10% coinsurance agreement are substantially similar to those of the 80% coinsurance agreement, with the exceptions noted below.

In connection with the 10% coinsurance agreement with Prime Re, Primerica Life is receiving the economic benefits of the reinsured book of business through an experience refund being paid to Primerica Life by Prime Re. The term experience refund means a payment that serves to refund all premiums received less a finance charge of 3% of excess reserves, and less allowances to Prime Re and claims paid under the 10% coinsurance agreement, with the claims deducted being subject to a maximum amount. Economic reserves based on best estimate assumptions at the start of the agreement were funded by Primerica Life and are currently maintained in a trust with Primerica Life receiving interest from the trust. Statutory reserves in excess of the economic reserves based on best estimate assumptions were funded by Prime Re and are currently

maintained in a separate trust, with a finance charge of 3%. Excess reserves are equal to the difference between our required statutory reserves and the amount we determine is necessary to satisfy obligations under our in-force policies, which is referred to as our economic reserves.

10% Coinsurance Trust Agreements. To secure the payment by Prime Re of its obligations to Primerica Life under the 10% coinsurance agreement, Prime Re is required to maintain in two separate trust accounts qualifying assets with an aggregate fair market value at least equal to the reinsurance obligations owed by Prime Re to Primerica Life under the 10% coinsurance agreement. The first trust must maintain an amount equal to the reinsurance obligations owed by Prime Re to Primerica Life under the 10% coinsurance agreement on the economic reserves of the business covered by the 10% coinsurance agreement. The economic reserves are determined pursuant to the terms of the 10% coinsurance agreement. Under the first trust, all interest, dividends and other income earned on the assets in the trust account are being deposited into the trust account. The second trust must maintain an amount equal to the reinsurance obligations owed by Prime Re to Primerica Life under the 10% coinsurance agreement on the statutory reserves in excess of the economic reserve of the business covered by the 10% coinsurance agreement. BNYM, as trustee, is administering each of the trust accounts solely for the benefit of Primerica Life. Each trust must comply with Massachusetts statutory credit for reinsurance requirements.

With the exceptions discussed in the immediately preceding paragraph, the material terms of the 10% coinsurance trust agreement are substantially similar to those of the 80% coinsurance trust agreement.

Capital Maintenance Agreement. Pursuant to a Capital Maintenance Agreement entered into between Citi and Prime Re, Citi has agreed to maintain sufficient capital in Prime Re to maintain Prime Re's risk-based capital at not less than 250% of its Company Action Level, which is defined by its state regulator, the Vermont Department of Insurance, as the product of two times the risk-based capital ("RBC") determined under the Vermont Department of Insurance's RBC formula. In no event will Citi's obligations under the Capital Maintenance Agreement exceed $512 million in the aggregate, and after the first five years of the Capital Maintenance Agreement, the maximum amount payable will be an aggregate amount equal to the lesser of $512 million or 15% of Prime Re's statutory reserves.

Without the consent of Primerica Life and the Massachusetts Division of Insurance, Prime Re will neither assign nor amend the Capital Maintenance Agreement. The Capital Maintenance Agreement terminates upon the earlier to occur of: (i) the termination of Prime Re's obligations to us under the 80% and 10% coinsurance agreements described above or (ii) Citi's or its affiliate's contributions totaling or exceeding $512 million to Prime Re or the reduced amount of the obligation as determined after the fifth year, in the aggregate.

Prime Reinsurance Company Covenants. In addition to the terms of the coinsurance agreements stated above, Prime Re has also agreed to additional covenants that it will not:

- engage in any business, other than the business provided by or relating to the 80% coinsurance agreement and the 10% coinsurance agreement;
- write or assume any insurance or reinsurance risks that are not part of the business covered by the 80% coinsurance agreement and the 10% coinsurance agreement;
- declare and pay distributions or dividends with respect to its common stock to Citi or any other equity owner of Prime Re unless Prime Re's Total Adjusted Capital (which is defined by the Vermont Department of Insurance as the sum of an insurer's statutory capital and surplus reported in such insurer's annual statement under Title 8 Section 3561 of the Vermont Statute and such other items, if any, as the RBC instructions may provide), immediately following any such distribution or dividend is not less than 250% of its Company Action Level; and

- without the prior consent of the Massachusetts Division of Insurance, amend the 80% coinsurance agreement, the 10% coinsurance agreement, the 80% coinsurance trust agreement or the 10% coinsurance trust agreement.

NBLIC Reinsurance Transaction

NBLIC Coinsurance Agreement. Immediately prior to the completion of our IPO, National Benefit Life Insurance Company ("NBLIC"), our wholly owned New York insurance subsidiary, as ceding insurer, entered into a 90% coinsurance agreement with American Health and Life Insurance Company, an indirect subsidiary of Citi ("AHL"). Under that agreement, NBLIC ceded 90% of certain liabilities and benefits associated with its term life insurance policies that were in force at year-end 2009. Ongoing reinsurance premiums paid by NBLIC to AHL are net of premiums paid on their current YRT reinsurance placed with third-party reinsurers. In connection with the block of business that NBLIC ceded to AHL under the 90% coinsurance agreement, NBLIC paid to (received from) AHL the following amounts:

	Year ended December 31, 2011
	(In millions)
Reinsurance premiums	$ 48.1
Claims	(4.7)
Ceding allowance	(14.8)
Year-to-date net cash payments/settlements	$28.6

AHL has established monthly settlement procedures by which NBLIC and AHL settle amounts due to each other and to reimburse NBLIC for claims under the term life insurance business covered by the agreement. AHL is also obligated to pay NBLIC a monthly expense allowance to reimburse NBLIC for its expenses in administering the business, including commissions and premium taxes on the reinsured business.

