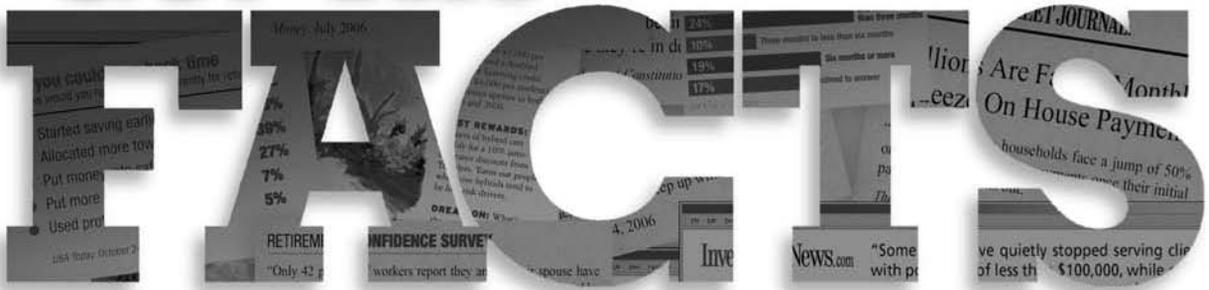


Get The



Information for Your Today and Tomorrow

The enclosed material is for educational and training purposes only. Not for public distribution.

PRIMERICA

• GET THE FACTS •

Have You Heard?

Debt is at an all-time high.

Savings are at an all-time low.

People seem to be working more hours for less pay.

What's going on?

Today's families are struggling financially. Few people understand how money works ... and the financial services industry, which is primarily interested in working with the affluent, is too busy to teach you.

Meanwhile, your dreams of financial freedom are slipping away ... you don't know how you'll ever get back on track. You're not alone. The problems are real. And they exist everywhere. But you don't have to tackle them by yourself.

There is one company that has a mission to help families just like yours.

By learning some simple but powerful concepts, you too can join millions of other families who have discovered a company that wants to help you:

- get out of debt
- build savings for your future
- get the financial protection you need
- understand how money works

Discover Primerica Financial Services.

Get the financial education you need and the better life you deserve!

• WHO WE ARE: PRIMERICA •



"Over 30 years, Primerica has grown into one of the giants of the financial services industry, with more than six million customers benefiting from the products and services Primerica offers, all delivered 'across the kitchen table' by an enthusiastic group of independent business owners."
Success From Home, July 2005

"Primerica tackles the often-confusing, fragmented world of personal finance and makes everyday financial concepts easy for every family to understand."
Premier Business, Fall 2007

Average Families Need Real Protection
Odds are you probably know someone who has been helped by Primerica. They either own a term life insurance policy, have a mutual fund or IRA account, or have been freed from the burden of high-interest debt through one of Primerica's debt consolidation loans. "What we do isn't rocket science," says Primerica's co-CEO John Addison. "We are simply delivering sound financial solutions where they are needed—to middle income families."

Primerica is a key distribution outlet for Citigroup's financial products and services.



Odds are you probably know someone who has been helped by Primerica. They either own a term life insurance policy, have a mutual fund or IRA account, or have been freed from the burden of high-interest debt through one of Primerica's debt consolidation loans. "What we do isn't rocket science," says Primerica's co-CEO John Addison. "We are simply delivering sound financial solutions where they are needed—to middle income families."

Published Since 1900



"Primerica sells the old-fashioned way: over the kitchen table to middle-income America, the part of the public that most life insurers can't or no longer know how to reach. This market has become a huge Primerica niche and a fertile ground for future sales."
Best's Review, January 2005



Primerica is a financial services leader that serves 6 million clients in the U.S., Canada, Puerto Rico and Spain.

Primerica's vibrant business with middle-income Americans defies the norm ...

• WHO WE ARE: PRIMERICA •



PRIMERICA
Setting a New Standard for Life



“Primerica has built its business by helping average families make the most of their money and create security for their future.”
Premier Business, Fall 2007



In an age where the word “job” stands for “just-over-broke” for many Americans, when people are increasingly frustrated with their work and lack the upward career movement they once had, more and more people want to go into business for themselves. Q&A: Primerica, a company that offers financial solutions a different way,” said John Addison, co-CEO of the Duluth, Ga.-based company that today serves over 8 million clients.

Giving ‘job’ a new meaning
The bedrock concept of Primerica is “to form and invest the difference,” explained Addison.

“Primerica is the largest financial services marketing organization in North America that builds its distribution from a volunteer army of more than 100,000 licensed independent contractors.”

AE
American Executive, May 2005

Primerica has been in the business of helping families since 1977.

The Re-founding of Primerica

First Day of Listing on the New York Stock Exchange

Ticker Symbol: PRI

- More than 200 Institutional Investors in five countries participated in more than 65 presentations about the Primerica business model.
- 96% chose to invest in Primerica including 8 of the 10 largest mutual funds in North America
- 20 times more demand for shares than supply

View of PRI by Institutional Investors:

- Unique distribution capabilities
- Predictable and proven business model
- First-class, credible management team



Two of our Anchor Investors

Warburg Pincus

- Private equity firm with offices in the United States, Europe and Asia
- Private equity investor since 1966
- Approximately \$25 billion in assets under management



"At Warburg Pincus, we look for companies that we believe deliver high value products to the consumer. We believe Primerica is uniquely positioned to be the top financial services distributor in North America."

Michael E. Martin, Partner, Warburg Pincus & Co. and Managing Director, Warburg Pincus LLC.

Baron Capital Management

- Founded by Ron Baron in 1982
- Approximately \$16 billion in assets under management
- Ron Baron is listed on the Forbes 400 (The 400 Richest Americans) and has a net worth of \$1.3 billion



"Baron Funds invests for the long term in what we believe are unique, well-financed businesses with open-ended growth opportunities and sustainable competitive advantages. We are most interested in businesses like Primerica that provide products with broad appeal to an underserved market."

"We like to say, 'Baron Funds invests in people not just buildings.' Primerica is a good example of a company that meets our investment criteria."

Ron Baron, Chairman and Chief Executive Officer, Chief Investment Officer, Baron Capital Management, Portfolio Manager of Baron Growth Fund, Baron Partners Fund and Baron Retirement Income Fund.

Each Primerica company is responsible for its own financial obligations.

For internal use only. Not to be used with, or distributed to, the public.