The 90% coinsurance agreement may be terminated either by mutual written consent of the parties or, after the third year, by AHL if NBLIC fails to pay AHL any amounts owed under the agreement, subject to a cure period.

The remaining terms of the NBLIC coinsurance agreement are substantially similar to those of the 80% coinsurance agreement between Primerica Life and Prime Re discussed above. In addition, the parties also executed a monitoring and reporting agreement between NBLIC and AHL.

NBLIC Trust Agreement. To secure the payment of AHL's obligations to NBLIC under the NBLIC coinsurance agreement, AHL is required to maintain in a trust account qualifying assets with an aggregate fair market value at least equal to the reinsurance obligations owed by AHL to NBLIC under the 90% coinsurance agreement. BNYM is administering the trust accounts solely for the benefit of NBLIC. The trust will comply with New York statutory credit for reinsurance requirements and will be governed by New York law.

The remaining material terms of the NBLIC trust agreement are substantially similar to those of the 80% coinsurance trust agreement for Primerica Life discussed above.

Over-Collateralization of the Trust. In connection with the 90% coinsurance agreement between NBLIC and AHL, AHL has agreed that on any determination date as provided for in the 90% coinsurance agreement, if the aggregate amount of assets in the trust account do not have a fair market value at least equal to 115% of AHL's obligations to NBLIC under the 90% coinsurance agreement, AHL will be required to deposit additional qualifying assets in order to maintain the aggregate fair market value of the trust account assets at such amount.

Primerica Life Canada Reinsurance Transaction

Primerica Life Canada Coinsurance Agreement. Immediately prior to the completion of our IPO, Primerica Life Insurance Company of Canada ("Primerica Life Canada"), our wholly owned Canadian life insurance subsidiary, as ceding insurer, entered into an 80% coinsurance agreement with Financial Reassurance Company 2010 Ltd., an indirect subsidiary of Citi ("FRAC") Under that

agreement, Primerica Life Canada ceded 80% of certain liabilities and benefits associated with its term life insurance policies that were in force at year-end 2009. Ongoing reinsurance premiums paid by Primerica Life Canada to FRAC are net of premiums paid on their current YRT reinsurance placed with third-party reinsurers. In connection with the block of business that Primerica Life Canada ceded to FRAC, Primerica Life Canada paid to (received from) FRAC the following amounts:

	Year ended December 31, 2011 (In millions)
Reinsurance premiums	C$156.2
Claims	(53.9)
Ceding allowance	(16.3)
Year-to-date net cash payments/settlements	C$ 86.0

FRAC established monthly settlement procedures by which Primerica Life Canada and FRAC settle amounts due to each other, including the reimbursement of Primerica Life Canada for claims under the term life insurance business covered by such agreement. FRAC is also obligated to pay Primerica Life Canada a monthly expense allowance to reimburse Primerica Life Canada for its expenses in administering the business, including commissions and premium taxes on the reinsured business.

The remaining terms of the Primerica Life Canada coinsurance agreement are substantially similar to those of the 80% coinsurance agreement discussed above. In addition, the parties also executed a monitoring and reporting agreement between Primerica Life Canada and FRAC

Primerica Life Canada Trust Agreement. To secure the payment by FRAC of its obligations to Primerica Life Canada under the Primerica Life Canada coinsurance agreement, FRAC is required to maintain in a trust account qualifying assets with an aggregate fair market value at least equal to the greater of the reinsurance obligations owed by FRAC to Primerica Life Canada under the Primerica Life Canada coinsurance agreement or the amount required for Primerica Life Canada to receive full credit for the purposes of its minimum continuing capital and surplus requirements ("MCCSR"), according to guidance provided by The Office of the Superintendent of Financial Institutions (Canada) ("OSFI"). OSFI is also a party to the trust agreement. An unaffiliated third-party trustee will administer the trust accounts solely for the benefit of Primerica Life Canada. The trust enables Primerica Life Canada to comply with the MCCSR under Canadian reinsurance requirements.

The remaining material terms of the Primerica Life Canada trust agreement are substantially similar to those of the 80% coinsurance trust agreement for Primerica Life discussed above.

Agreements with Citi Lenders

Our sales representatives in the United States ceased offering mortgage loan products of Citicorp Trust Bank, fsb ("CTB") through Primerica Financial Services Home Mortgages, Inc. ("Primorica Mortgages"), our wholly owned mortgage broker, effective December 31, 2011. The Loan Brokerage Agreement dated March 10, 2010 and subsequently amended on November 19, 2010, among Primerica Mortgages, CTB, CitiMortgage, Inc. and Citibank, N.A., is being terminated effective April 5, 2012. In fiscal 2011, Citi paid us approximately $5.0 million pursuant to the loan program.

Intercompany Agreement

Indemnification. The intercompany agreement provides that we will indemnify Citi and its officers, directors, employees and agents against losses arising out of third-party claims (including litigation matters and other claims) based on, arising out of or resulting from:

- any breach by us of the intercompany agreement or any other agreement with Citi;
- the ownership or the operation of our assets or properties, and the operation or conduct of our business, prior to or following our IPO;
- any other activities we engage in;
- any guaranty, keepwell, net worth or financial condition maintenance agreement

of or by Citi provided to any parties with respect to any of our actual or contingent obligations;

- for any claim by our employees, former employees or sales representatives relating to the conversion of Citi equity-based awards; and
- any communication by us to any of our employees with respect to certain employee benefits matters.

In addition, we agreed to indemnify Citi and its officers, directors, employees and agents against losses, including liabilities under the Securities Act, relating to misstatements in or omissions from the registration statement relating to our IPO and any other registration statement that we file under the Securities Act, other than misstatements or omissions made in reliance on information relating to and furnished by Citi for use in the preparation of that registration statement, against which Citi will agree to indemnify us.

However, we will not be required to indemnify any such persons with respect to any action brought by Warburg Pincus against Citi for indemnification under the Securities Purchase Agreement.

Citi also agreed to indemnify us and our officers, directors, employees and agents against losses arising out of third-party claims (including, but not limited to, litigation matters and other claims) based on, arising out of or resulting from:

- any breach by Citi of the intercompany agreement or any other agreement with us;
- the ownership or the operation of Citi's assets or properties, including the assets and liabilities transferred to Citi and the operation or conduct of Citi's business, in each case excluding us;
- any other activities Citi engages in, excluding our activities;
- use of certain software prior to the date on which Citi ceased to own shares of the Company's common stock representing 50% or more of our outstanding voting securities; and
- claims related to our adherence to certain Citi employment policies prior to the date on which Citi ceased to own shares of the Company's common stock representing 50% or more of our outstanding voting securities.

We and Citi have agreed that none of the foregoing indemnification provisions in the intercompany agreement will alter or mitigate any rights of our or Citi's officers or directors to indemnification under our or Citi's organizational documents or any other agreement.

Customer Lists. We have agreed with Citi that, following the completion of our IPO, Citi will not intentionally use any Prime Re customer list or database for purposes of marketing any products or services to those customers. We have agreed with Citi that, following the completion of our IPO, if we reasonably believe that Citi is using any of our customer lists or customer databases for marketing purposes and we notify Citi of such use, both parties will use good faith efforts to conduct an investigation and take corrective action, if appropriate.

Mutual Litigation and Settlement Cooperation. We and Citi have agreed to include each other in the settlement, and cooperate with each other in the defense, of threatened or filed third-party actions against either of us which involves the other party.

Dispute Resolution. The intercompany agreement contains provisions that govern, except as provided in any other intercompany agreement, the resolution of disputes, controversies or claims that may arise between us and Citi. The intercompany agreement generally provides that the parties will attempt in good faith to negotiate a resolution of disputes arising in connection with the intercompany agreement without resorting to arbitration. If these efforts are not successful, the dispute will be submitted to binding arbitration in accordance with the terms of the intercompany agreement, which will provide for the selection of a three-arbitrator panel and the conduct of the arbitration hearing, including limitations on the discovery rights of the parties. Except in certain very limited situations

such as procedural irregularities or absence of due process, arbitral awards are generally final and non-appealable, even if they contain mistakes of law.

Intellectual Property. Pursuant to the intercompany agreement, Citi assigned the software licenses, hardware and domain names relating exclusively to Primerica to us, subject to third-party consent rights. Citi also licensed to us certain Citi proprietary software that we use in our business. We may license certain of our trademarks to Citi to the extent necessary for Citi to comply with existing third-party arrangements and meet other business requirements.

Real Property

Since September 1, 2009, we have sublet from Citi approximately 31,700 square feet of office space in Long Island City, New York, under a five-year sublease that is due to expire on August 31, 2014. In 2011, we paid Citi approximately $891,000 related to this real estate arrangement.

NBL entered into an occupancy services agreement with Citibank, N.A. on April 7, 2010, governing the provision and receipt of certain services associated with NBL's 2009 sublet. In contemplation of NBLIC's divestiture from Citi, the occupancy services agreement provided that, despite the divestiture, Citi will continue to provide such services as contemplated by the 2009 sublet. While the original occupancy services agreement provided for the provision and receipt of mail and security services, the scope of services was expanded by amendment on October 7, 2011 to include voice and conferencing services, as well as medical services as provided by Citi's outside provider.

Transition Services Agreement

We entered into a transition services agreement with Citi related to the provision and receipt of certain corporate, administrative and other existing shared services effective as of the date of our IPO. In 2011, we paid Citi an aggregate of approximately $6.4 million pursuant to the transition services agreement. The transition services agreement was terminated in late 2011.

Each party agreed to indemnify the other for any losses arising from a third-party claim which results from: (i) such party's material breach of the transition services agreement or (ii) the services provided by such party infringing a third party's intellectual property. Subject to certain exceptions, (a) Citi's liability is capped at the fees payable by us during the first 12 months of the term of the transition services agreement and (b) our liability is capped at the greater of (1) the fees payable by Citi during the first 12 months of the transition services agreement and (2) $600,000.

Tax Separation Agreement

In connection with our IPO, we and Citi entered into a tax separation agreement that governs certain tax-related matters. Under the tax separation agreement, Citi generally will indemnify us against liability for any tax relating to a period prior to the closing of our IPO not attributable to our group, all consolidated and combined federal and state income taxes and certain Canadian taxes for periods prior to the closing of our IPO attributable to our group, and any taxes for periods prior to the closing of our IPO resulting from the certain tax elections made under Section 338 of the Code and the various related restructuring transactions implemented in connection with the separation transaction. We generally will indemnify Citi against any liability for all other taxes attributable to us. We have the right to be notified of and informed about tax matters for which we are financially responsible under the terms of the tax separation agreement. The tax separation agreement further provides for cooperation between Citi and us with respect to tax matters, the exchange of information and the retention of certain tax-related records.

Long-Term Services Agreement

We entered into a long-term services agreement with Citi for the provision of services to certain Citi businesses in Ireland, the United Kingdom and Spain, which took

effect upon the completion of our IPO. We provide such Citi businesses with analytical, information technology and data center services in connection with certain insurance policies administered by such businesses. In general, we charge such Citi businesses a monthly fee for such services, and such Citi businesses reimburse us for certain other costs incurred by us in connection with the provision of such services.