What We Do

We help Main Street families get the protection they need at a price they can afford.

That's why we sell term insurance 100% of the time:

Insured	Cause of Death	Death Benefit Before Primerica	Death Benefit After Primerica	Survived By
Male, age 41	Motorcycle Accident	\$150,000	\$643,000	Wife & 2 children, ages 6 & 12
Male, age 26	Iraqi Sniper Fire	\$0	\$400,000	Expectant wife
Male, age 34	Shot while on police duty	\$37,000	\$550,000	Expectant wife & 1 child, age 3
Female, age 22	Vehicular Accident	\$0	\$250,000	Infant child
Female, age 34	Cancer	\$0	\$295,000	Husband & 2 children, ages 4 & 8
Male, age 32	Vehicular Accident	\$40,000	\$200,000	Wife & 3 children, ages 5, 10 & 11
Female, age 50	Pneumonia	\$80,000	\$400,000	Husband & son

Our Market and Mission

We're a Main Street Company for Main Street North America!

**Our mission is to help families become properly protected,
debt free and financially independent.**

Survey says: "Mounting media distrust ... "

Pew Research Center, September 2009

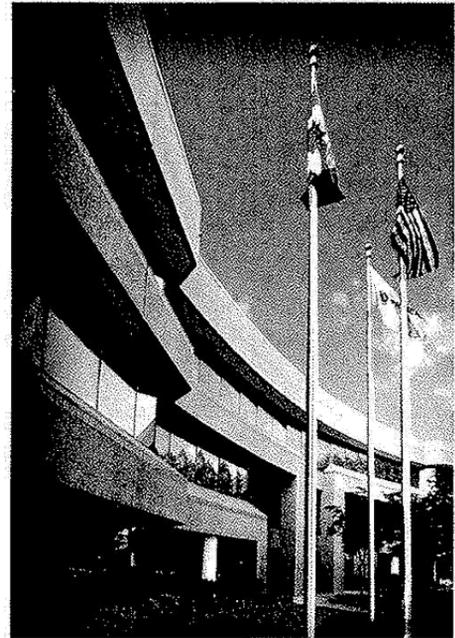
"Americans ... Distrust Wall Street."

www.dailykos.com, April 9, 2010

"Americans' Distrust Rampant."

The Sun News, April 23, 2010

The solution is YOU, plugged
into a Main Street Company
you can trust! Primerica, Inc.



In the U. S.
3100 Breckinridge Blvd.
Duluth, GA 30099

In Canada
2000 Argentia Rd
Mississauga, ON L5N 2R7

We help Main Street families invest for the future

While many other financial professionals no longer take on clients with portfolios of less than \$100,000, \$200,000 or \$250,000, Primerica is committed to helping Main Street families invest for the future through mutual funds.¹

Our minimum to invest: \$250 lump sum or monthly bank draft of \$25.²

Both are among the lowest thresholds in the industry!

We teach families fundamental financial principles that aren't taught in school:

- Dollar-cost averaging³
- The Power of Compound Interest
- Bypass the middleman
- The Rule of 72
- And more!

We help families eliminate their debt through common sense debt solutions

We sell only fixed-rate, fixed-term loans.

- No balloon loans
- No ARMS
- No interest-only mortgages
- We don't sell complicated financial products. If you can't understand it, we don't offer it!
- We don't change products based on the trends!

We don't follow the fads.
We lay a foundation.

Other companies		Primerica's companies
1970s	Whole Life	100% term life insurance
1980s	Universal Life	100% term life insurance
1990s	Variable Universal Life	100% term life insurance
2000s	Return of Premium/Whole Life	100% term life insurance
2000s	ARMS, interest-only loans, balloon mortgages	Fixed-rate, fixed-term loans
2000s	Complicated derivative investments	Professionally managed mutual funds

¹ www.investmentnews.com, viewed on May 20, 2010 ² In Canada, minimum lump sum is \$500 for Concert and Common Sense Funds. ³ Dollar-cost averaging does not assure a profit or protect against a loss. Investors should consider their ability to continue investing in a declining market.

About Primerica

- More than 4.3 million lives insured through us.
- More than 2 million clients maintain investment accounts with us.
- More than 100,000 licensed representatives (2009).
- Placed in force more than \$80 billion of life insurance in 2009.
- An average of \$2.5 million in benefit claims paid every day.
- Investment clients have more than \$25 billion in assets values in their Primerica investment accounts (2009).

(Primerica refers to Primerica and its affiliated companies.)

Primerica markets first-rate financial products and services from some of the world's more recognizable companies:

Term Life Insurance¹

- Primerica Life Insurance Company
- Primerica Life Insurance Company of Canada
- National Benefit Life Insurance Company

Mortgages/Debt Consolidation Loans³

- Citicorp Trust Bank, fsb
- AGF Trust Company
- Citibank, N.A.

Debt Solutions

- Primerica DebtWatchers™ through Primerica Client Services, Inc.

Mutual Fund Investments²

- American Funds
- Invesco Aim
- Franklin Templeton Investments
- Legg Mason Funds
- Pioneer Investments
- Van Kampen Investments

Auto & Homeowner's Insurance⁴

- Primerica Secure™ and Insurance Answer Center®

Variable Annuities

- MetLife Investors

Long Term Care Insurance

- Genworth Financial

Pre-Paid Legal Services

- Primerica Legal Protection Program

Affiliations and Organizations

Better Business Bureau

Primerica is an accredited member of the Better Business Bureau (BBB). The BBB system is dedicated to fostering trust between businesses and consumers in both the traditional and online marketplace. The first BBB was founded in 1912. Today, the BBB system is comprised of 130 local Better Business Bureaus (BBBs) across the U.S. and Canada, and serves millions of consumers, nearly 400,000 small and medium business members, and several hundred national and multi-national corporations based in North America. The BBB system has grown to become the most trusted name and recognized advocate for promoting ethical business and advertising practices, providing more than 90 million instances of service to consumers and businesses in 2005.

For more information, please visit www.bbb.org

A.M. Best

Primerica Life's, National Benefit Life's and Primerica Life Insurance Co. of Canada's financial strength is rated A+ (Superior) by A.M. Best, the oldest and most prominent rating agency in the industry.*

*A.M. Best ratings range in order from the highest ratings as follows: A++, A+, A, A-, B++, B+, B, B-, C++, C+, C, C-, D, E, F. Primerica's term life insurance is underwritten by National Benefit Life Insurance Company, Home Office: Long Island City, NY, in New York State, Primerica Life Insurance Company, Home Office: Duluth, GA, in all other U. S. jurisdictions; and Primerica Life Insurance Company of Canada, Home Office: Mississauga, Ontario, in Canada.

American Council of Life Insurers

Primerica Life Insurance Co. and National Benefit Life Insurance Co. are members of the American Council of Life Insurers (ACLI). ACLI is a Washington, D.C.-based trade association whose 377 member companies account for 91 percent of the life insurance industry's total assets in the United States, 90 percent of life insurance premiums and 95 percent of annuity considerations.

For more information, please visit www.acli.com

Insurance Marketplace Standards Association

Primerica Life Insurance Co. and National Benefit Life Insurance Co. are members of the Insurance Marketplace Standards Association (IMSA). IMSA is a nonprofit, independent organization created to strengthen consumer trust and confidence in the marketplace for individually sold life insurance, long-term care insurance and annuities. Qualified companies commit to maintaining high ethical standards and to being fair, honest and open in the way they advertise, sell and service their products.

For more information, please visit www.imsaethics.org

The Financial Industry Regulatory Authority

The Financial Industry Regulatory Authority (FINRA), is the largest non-governmental regulator for all securities firms doing business in the United States. All told, FINRA oversees nearly 5,100 brokerage firms, about 173,000 branch offices and more than 665,000 registered securities representatives. Created in July 2007 through the consolidation of NASD and the member regulation, enforcement and arbitration functions of the New York Stock Exchange, FINRA is dedicated to investor protection and market integrity through effective and efficient regulation and complementary compliance and technology-based services.

For more information, please visit www.finra.org

Not all products are available in all states.

1. Primerica Life Insurance Company Home Office: Duluth, GA. Primerica Life Insurance Company of Canada, Head Office: Mississauga, Ontario. National Benefit Life Insurance Company, Home Office: Long Island City, New York.
2. Investments offered by PFS Investments Inc. Home Office: 3120 Breckinridge Blvd., Duluth, GA 30099
3. See www.primerica.com for important disclosures.
4. Referral service only.

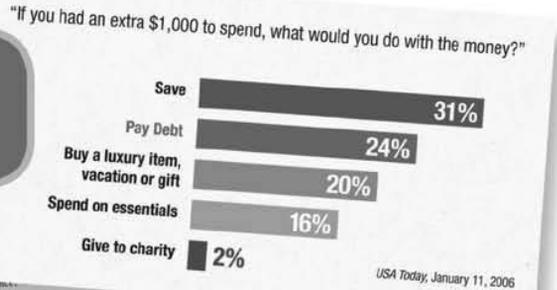
• DEBT: THE FINANCIAL DISEASE •

DEBTOR NATION
\$12,338
Average credit-card debt among people who carry a balance.

46%
U.S. households that carry a credit-card balance (2004).

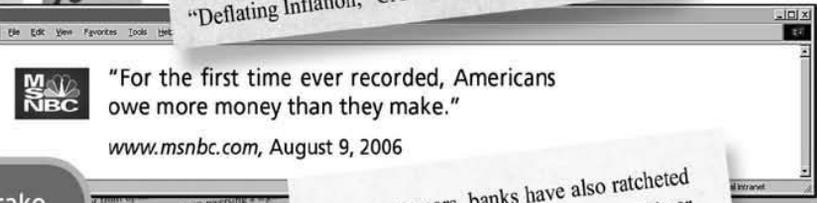
9%
Families with debts overdue 60 days or more (2004).
Kiplinger's, November 2006

Households are spending more than they earn.



CALL FOR CHANGE
CONSUMER advocates say fighting out why complaints are exploding is simple math. Consumers can only collect up to \$1,000 in the

"Total household debt in Canada is heading over the \$1 trillion mark, while the savings rate is in the negative zone."
"Deflating Inflation," CANOE Money, October 18, 2006



Credit card companies rake in billions in finance charges and fees annually.

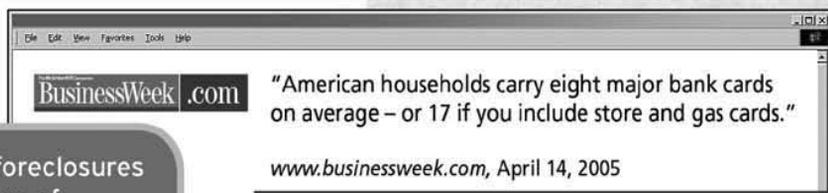
More fall behind on mortgages
"Some homeowners struggle to keep up with adjustable rates."
USA Today, September 14, 2006

"In recent years, banks have also ratcheted up fees for cash advances, late payments or spending over the credit limit, helping push consumers deeper into debt."
USA Today, December 20, 2005

Household debt stands at record levels.

The Atlanta Journal-Constitution
"... nearly one in four Americans say they frequently fall behind in their monthly bills because they're in debt ..."
The Atlanta Journal-Constitution, July 19, 2006

THE WALL STREET JOURNAL
Millions Are Facing Monthly Squeeze On House Payments
"About 1.4 million households face a jump of 50% or more in their monthly payments once their initial payment period runs out."
The Wall Street Journal, March 11, 2006



Home mortgage foreclosures are spiking because of unconventional loans.

PRIMERICA'S APPROACH:
No ARMs. No interest-only loans. We stay true to our convictions and help families get out of debt by offering only fixed-rate loan products.

• GET THE FACTS •

USA Today
Monday, March 5, 2007

Homeowners stuck as lenders cinch standards

Consumers can't sell or refinance as payments on adjustable-rate loans rise

By Noelle Knox
USA TODAY

Edward Booker is one of nearly 3 million homeowners with adjustable-rate mortgages who've had trouble paying their bills. And, like Booker, many of them won't be able to refinance their loans once the interest rates start rising. At that point, they'll have to tighten their belts, sell their homes or lose them through foreclosure.

This month, the mortgage payment on Booker's Chicago home rose \$200, to about \$1,300. It'll go *up again in September. He wants to refinance, but he fell behind on payments after his wife died of cancer in 2005, so no lender wants to take the risk.

"I'm just trying to hold onto my house until I can figure out something else to do," says Booker, 58, a former rail-car inspector who's on disability.

Since the start of the year, more lenders have been shutting their doors to people such as Booker, just as those homeowners' interest rates are rising. They're slashing the "Bad credit? No problem" types of loan programs, known as subprime, that helped fuel the housing boom. And they're raising the bar for homeowners and first-time buyers to qualify for new loans.