The Citi businesses will indemnify us for any loss arising from a third-party claim which results from their material breach of the agreement. We will indemnify the Citi businesses for any losses arising from a third-party claim which results from: (i) our material breach of the agreement or (ii) the services provided by us infringing a third party's intellectual property. Subject to certain exceptions, each party's liability for any claim during a contract year will be capped at the fees payable by the Citi businesses during such year.

In fiscal 2011, we received from Citi an aggregate of approximately $251,000 pursuant to the long-term services agreement, which was terminated in July 2011.

Other Arrangements with Citi

We provided printing, shipping and warehousing of printed materials to Citi-affiliated entities. Payments to us for such services were approximately $1.6 million for 2011. We paid banking fees for services, including cash management, automated clearing house, funds transfer and lockbox services, to Citibank of approximately $923,000 for 2011.

Transactions with Warburg Pincus

On February 8, 2010, we and Citi entered into the Securities Purchase Agreement with Warburg Pincus, pursuant to which it acquired from Citi in mid-April 2010:

- 16,412,440 shares of common stock; and
- warrants that, if exercised, would permit Warburg Pincus to purchase from us 4,103,110 shares of the Company's common stock at $18.00 per share.

As of December 31, 2011, Warburg Pincus owned approximately 25% of the Company's then outstanding common stock. Warburg Pincus & Co. and Warburg Pincus LLC have agreed that, subject to certain exceptions, they and their controlled affiliates will not own more than 35% of the voting power of our outstanding voting securities or 45% of our economic equity interests. See "– Standstill."

Registration Rights. We entered into a registration rights agreement with Warburg Pincus and Citi pursuant to which we granted to Warburg Pincus and Citi certain demand and piggyback registration rights with respect to the shares of the Company's common stock owned by them. Because Citi has sold all of its shares of the Company's common stock subject to the registration rights agreement, Citi no longer has any rights under the registration rights agreement except for customary indemnification. Warburg Pincus has so-called "piggyback" registration rights, which means that Warburg Pincus may include its shares of the Company's common stock in any future registration of the Company's common stock, whether or not that registration relates to a primary offering by us or a secondary offering by or on behalf of any of our stockholders (subject to certain cut-backs in priority for underwritten offerings upon the recommendation of the underwriters thereof). The registration rights agreement also provides that Warburg Pincus can require us to file registration statements with the SEC for the public resale of shares of the Company's common stock owned by them, so-called "demand" registration rights. The inclusion of shares in any demand registration is subject to cut-backs in priority for underwritten offerings upon the recommendation of the underwriters thereof. Warburg Pincus does not have the right to require a demand registration, unless it proposes to sell at least 5% of the Company's outstanding common stock in such offering, or such offering represents all of its remaining shares of the Company's common stock that are subject to registration rights agreements. Warburg Pincus also had the right to require us to file a shelf registration statement to permit the public resale of shares of the Company's common stock held by them from time to time.

These registration rights are transferable by Warburg Pincus. We have the right to sell up to 50% of the total number of shares to be included in any demand registration if our Board determines that we need to raise common equity capital in the public capital markets to either (i) make a capital contribution to one of our insurance subsidiaries as requested by the principal regulator for such insurance subsidiary or to maintain the financial strength rating of such insurance subsidiary, (ii) deleverage to address potential financial covenant defaults under any material debt agreement, or (iii) use the proceeds thereof to repay the $300.0 million note payable to Citi.

We have agreed to pay all costs and expenses in connection with each such registration, except underwriting fees, discounts and commissions applicable to the shares of the Company's common stock to be sold by Warburg Pincus and except for any costs and expenses of any insurance regulatory filings resulting from such sale. The registration rights agreement contains customary terms and provisions with respect to, among other things, registration procedures, including with respect to cooperation of management, timing of filings of registration statements and amendments, notifications regarding necessary changes to registration statements, entering into underwriting agreements and securities exchange listings. The registration rights agreement also provides for customary indemnification by us of Warburg Pincus in connection with third-party claims that arise out of untrue statements of material fact contained in any registration statement, or prospectus filed pursuant to such agreement or omissions to state in such registration statement or prospectus a material fact required to be stated in such registration statement or prospectus or necessary to make the statements in such registration statement or prospectus not misleading.

During fiscal 2011, we filed with the SEC a shelf registration statement that went effective in April 2011 and that included the shares of the Company's common stock owned by Warburg Pincus. As a result, Warburg Pincus will be permitted to offer and sell its shares of the Company's common stock pursuant to such registration statement.

Warrants. In conjunction with its sale of shares of the Company's common stock to Warburg Pincus, Citi also sold to Warburg Pincus the warrants it received pursuant to our reorganization. The warrants are exercisable for an aggregate of 4,103,110 shares of the Company's common stock or non-voting common stock to be issued by us, at an exercise price of $18.00 per share. The warrants are exercisable by the holder at any time, or from time to time, during the seven-year term. The warrants may be net share settled at the option of the warrant holder, which means that a warrant holder can elect to receive the number of shares of common stock or non-voting common stock equal to the number of shares into which the warrant is exercisable less the number of shares equal to the value of the aggregate exercise price therefor. The warrant holder is not entitled to receipt of dividends declared on the underlying common stock or non-voting common stock (but will be entitled to adjustments for extraordinary dividends), or to any voting or other rights that might accrue to holders of common stock or non-voting common stock.

For so long as Warburg Pincus or its affiliates hold the warrants, they will be exercisable either for shares of the Company's common stock or an equivalent number of shares of our non-voting common stock. Pursuant to the Securities Purchase Agreement, if any exercise of the warrants would cause Warburg Pincus & Co. and Warburg Pincus LLC and their controlled affiliates to own more than 35% of the voting power of our outstanding voting securities, the warrants would then only be exercisable for shares of the Company's common stock up to such 35% threshold, and in lieu of any incremental shares of the Company's common stock that would otherwise be issued upon such exercise, Warburg Pincus would be entitled to receive shares of our non-voting common stock. Any shares of our non-voting common stock issued to Warburg Pincus will be convertible into shares of the Company's common stock by Warburg Pincus on a one-for-one basis, subject to such 35% voting ownership restriction.

In addition to customary adjustments for stock dividends, subdivisions, combinations, reclassifications, noncash distributions, and business combinations, the holders of the warrants will be entitled to anti-dilution adjustments for below-market issuances and above-market repurchases of the Company's common stock based on a weighted-average adjustment formula. If we issue or sell any shares of the Company's common stock, other than in certain excluded transactions, for less than the average market price of the Company's common stock over the ten trading day period prior to the date on which we announce such issuance or sale, then the number of shares of the Company's common stock or non-voting common stock for which a warrant is exercisable and the exercise price thereof will be adjusted. Similarly, if we repurchase any shares of the Company's common stock for cash for greater than the average market price of the Company's common stock over the ten trading day period prior to the date on which we announce the pricing for such repurchase, then the number of shares of the Company's common stock or non-voting common stock for which a warrant is exercisable and the exercise price thereof will be adjusted.

Standstill. Pursuant to the Securities Purchase Agreement, Warburg Pincus & Co. and Warburg Pincus LLC have agreed that they and their controlled affiliates will not hold, directly or indirectly, common stock or other voting equity securities that would entitle them, collectively, to vote more than 35% of the voting power represented by all of the Company's outstanding common stock and our other voting equity securities. In addition, pursuant to the Securities Purchase Agreement, Warburg Pincus & Co. and Warburg Pincus LLC have agreed that they and their controlled affiliates will not own more than 45% of the sum of the following (which we refer to as "economic equity interests"):

- the aggregate number of the Company's outstanding shares of capital stock, including the Company's common stock, non-voting common stock, preferred stock and any of the Company's other equity securities entitling the holder to receive profits and losses or distributions upon liquidation (for purposes of this calculation, to the extent any shares of our preferred stock or other equity interests have rights with respect to profits and losses and/or distributions upon liquidation that are disproportionate to the Company's common stock, the number of such preferred shares or other equity interests included in the calculation shall equal the number of shares of the Company's common stock or non-voting common stock, as applicable, as such shares of the Company's preferred stock or other equity interests may then be converted or exchanged, and if such shares of the Company's preferred stock or other equity interests are not then convertible or exchangeable for the Company's common stock or non-voting common stock, the number of such preferred shares or other equity interests included in the calculation shall be weighted to account for any such disproportionate economic rights as reasonably determined by the disinterested members of our Board);
- the maximum number of equity interests that may be issued as of the relevant time of determination, upon exercise, conversion or exchange of any outstanding options, warrants or other rights to purchase or acquire, directly or indirectly, any equity interests; and
- any granted or vested RSUs, restricted stock, SARs, phantom unit or stock or other award that has rights with respect to profits and losses and/or distributions upon liquidation based in whole or in part on the price of the Company's common stock.

Warburg Pincus & Co., Warburg Pincus LLC and their controlled affiliates would be entitled to hold in excess of the 35% and 45% limitations described above to the extent that the percentage of outstanding voting securities or economic equity interests, respectively, held by them increases due to any decrease in the number of our outstanding shares of common stock as a result of actions taken by us, such as share repurchases and buybacks, net of the

effect of any future issuance of common shares by us (other than future issuances that do not affect the stockholders' relative percentage equity ownership in us, such as a stock split).

Right to Exchange. Warburg Pincus will have the right to exchange any shares of non-voting common stock that it receives upon exercise of the warrants issued pursuant to the Securities Purchase Agreement on a one-for-one basis for shares of the Company's common stock, and to exchange any shares of common stock owned by it for shares of the Company's non-voting common stock on a one-for-one basis. Pursuant to the Securities Purchase Agreement, Warburg Pincus & Co. and Warburg Pincus LLC will not be permitted to exchange non-voting common stock for voting common stock if the exchange would result in their and their controlled affiliates' ownership of more than 35% of the voting power of our outstanding voting securities in violation of the 35% limitation described above.

Board Rights. We have agreed with Warburg Pincus that, unless it consents otherwise and subject to the terms of our certificate of incorporation, our Board will be comprised of no more than nine members, of whom not more than one will be nominated by Citi and not more than two will be our officers or employees. Warburg Pincus is entitled to nominate two directors to serve on our board. (Messrs. Martin and Zilberman currently serve as Warburg Pincus's two nominees). However, once its Investor Ownership Percentage (as defined below) is less than 15%, but greater than 7.5%, Warburg Pincus will only be entitled to nominate one director to serve on our Board. In addition, for so long as its Investor Ownership Percentage is at least 7.5% and subject to applicable law and the rules and regulations of the NYSE (including independence requirements), each committee of our board of directors must include at least one of Warburg Pincus's nominees. Investor Ownership Percentage is calculated by dividing: (i) the number of shares of the Company's common stock beneficially owned by Warburg Pincus and its affiliates in the aggregate (assuming exercise or conversion of all securities held by Warburg Pincus and its affiliates that are exercisable for or convertible into shares of the Company's common stock, regardless of whether such conversion or exercise would be permitted at such time); by (ii) the number of shares of the Company's common stock outstanding at such time (assuming exercise or conversion of all securities that are exercisable for or convertible into the Company's common stock, regardless of whether such conversion or exercise would be permitted at such time). However, any shares of the Company's common stock (or securities exercisable for or convertible into the Company's common stock), RSUs, restricted stock, SARs, phantom unit or stock or other award based in whole or in part on the price of the Company's common stock issued or granted after the closing date of the private sale to any person other than Warburg Pincus and its affiliates are to be excluded for purposes of such calculation.