The trend accelerated last week after federal regulators proposed stricter guidelines for banks that make subprime ARMs (adjustable-rate mortgages). The move followed Freddie Mac's decision to drastically raise the criteria for the subprime ARMs it would buy and to require better proof of a borrower's finances.

Cover story

Sharing the blame

Thousands of homeowners are already feeling the pain. In January, the Homeownership Preservation Foundation, a non-profit financial counseling group, received 4,500 calls to its toll-free hotline (888-995-HOPE or 888-995-4673), 150% more than last summer. The callers are in financial difficulty and often trying to stave off foreclosure. Equally alarming was that 16% of the callers from October to December didn't know what kind of mortgage they had, according to the foundation.

Experts say there's plenty of blame to go around. During the real estate boom, lenders began offering an array of loans to borrowers with poor credit histories. They let many borrowers finance 100% of the purchase price, often asking for little or no proof of income or assets. Last year, 43% of loans required little or no documentation of the borrower's finances, according to First American LoanPerformance. These "stated-income" loans have earned the nickname "liar loans."

"When these loans were introduced, they made sense, given the relatively strict requirements borrowers had to meet before qualifying," according to an April 2006 report by the Mortgage Asset Research Institute. "However, competitive pressures have caused many lenders to loosen these requirements to a point that makes many risk managers squirm."

The lenders typically use a network of independent brokers who sell loans from a variety of lenders for a commission. The brokers, some of them new to the industry, some of them unlicensed, were responsible for explaining the complex terms of the loan to the borrower. This led to allegations of predatory lending — pushing high-cost loans that are plainly unsuitable for a person's financial resources and prospects.

Take Betty Jean James, 70, a retired glass inspector living on Social Security. Two years ago, she refinanced the Chicago home where she's lived for 25 years. The rate on the loan started rising after the second payment. The payments started at \$1,032 but have since climbed to \$1,761. "I fell behind two months ago," said James, who is facing foreclosure. "It just got too high." Though James signed the loan document, which clearly states that the interest rate is adjustable, she recalls that the mortgage broker "explained to me he could refinance the house, and he did. He didn't explain the interest rate could go up."

Some borrowers, meantime, contracted real estate fever and took out loans they didn't fully understand or stretched their budgets too thin. Some lied about their income on their loan applications, sometimes with a wink or a little help from their broker on a stated-income loan.

Casey Serin is a classic case. Serin, a Sacramento website designer who was profiled in USA TODAY in October, has admitted that he lied on his loan applications to buy eight houses in four states as investments. He hoped to flip them for a quick profit, but he made too many newbie mistakes. He sold three of the homes, the lenders foreclosed on two, and he's still trying to sell the remaining three.

When the real estate market was on fire, such excesses and abuses were often overlooked. If a borrower ran into trouble and fell behind on a payment, it was easy to refinance or sell the property.

Everything changed after the market peaked in August 2005. "For sale" signs swung in front yards for months, and home prices started falling. Borrowers who fell behind on their loans sometimes owed more than their homes were worth. Or they couldn't sell their property before the lender foreclosed and drove neighborhood prices down further.

In 23 metro areas where home prices fell 4% or more at the end of last year, at least half the subprime ARMs will reset to higher rates this year or next, ac-



• GET THE FACTS •

Over the next few years, about
8 million ARMs will reset.

Money, March 2007

Bankruptcies jump 40 percent in 2007
cnnmoney.com, January 3, 2008

Adjustable rates pound homeowners

...saw their monthly payments rise an average of about 42%...

The Atlanta Journal-Constitution, October 12, 2007

760,000 Americans are expected to lose their
homes this year and another 940,000 in 2008.

ABCnews.com, August 24, 2007

In the next five years, 1.4 million Americans will
see their mortgage payments more than double.

Money, August 2007

Owners Go Bankrupt to Keep Home

"...among a growing number of homeowners in foreclosure turning to
this kind of bankruptcy as a last resort to save their homes."

The Tampa Tribune, November 13, 2007

• GET THE FACTS •

Experts agree that systematic investing in mutual funds is one of the best ways to build long-term wealth.*

"Start paying yourself first.

Start small, depositing even just \$25 from each paycheck ..."

Essence, July 2006

"With traditional pension plans disappearing and the future of Social Security in doubt, all of us – and particularly young people – are more dependent than ever on our own investment knowledge."

St. Louis Post-Dispatch, November 5, 2006

Kiplinger's

"For nearly all investors, mutual funds make good sense. When mutual funds got their second wind in the late 1980s, they democratized American investing. Just 6% of U.S. households owned funds in 1980. The figure was 48% by 2005."

Kiplinger's, May 2006

Primerica boasts nearly \$40 billion in assets under management.

Primerica investors have access to hundreds of professionally managed funds.

PROTECTION MANAGEMENT

Most financial publications advocate buying affordable term life insurance.

Term life insurance is the most cost-effective pure protection available, and it is typically less expensive than a whole life policy. The old axiom rings true: "Buy term and invest the difference."

www.insweb.com, viewed May 15, 2006

Primerica sells 100% term, 100% of the time.

"What kind of insurance should you buy?"

You want term insurance—coverage that lasts for a certain period of time (or 'term'). It's plain, simple and so cheap that you can buy as much of it as your family needs."

Newsweek, January 9, 2006

"Premiums for permanent life insurance are considerably higher than premiums for term insurance. If your goal is to provide financial security for your children until they're old enough to support themselves, a term policy is probably all you need."

USA Today, October 10, 2006

SmartMoney.com

"For most people, the right type of life insurance can be summed up in a single word: term."

www.smartmoney.com, June 9, 2006

\$643 billion of term life insurance has been placed in-force through Primerica.

*Dollar-cost averaging is a technique for lowering the average cost per share over time. While a continuous program of dollar-cost averaging can reduce cost per share over time, it cannot assure a profit or protect against loss in declining markets. Since dollar-cost averaging involves continuous investments over time, the investor should consider his or her ability to continue purchases through low price levels.

• ASK THE EXPERTS •



Suze Orman, CNBC

- Written 6 consecutive New York Times best sellers.
- Time Magazine '08 & '09 World's Most Influential People

You should only look for one type of coverage, Term life.

There is another kind, called 'cash value' which is a waste of money.

Dave Ramsey, FOX NEWS

- Financial Advisor
- Author
- Radio Host
- TV Personality
- Motivational Speaker



Cash Value life insurance is one of the worst financial products available.

• GET THE FACTS •

INSURED --	██████████
POLICY NUMBER --	██████████
POLICY DATE --	██████████

Life Insurance Company

Life Insurance Company will pay the benefits of this policy in accordance with its provisions. The pages which follow are also a part of this policy.

This policy is executed as of the date of issue shown on the Policy Data page.

10 Day Right To Examine Policy. Please examine your policy. Within 10 days after delivery, you can return it to Life Insurance Company or to the agent through whom it was purchased, with a written request for a full refund of premium. Upon such request, the policy will be void from the start, and a full premium refund will be made.

Premiums. The premiums for this policy are shown in the Premium Schedule on the Policy Data page. They are payable in accordance with the Premiums section.

Whole Life Policy.

Life Insurance Proceeds Payable at Insured's Death.

Premiums Payable During Insured's Lifetime,
as shown on the Policy Data page.

Policy is Eligible for Dividends.

• GET THE FACTS •

INSURED - [REDACTED]

AGE 24 FEMALE

POLICY NUMBER - [REDACTED]

CLASS OF RISK - PREFERRED

POLICY DATE - SEPTEMBER 5, 1990

DATE OF ISSUE
SEPTEMBER 27, 1990

OWNER - INSURED

PLAN WHOLE LIFE WITH
OPTION TO PURCHASE PAID-UP ADDITIONS (OPP) AND
DISABILITY WAIVER OF PREMIUM (WP)

AMOUNT FACE AMOUNT

\$250,000.00

BENEFICIARY

Subject to change) FIRST - [REDACTED] SPOUSE OF INSURED
SECOND - CHILDREN BORN OF MARRIAGE OF INSURED TO
[REDACTED]

PREMIUM SCHEDULE
PREMIUMS PAYABLE

AT MONTHLY

INTERVALS, AS FOLLOWS SEE ENDORSEMENT HEREON

(Premium includes the following amounts for
any supplementary benefits)

BEGINNING AS OF

C. DAY YR.
9- 5-1990
9- 5-2031

PREMIUM
\$151.00
\$146.00

WP
\$5.00

PAYABLE FOR REMAINDER OF INSURED'S LIFE.**

PREMIUM PAYING PERIOD MAY BE SHORTENED BY USING DIVIDEND VALUES TO MAKE POLICY FULLY PAID-UP.

THE INTEREST RATE REFERRED TO IN THE BASIS OF COMPUTATION SECTION IS 5% PER YEAR.

• GET THE FACTS •

TABLE OF GUARANTEED VALUES*

END OF POLICY YEAR	CASH VALUE	ALTERNATIVES TO CASH VALUE		END OF POLICY YEAR	
		PAID-UP INSURANCE OR EXTENDED INSURANCE	YEARS		DAYS
1	XXXXX	XXX	XX	XXX	1
2	XXXXX	XXX	XX	XXX	2
3	XXXXX	XXX	XX	XXX	3
4	XXXXX	XXX	XX	XXX	4
5	\$750.00	\$6,250	1	187	5
6	2,000.00	15,750	4	26	6
7	3,000.00	22,750	6	23	7
8	4,250.00	30,750	8	122	8
9	5,500.00	38,250	10	65	9
10	6,750.00	45,250	11	231	10
11	9,000.00	57,750	14	98	11
12	11,250.00	69,500	16	161	12
13	13,750.00	81,500	18	182	13
14	16,250.00	92,500	20	78	14
15	19,000.00	104,000	21	357	15
16	21,500.00	113,250	23	79	16
17	24,250.00	123,000	24	132	17
18	27,000.00	131,750	25	81	18
19	29,750.00	139,750	25	323	19
20	32,750.00	148,000	26	206	20
AGE 60	80,250.00	205,000	22	55	AGE 60
AGE 65	100,500.00	216,750	19	281	AGE 65

This table assumes premiums have been paid to the end of the policy year shown. These values do not include any dividend accumulations, paid-up additions, or policy loans.

Whole Life insurance may also pay dividends. Dividend amounts are not in the policy because they are not guaranteed to be paid. Dividends are frequently paid and amounts can be substantial and exceed the guaranteed cash values resulting in greater total cash value. You may find out the amount of dividends that may be paid by contacting the company.

These products are designed and priced so that you can choose a policy to get both cash value and death benefit or just death benefit when you die. Of course, the cost of a policy in which you get both is higher.

• GET THE FACTS •

LIFE INSURANCE PROCEEDS

Life Insurance Proceeds We will pay the life insurance proceeds to the beneficiary promptly when we have proof that the Insured died, if premiums have been paid as called for in the premiums section. These proceeds will include the face amount and any other benefits from riders or

dividends which are payable because of the Insured's death, all as stated in the policy. When we determine these proceeds, there may be an adjustment for the last premium. We will deduct any unpaid loan.

**YOU DON'T
ALSO RECEIVE
YOUR CASH
VALUE**

POLICY OWNERSHIP

Owner In this policy, the words "you" and "your" refer to the owner of this policy. As the owner, you have all rights of ownership in this policy while the Insured is living. To exercise these rights, you do not need the consent of any successor owner or beneficiary.

Successor Owner A successor owner can be named in the application, or in a notice you sign which gives us the facts that we need. The successor owner will become the new owner when you die, if you die before the Insured. If no successor owner survives you and you die before the Insured, your estate becomes the new owner.

Change of Ownership You can change the

owner of this policy, from yourself to a new owner, in a notice you sign which gives us the facts that we need. When this change takes effect, all rights of ownership in this policy will pass to the new owner.

When we record a change of owner or successor owner, these changes will take effect as of the date you signed the notice, subject to any payment we made or action we took before recording these changes. We may require that these changes be endorsed in the policy. Changing the owner or naming a new successor owner cancels any prior choice of successor owner, but does not change the beneficiary.

BENEFICIARY

Naming of Beneficiary One or more beneficiaries for any life insurance proceeds can be named in the application, or in a notice you sign which gives us the facts that we need. If more than one beneficiary is named, they can be classed as first, second, and so on. If 2 or more are named in a class, their shares in the proceeds can be stated.

The stated shares of the proceeds will be paid to any first beneficiaries who survive the Insured. If no first beneficiaries survive, payment will be made to any beneficiary surviving in the second class, and so on. Beneficiaries who survive in the same class have an equal share in the proceeds, unless the shares are stated otherwise.