For so long as Warburg Pincus has rights to nominate one or more directors to our Board, we have agreed to nominate Warburg Pincus's designees as our nominees .

Observer and Informational Rights. If its Investor Ownership Percentage is less than 7.5% but greater than 5%, Warburg Pincus will be entitled to have a non-voting observer attend meetings of our Board of Directors and receive information about us, subject to our Board's compliance with fiduciary duties and confidentiality obligations. We have also agreed with Warburg Pincus that for so long as its Investor Ownership Percentage is greater than 5%, it will be entitled to receive from us financial and operating data that we otherwise prepare for our Board, and to obtain additional information with respect thereto within 30 days after each quarter. In addition, for so long as its Investor Ownership Percentage is greater than 5%, we will provide Warburg Pincus with:

- SEC reports and notices to stockholders;
- the right to inspect our books and records;
- copies of our budget and financial projections; and
- the opportunity to meet with our management to discuss our budget projections.

Consent Rights. For so long as its Governance Ownership Percentage (as defined below) is at

least 10%, and its Investor Ownership Percentage is at least 20%, the prior written consent of Warburg Pincus will be required for:

- any consolidation or merger of us or any of our subsidiaries with any person (other than any of our subsidiaries), other than to acquire 100% of the equity ownership of another entity or to dispose of 100% of the equity ownership of one of our subsidiaries, in each case, involving consideration not to exceed $50 million;
- any sale, lease, exchange or other disposition or any acquisition or investment by us or any series of related dispositions, acquisitions or investments, involving consideration in excess of $50 million (other than transactions between us and our subsidiaries);
- any change in our authorized capital stock or creation of any class or series of our capital stock;
- the issuance or sale by us or one of our subsidiaries of any equity securities or equity derivative securities, or the adoption of any equity incentive plan (other than a plan adopted in the ordinary course of business), except:
  - the issuance of shares by one of our subsidiaries to us or another of our subsidiaries;
  - pursuant to a director, employee and sales representative stock incentive award granted in the ordinary course of business;
  - in connection with consolidations, mergers, acquisitions, investments or dispositions for which Warburg Pincus's consent is not required as contemplated above; or
  - if our Board determines that we need to raise common equity capital for certain specified purposes so long as Warburg Pincus has the right to participate in the equity sale;
- our dissolution;
- the amendment of various provisions of our certificate of incorporation and bylaws;
- the declaration or payment of dividends on any class of the Company's capital stock, except for pro rata dividends on shares of common stock or mandatory dividends on shares of preferred stock;
- any change in the number of directors on our Board; and
- transactions with our affiliates, other than Warburg Pincus and its affiliates, involving consideration in excess of $5 million, other than transactions on terms substantially the same as or more favorable to us than those that would be available from an unaffiliated third party and other than transactions between or among any of our subsidiaries.

Governance Ownership Percentage is calculated by dividing (i) the number of shares of the Company's common stock beneficially owned by Warburg Pincus and its affiliates in the aggregate (assuming exercise or conversion of all securities held by Warburg Pincus and its affiliates that are exercisable for or convertible into shares of common stock, regardless of whether such conversion or exercise would be permitted at such time); by (ii) the number of shares of the Company's common stock outstanding at such time (assuming exercise or conversion of all securities that are exercisable for or convertible into the Company's common stock, regardless of whether such conversion or exercise would be permitted at such time). However, for purposes of calculating Governance Ownership Percentage, any shares of the Company's common stock (or securities exercisable for or convertible into the Company's common stock), RSUs, restricted stock, SARs, phantom unit or stock or other award based in whole or in part on the price of the Company's common stock granted or awarded pursuant to any of our or our subsidiaries' equity incentive plans are to be excluded.

Preemptive-Type Rights. For so long as its Investor Ownership Percentage is at least 20%, we have agreed to grant preemptive-type rights to Warburg Pincus to acquire from us equity securities proposed to be issued by us in any public offering or private placement, subject to

certain excluded issuances that do not trigger its preemptive-type rights, at the same price as the equity is being sold to third parties, net of any underwriting fees and discounts, in order for Warburg Pincus to maintain its relative percentage equity in us.

Anti-Takeover Considerations. We have agreed not to adopt a stockholder rights plan that would limit the ability of Warburg Pincus (or any permitted transferee of Warburg Pincus that receives at least 10% of our outstanding common stock) to acquire additional shares of the Company's common stock other than the limits described above in "– Standstill." We have also agreed to take all action necessary so that the limitations on business combinations prescribed by Section 203 of the Delaware General Corporation Law are not applicable to Warburg Pincus and any permitted transferee of Warburg Pincus that receives at least 10% of our outstanding common stock.

Indemnification. We have indemnified Warburg Pincus against losses it incurs arising out of or resulting from breaches of our agreements and covenants in the Securities Purchase Agreement that are performed after the closing of the transactions contemplated by the Securities Purchase Agreement. We did not make representations or warranties to Warburg Pincus in the Securities Purchase Agreement, nor did we agree to indemnify Warburg Pincus for any breach of the representations and warranties made by Citi in the Securities Purchase Agreement. Warburg Pincus has indemnified Citi and us against losses that Citi or we incur arising out of or resulting from inaccuracies in or breaches of its representations, warranties, agreements and covenants in the Securities Purchase Agreement.