Change of Beneficiary While the Insured is living, you can change a beneficiary in a notice you

sign which gives us the facts that we need. When we record a change, it will take effect as of the date you signed the notice, subject to any payment we made or action we took before recording the change.

Death of Beneficiary If no beneficiary for the life insurance proceeds, or for a stated share, survives the Insured, the right to these proceeds or this share will pass to you. If you are the Insured, this right will pass to your estate. Unless stated otherwise in the policy or in your signed notice which is in effect at the Insured's death, if any beneficiary dies at the same time as the Insured, or within 15 days after the Insured but before we receive proof of the Insured's death, we will pay the proceeds as though that beneficiary died first.

• GET THE FACTS •

PREMIUMS (continued)

Reinstatement Within 5 years after lapse, you may apply to reinstate the policy if you have not surrendered it. We must have evidence of insurability that is acceptable to us. All overdue premiums must be paid, with interest at 6% per year from each of their due dates, unless we declare a policy loan interest rate of less than 6%. In that case, the interest rate for all overdue premiums at the time of reinstatement will be the same as the policy loan interest rate, but not more than 6%. Any unpaid loan, and any loan deducted when we determined the extended or paid-up insurance, must also be repaid. Interest on the loan will be compounded once each year and will be based on the loan interest rate or rates that were in effect since the time of lapse.

All or part of these payments can be charged as a new unpaid loan if there is enough loan value.

We do not need evidence of insurability if we receive the required payment within 31 days after the end of the grace period, but the Insured must be living when we receive it.

Premium Adjustment at Death We will increase the life insurance proceeds by any part of a premium paid for the period after the policy month in which the Insured dies.

If the Insured dies during a grace period, we will reduce the proceeds by an amount equal to the premium for one policy month.

CASH VALUE AND LOANS

Cash Value Cash values for this policy at the end of selected policy years are as shown in the Table of Guaranteed Values on the Policy Data page, if premiums have been paid as called for in the Premiums section. These values do not include dividend values, and they do not reflect any unpaid loan. Cash values at other times depend on the date to which premiums have been paid, and on how much time has passed since the last policy anniversary. When you ask us, we will tell you how much cash value there is.

Loan Value You can borrow any amount up to the loan value, using this policy as sole security. On a policy anniversary, on a premium due date, or during the grace period, the loan value is the cash value, plus any dividend values, less any unpaid loan and accrued interest. At any other time, the loan value is the amount which, with interest, will equal the loan value on the next anniversary or on the next premium due date, if earlier. Extended insurance has no loan value.

BE AWARE

The cash value on the due date of an unpaid premium will not decrease during the 3 months after that date. Also, the cash value of any extended or paid-up insurance on a policy anniversary will not decrease during the next 31 days after that anniversary.

We may require that you sign a loan agreement.
We may defer a loan, except to pay a premium due us for this policy, for as long as 6 months after we receive your loan request.

At any time after the policy has cash value or dividend values, you can surrender it for the sum of these values, less any unpaid loan. All insurance will end when you send us your signed request for these surrender proceeds.

Loan Interest Loan interest accrues each day. Interest is due on each anniversary, or on the date of death, surrender, a lapse, a loan increase or loan repayment, or on any other date we specify. Interest not paid when due becomes part of the loan and will also bear interest.

We may defer paying these proceeds for up to 6 months after the date of surrender. Interest will be paid on any amount deferred for 30 days or more. We set the interest rate each year. This rate will be at least 3.5% per year.

Loan Interest Rate The loan interest rate for this policy may go up or down as described in this provision. However, the rate at any given time will apply to the entire amount of an unpaid loan. We may set this rate as often as once every 3 months, but will set it at least once each year.

• GET THE FACTS •

INSURED - [REDACTED] AGE 27 MALE
POLICY NUMBER [REDACTED] CLASS OF RISK - PREFERRED
POLICY DATE - SEPTEMBER 3, 1990 DATE OF ISSUE
SEPTEMBER 19, 1990

OWNER - INSURED

PLAN WHOLE LIFE WITH
OPTION TO PURCHASE PAID-UP ADDITIONS (OPP) AND
DISABILITY WAIVER OF PREMIUM (WP)

AMOUNT FACE AMOUNT

\$250,000.00

BENEFICIARY
(subject to change) FIRST - [REDACTED] SPOUSE OF INSURED
SECOND - CHILDREN BORN OF MARRIAGE OF INSURED TO
[REDACTED]

PREMIUM SCHEDULE
PREMIUMS PAYABLE AT MONTHLY INTERVALS, AS FOLLOWS SEE ENDORSEMENT HEREON
(Premium includes the following amounts for any supplementary benefits)

BEGINNING AS OF
MO. DAY YR. PREMIUM WP
9- 3-1990 \$163.50 \$2.50
9- 3-2028 ~~\$161.00~~ PAYABLE FOR REMAINDER OF INSURED'S LIFE.**

**PREMIUM PAYING PERIOD MAY BE SHORTENED BY USING DIVIDEND VALUES TO MAKE POLICY FULLY PAID-UP.

THE INTEREST RATE REFERRED TO IN THE BASIS OF COMPUTATION SECTION IS 5% PER YEAR.

• GET THE FACTS •

TABLE OF GUARANTEED VALUES*

END OF POLICY YEAR	CASH VALUE	ALTERNATIVES TO CASH VALUE			END OF POLICY YEAR
		PAID-UP INSURANCE OR EXTENDED INSURANCE	YEARS	DAYS	
1	*****	***	**	***	1
2	*****	***	**	***	2
3	*****	***	**	***	3
4	\$1,000.00	\$6,250	1	234	4
5	2,500.00	15,000	4	32	5
6	4,000.00	23,250	6	115	6
7	5,750.00	32,000	8	160	7
8	7,500.00	40,000	10	33	8
9	9,250.00	47,250	11	136	9
10	11,250.00	55,250	12	229	10
11	14,250.00	67,250	14	172	11
12	17,500.00	79,500	16	28	12
13	20,750.00	90,500	17	109	13
14	24,000.00	100,750	18	91	14
15	27,500.00	111,250	19	48	15
16	31,000.00	120,500	19	292	16
17	34,500.00	129,250	20	104	17
18	38,000.00	137,000	20	225	18
19	41,750.00	145,000	20	338	19
20	45,750.00	153,250	21	78	20
AGE 60	94,500.00	203,000	17	247	AGE 60
AGE 65	116,000.00	215,000	15	219	AGE 65

*This table assumes premiums have been paid to the end of the policy year shown. These values do not include any dividend accumulations, paid-up additions, or policy loans.