The intercompany agreement between us and Citi provides that we will indemnify Citi and its officers, directors, employees and agents against losses arising out of third-party claims described in the section entitled "–Transactions with Citigroup – Intercompany Agreement – Indemnification." However, we are not required to indemnify any such persons with respect to any action brought by Warburg Pincus against Citi for indemnification under the Securities Purchase Agreement.

Other Business for Presentation at the 2012 Annual Meeting

The Board and management do not currently intend to bring before the Annual Meeting any matters other than those disclosed in the Notice of Annual Meeting of Stockholders, nor are they aware of any business which other persons intend to present at the Annual Meeting.

Should any other matter or business requiring a vote of stockholders arise, the Proxy Committee intends to exercise the authority conferred by the proxy and vote the shares represented thereby in respect of any such other matter or business in accordance with its best judgment in the interest of the Company.

Other Information

Consolidated financial statements for Primerica, Inc. are included in the 2011 Form 10-K, a copy of which may be obtained at the public reference room maintained by the SEC at Room 1580, 100 F Street N.E., Washington, D.C. 20549, and the NYSE. A copy of the Form 10-K (excluding exhibits) will be furnished, without charge, by writing to the Corporate Secretary, Primerica, Inc., 3120 Breckinridge Boulevard, Duluth, Georgia 30099. The 2011 Form 10-K is also available on the Company's investor relations website at *www.investors.primerica.com.*

Stockholder Proposals for Inclusion in the 2013 Proxy Statement

The Company encourages stockholders to contact the Corporate Secretary prior to submitting a stockholder proposal or any time they have concerns about the Company. At the direction of the Board, the Corporate Secretary acts as the corporate governance liaison to stockholders.

If any stockholder intends to present a proposal for inclusion in the Company's proxy materials for the 2013 Annual Meeting of Stockholders, such proposal must be received by the Company not later than the close of business at 5:00 p.m. local time on November 30, 2012, for inclusion, pursuant to Rule 14a-8 under the Exchange Act, in the Company's proxy statement for such meeting. Such proposal also will need to comply with SEC regulations regarding the inclusion of stockholder proposals in Company-sponsored proxy materials. In order to allow the Company to identify the proposal as being subject to Rule 14a-8 under the Exchange Act and to respond in a timely manner, stockholder proposals are required to be submitted to the Corporate Secretary as follows:

Corporate Secretary
Primerica, Inc.
3120 Breckinridge Boulevard
Duluth, Georgia 30099
Fax: 770-564-6600

Procedures for Business Matters and Director Nominations for Consideration at the 2013 Annual Meeting of Stockholders

The Company's Amended and Restated Bylaws (the "Bylaws") provide a formal procedure for bringing business before an Annual Meeting of Stockholders. A stockholder proposing to present a matter or nominate a director for consideration at the 2013 Annual Meeting of Stockholders is required to deliver a written notice to the Corporate Secretary of the Company, no earlier than the close of business at 5:00 p.m. local time on November 30, 2012, and not later than the close of business at 5:00 p.m. local time on December 30, 2012. In the event that the date of the 2013 Annual Meeting of Stockholders is more than 30 days before or more than 60 days after the anniversary date of the 2012 Annual Meeting of Stockholders, the notice must be delivered to the Corporate Secretary of the Company not earlier than the 120th day prior to such Annual Meeting of Stockholders and not later than the later of the 90th day prior to such Annual Meeting of Stockholders or, if the first public announcement of the date of such annual

meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such annual meeting is first made by the Company.

Notice Requirements for Non-Business Matters

The Bylaws contain advance notice procedures with regard to stockholder proposals not related to business matters. A stockholder's notice to the Company's Corporate Secretary must be in proper written form and must set forth, as to each matter that the stockholder proposes to bring before the Annual Meeting of Stockholders, a description of the business desired to be brought before the Annual Meeting and the reasons for conducting that business at the Annual Meeting; the name and record address of that stockholder and of the beneficial owner, if any; the class and series and number of shares of each class and series of the Company's capital stock that are owned beneficially or of record by that stockholder or by the beneficial owner, if any; a description of all arrangements, agreements or understandings between that stockholder or any beneficial owner and any other person in connection with the proposal of that business and any material interest of that stockholder in that business; information as to derivatives, swaps, options, short positions, stock borrowing or lending and transactions or arrangements that increase or decrease voting power or pecuniary interest; a representation that the stockholder is a holder of record of our stock entitled to vote at that meeting and that the stockholder intends to appear in person or by proxy at the Annual Meeting to bring that business before the meeting; and any other information relating to the stockholder or beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitations of proxies for the proposed business to be brought by such stockholder pursuant to the Exchange Act. The stockholder providing the notice is required to update and supplement such notice as of the record date of the Annual Meeting. If the notice does not contain all of the information specified in Section 5 of Article II of the Bylaws, then the proposed business will not be transacted at the Annual Meeting. Such Bylaw provisions are not intended to affect any rights of stockholders to request inclusion of proposals in the Company's Proxy Statement pursuant to Rule 14a-8 under the Exchange Act.

Pursuant to Rule 14a-4 under the Exchange Act, if a stockholder notifies the Company after February 16, 2013, of an intent to present a proposal at the Company's 2013 Annual Meeting of Stockholders (and for any reason the proposal is voted upon at that annual meeting), the Proxy Committee will have the right to exercise discretionary voting authority with respect to the proposal, if presented at the meeting, without including information regarding the proposal in its proxy materials.

The foregoing notice requirements will be deemed satisfied by a stockholder if the stockholder has notified the Company of his intention to present a proposal at an Annual Meeting of Stockholders in compliance with Rule 14a-8 (or any successor thereof) under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Company to solicit proxies for such annual meeting. The Company may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Company.