Whole Life insurance may also pay dividends. Dividend amounts are not in the policy because they are not guaranteed to be paid. Dividends are frequently paid and amounts can be substantial and exceed the guaranteed cash values resulting in greater total cash value. You may find out the amount of dividends that may be paid by contacting the company.

• GET THE FACTS •

INSURED -- ██████████
POLICY NUMBER -- ██████████
POLICY DATE -- ██████████

Life Insurance Company

Life Insurance Company will pay the benefits of this policy in accordance with its provisions. The pages which follow are also a part of this policy.

This policy is executed as of the date of issue shown on the Policy Data page.

10 Day Right To Examine Policy. Please examine your policy. Within 10 days after delivery, you can return it to Life Insurance Company or to the agent through whom it was purchased, with a written request for a full refund of premium. Upon such request, the policy will be void from the start, and a full premium refund will be made.

Premiums. The premiums for this policy are shown in the Premium Schedule on the Policy Data page. They are payable in accordance with the Premiums section.

Whole Life Policy.

Life Insurance Proceeds Payable at Insured's Death.

Premiums Payable During Insured's Lifetime,
as shown on the Policy Data page.

Policy is Eligible for Dividends.

• GET THE FACTS •

Other Life Insurance Company

Husband:	\$250,000	\$163.50/month
Wife:	\$250,000	\$151.00/month
Total Premium:		\$314.50/month

Approximate cash value at age 65 - \$215,000

Primary: Male, Age 27, Preferred, with Waiver of Premium, \$163.50 /month. Spouse: Female, Age 24, Preferred, with Waiver of Premium, \$151/month. Total: \$314.50/month

Primerica Offered

35-year term policy

Husband:	\$250,000
Wife:	\$250,000
Child:	\$10,000
Total Premium	\$72.75/month

Using Primerica's Custom Advantage 35 (Form C535): Primary: Male, Age 27, Preferred, with Waiver of Premium. Spouse: Female, Age 24, Preferred, with Waiver of Premium and \$10,000 Child Term Rider. Total: \$72.75/month

Other Life Insurance Co. Premium:	\$314.50/month
Primerica Premium:	\$72.75/month
Difference:	\$241.75/month

\$241.75/month savings invested in mutual funds in a Roth IRA at 10%

Available tax free at age 65: \$1.2 Million

This example is for illustrative purposes and does not represent an actual investment. It does not include fees and taxes, which would lower results. It shows a constant rate of return, unlike actual investments which will fluctuate in value. The rate of return used is compounded monthly. Distributions before age 59½ may be subject to a 10% tax penalty. Consult your tax advisor with any questions.

How Most People Save

You invest \$10,000 at a four percent rate of return with your local bank ...

You earn interest for the year:	\$400
But you pay \$100 in taxes on that interest at 25%:	-\$100
So your net earnings are:	\$300
Your resulting balance would be:	\$10,300
... but if inflation is 3%, your buying power would be reduced to:	\$10,000

You would have actually earned no gain to your purchasing power!

Become an Owner, Not a Loaner



Savings Accounts, CDs, Cash Value Life Insurance = Historically Low Rates of Return

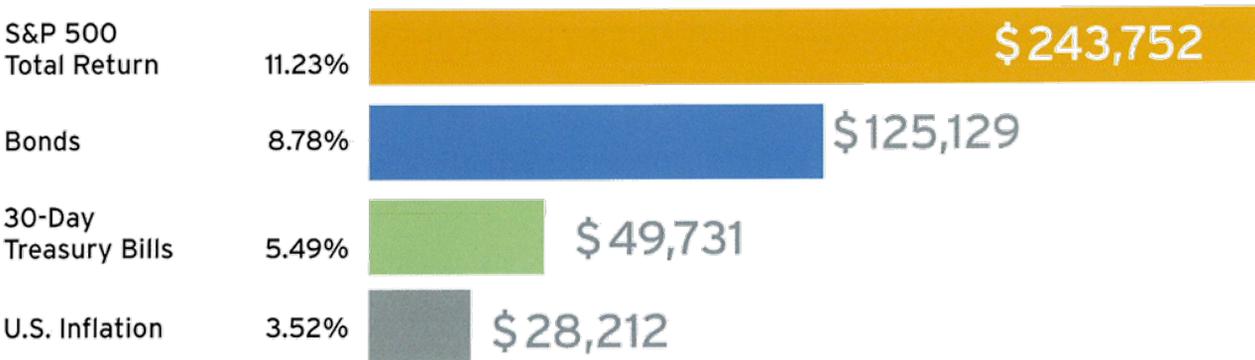
CDs and savings accounts are generally FDIC insured up to \$250,000. The \$250,000 limit expires December 31, 2013.

? Can you afford a guarantee?

This is a hypothetical situation. If your tax bracket is not 25%, results will vary.

Rate of Return Is the Key

Growth of a \$10,000 Investment (December 31, 1979 to December 31, 2009)



? What kind of return do you need to reach your goals? How can you invest to reach them? Investing in mutual funds may be a very good way!

Source: Morningstar. Past performance is no guarantee of future results. This chart is for illustrative purposes and does not represent an actual investment. Further, the returns do not reflect the past or future performance of any specific investment. All investments involve risk including loss of principal. The figures in the chart above assume reinvestments of dividends. They do not reflect any fees, expenses or tax consequences, which would lower results. Because these indices are not managed portfolios, there are no advisory fees or internal management expenses reflected in their performance. Investors cannot invest directly in any index. The figures represent an initial investment of \$10,000. The Standard & Poor's 500, which is an unmanaged group of securities, is considered to be representative of the stock market in general. Bonds are represented by the Barclays Capital Aggregate Bond Index which is an intermediate term market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. The U.S. 30-Day T-Bills are government backed short-term investments considered to be risk-free and as good as cash because the maturity is only one month. Morningstar collects yields on the T-Bill on a weekly basis from *The Wall Street Journal*. Treasury Bills are secured by the full faith and credit of the U.S. Government and offer a fixed rate of return, while an investment in the stock market offers a variable rate of return. For internal use only. Not to be used with or distributed to the public.