Notice Requirements for Nomination of Directors

The Nominating Committee will consider stockholder recommendations for directors. Stockholder recommendations must be forwarded by the stockholder to the Corporate Secretary of the Company with biographical data about the recommended individual.

The Bylaws provide the formal procedure for nominations by stockholders of director candidates. A stockholder intending to make such a nomination is required to deliver, to the Corporate Secretary of the Company, a notice that contains all of the information specified in Article II, Section 5 of the Bylaws, including the

name and record address of that stockholder and of the beneficial owner, if any; the class and series and number of shares of each class and series of the Company's capital stock that are owned beneficially or of record by that stockholder or by the beneficial owner, if any; a description of all arrangements, agreements or understandings between that stockholder or any beneficial owner and any other person in connection with the nomination and any material interest of that stockholder in the nomination; information as to derivatives, swaps, options, short positions, stock borrowing or lending and transactions or arrangements that increase or decrease voting power or pecuniary interest; a representation that the stockholder is a holder of record of our stock entitled to vote at the Annual Meeting and that the stockholder intends to appear in person or by proxy at the Annual Meeting to bring that nomination before the Annual Meeting; and any other information relating to the stockholder or beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitations of proxies for the election of directions pursuant to Section 14 of the Exchange Act.

As to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors, the notice must set forth the name, age, business and residence addresses, and the principal occupation and employment of the person, the class and securities and number of shares of each class and series of the Company's capital stock which are owned beneficially or of record by the person, information as to derivatives, swaps, options, short positions, stock borrowing or lending and transactions or arrangements that increase or decrease voting power or pecuniary interest and any other information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, and a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships between or among such stockholder and beneficial owner, if any, and each proposed nominee.

If the notice does not contain all of the information specified in Article II, Section 5 of the Bylaws, the proposed business will not be transacted at the annual meeting. Such Bylaw provisions are not intended to affect any rights of stockholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

By Order of the Board

Peter W. Schneider
Corporate Secretary

Duluth, Georgia
March 30, 2012

Location for the 2012 Annual Meeting of Stockholders

PRIMERICA, INC.

Wednesday, May 16, 2012 at 10:00 a.m., local time

Primerica TV Studio
3100 Breckinridge Boulevard
Suite 300
Duluth, Georgia 30099

From downtown Atlanta:

- Take I-85 North to Pleasant Hill Road – Exit 104
- Turn right onto Pleasant Hill Road
- At the first stoplight, turn left onto Breckinridge Boulevard
- Go approximately 2 miles; to the entrance following the first Primerica sign on the right (at the stoplight) and turn right into the 3100 Breckinridge Boulevard campus
- Take the first left, and follow the signs to Suite 300

Please note that attendance at the meeting will be limited to stockholders of Primerica, Inc. as of the record date (or their authorized representatives).

PRIMERICA®

ATTACHMENT 28

Akin Gump
Strauss Hauer & Feld LLP

MELISSA L. LAURENZA
202.887.4251/fax: 1.202.887.4288
mlaurenza@akingump.com

April 20, 2012

VIA E-MAIL

Cheryl Hemsley
Federal Election Commission
Office of General Counsel
999 E Street NW
Washington, DC 20463

Re: Advisory Opinion Request Submitted by Primerica, Inc.

Dear Ms. Hemsley:

It is our understanding that Primerica, Inc. submitted an Advisory Opinion Request to the Federal Election Commission on January 3, 2012 seeking a determination that any future PAC formed by Primerica, Inc. will be considered disaffiliated from Citigroup Inc. Political Action Committee—Federal/State and Citigroup Inc. Political Action Committee—Federal. On behalf of our client, Citigroup, we write to express our support of Primerica Inc.'s request.

If you have any questions or concerns, please do not hesitate to contact me at 202-887-4251.

Sincerely,

Melissa L. Laurenza

cc: Stefan Passantino

"Keane, Benjamin" <bkeane@mckennalong.com>

05/11/2012 06:56 PM

To "chemsley@fec.gov" <chemsley@fec.gov>,

cc "Passantino, Stefan" <spassantino@mckennalong.com>

bcc

Subject Primerica, Inc. - Certification Statements Regarding Issues Raised During Discussion of AO Request Supplement

History: This message has been forwarded.

Who	Date	Time	Subject
Keane, Benjamin	05/11/2012	06:56 PM	Primerica, Inc. - Certificatior

Dear Ms. Hemsley,

I hope this e-mail finds you well. In the wake of our phone conversation last week, Primerica, Inc. has composed the following certification statements for the record regarding the nature of its Long Island City sublease agreement and its co-insurance contracts with Citigroup Inc. These statements should hopefully satisfy your request for affirmation that the sublease in question met fair market value standards and that all the co-insurance contracts between Primerica and Citi properly aligned with industry standards. Please find the applicable certifications below. Should you have any additional inquiries, please do not hesitate to contact either Stefan or me.

Thank you and have a good weekend,
Ben Keane

Certification Statements

"To the best of Primerica, Inc.'s knowledge, the $75,000 per month rate that it currently pays to Citigroup Inc. to sublet approximately 31,700 square feet of office space in Long Island City, NY represents a rate that is commensurate with the fair market value at the time of the execution of the sublease for office space of comparable quality in the Long Island City section of the New York City borough of Queens."

"To the best of Primerica, Inc.'s knowledge, all co-insurance and co-insurance trust agreements referenced in and attached to its supplement to the existing advisory opinion request letter represent standard co-insurance contracts that are fully in line with insurance industry standards."

Benjamin P. Keane | Associate
McKenna Long & Aldridge LLP
303 Peachtree Street | Suite 5300 | Atlanta, GA 30308
Tel: 404-527-4378 | Fax: 404-527-4198 | bkeane@mckennalong.com