• GET THE FACTS •



Many U.S. households are not prepared for the death of a primary wage earner.

- Twenty-five percent of household heads feel they do not have a plan in place to provide a decent standard of living for their family if they died tomorrow.
- Twelve percent of households would immediately have trouble meeting everyday living expenses, and another 15 percent would have difficulty keeping up with expenses after several months."

LIMRA International, September 2006

"About 45% of Canadians do not have Life Insurance."

CLHIA, February 17, 2005

"A study found that 44% of U.S. households believe they need more life insurance."

National Underwriter, April 25, 2005

"Americans believe life insurance is important but also admit they understand little about it and probably don't have enough of it."

National Underwriter, October 10, 2005

"Nearly one third of Americans have no coverage at all."

LIMRA International, 2006

Millions of households have no life insurance.

Life Protection

It is estimated that the average family is underinsured by more than \$300,000.

National Underwriter, April 24, 2006

Did You Know?

The average face amount of group insurance in force in 2005 was only \$44,177. That's far less than the average \$150,000 needed. Almost half of families rely on group insurance or their sole source of retirement. Many are worriedly underinsured and left vulnerable should their breadwinner die. With these statistics in mind, it's important to make sure you have the right coverage for your family!



Look for Solid Financial

Positioned for Disaster



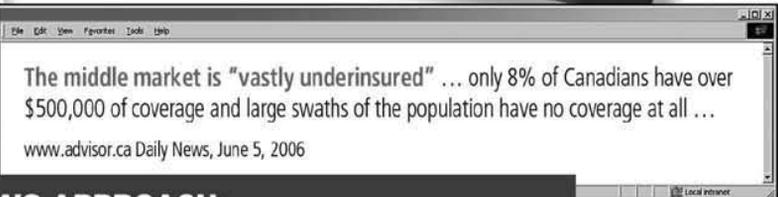
30% (90 million) of households would have immediate trouble paying everyday expenses if the breadwinner died.

National Underwriter, September 20, 2004

Survey respondents cited procrastination and the difficulty of knowing how much to buy as the top reasons for not actually buying life insurance coverage.

Wall Street Journal, April 12, 2005

The families that do have life insurance often don't carry enough coverage.



The middle market is "vastly underinsured" ... only 8% of Canadians have over \$500,000 of coverage and large swaths of the population have no coverage at all ...

www.advisor.ca Daily News, June 5, 2006

PRIMERICA'S APPROACH:

We believe families should buy term life insurance 100% of the time and do their investing separately. Other types of life insurance could be just passing fads.

• GET THE FACTS •

A Question
To Money magazine

December 2005 **Money**

Q

“My adviser wants us to **invest our money in a variable life insurance plan, where we can avoid taxes.**

Would it be better to buy term life insurance and invest in mutual funds? —Jason Keck, Three Springs, Pa.”

Answer In a word, yes.

Here's why: Variable universal life—the most commonly sold variable policy today—gives you life insurance in combination with tax-sheltered investments for retirement. But it does neither job well. That's because **most variable policies are extremely expensive and bewilderingly complicated.**

For starters, as much as 75% of your first-year premium may go to pay sales costs, premium taxes, and other expenses, accord-

ing to Jim Hunt, life insurance actuary for the Consumer Federation of America. You also face annual charges for the cost of insurance, which vary widely, and asset management fees, which can total 1.5% or more annually. All those fees explain why advisers love to pitch VUL and why most people should avoid the policies.

As for the promised tax-free withdrawals in your retirement, well, they're really just loans against the policy, and they remain tax-

free only as long as the policy is in force. In the event that your withdrawals and a bad market conspire to shrink your account so low that it doesn't cover your insurance charges, you may have to keep paying premiums for longer than you expected. If **the policy lapses, your gains would become taxable** at ordinary income rates. If you need life insurance, buy a low-cost term policy. And for your retirement savings, stick with your 401(k) or tax-managed mutual funds.

*
The
ANSWER!

• GET THE FACTS •

NAME OF INSURED	██████████	36	MALE	AGE AND SEX
POLICY NUMBER	██████████	PREFERRED NON-TOBACCO		PREMIUM CLASS
ISSUE DATE	DECEMBER 19, 2002	\$1,500,000		SPECIFIED AMOUNT

In this policy:

"You" or "Your" refers to the Insured.

"We", "Us" or "Our" refers to ██████████ Company.

"Owner" refers to the owner of this policy. The Owner may be someone other than the Insured.

This policy is a legal contract between the Owner and Us. READ YOUR POLICY CAREFULLY.

We will pay this policy's proceeds to the Owner on the Maturity Date if You are living on that date. We will pay the proceeds to the beneficiary if We receive due proof at our Home Office that You died before the Maturity Date and while this policy was in force.

This policy is issued in consideration of the application and payment of the initial premium. All payments are subject to all of the provisions of this policy.

Signed for Us at Our Home Office on the Issue Date.

NOTICE OF 20 DAY RIGHT TO EXAMINE THE POLICY

If the Owner isn't satisfied with this policy, he or she may return it to Us within 20 days after getting it. The Owner may return it to Us by mail or to the agent who sold it. We'll refund any premium paid. This policy will then be void.

*ALSO KNOWN AS:
UNIVERSAL LIFE*

◀ FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY ▶

ADJUSTABLE DEATH BENEFIT. PROCEEDS PAYABLE AT DEATH PRIOR TO THE MATURITY DATE. FLEXIBLE PREMIUMS PAYABLE DURING THE LIFETIME OF THE INSURED UNTIL THE MATURITY DATE. NON-PARTICIPATING.

• GET THE FACTS •

SCHEDULE

INSURED: [REDACTED] AGE, SEX: 36, MALE
POLICY NUMBER: [REDACTED] CLASS: PREFERRED NONTOBACCO
ISSUE DATE: DECEMBER 19, 2002 POLICY FORM: [REDACTED]
MATURITY DATE: DECEMBER 19, 2066 PLANNED PERIODIC PREMIUM: \$750.00
INITIAL SPECIFIED ^{INS. COVERAGE} AMOUNT: \$1,500,000 PREMIUM FREQUENCY: MONTHLY
MINIMUM SPECIFIED AMOUNT: \$100,000 INITIAL PREMIUM: \$750.00
DEATH BENEFIT OPTION: A MINIMUM ANNUAL PREMIUM: \$2,970.00
QUALIFYING ANNUAL PREMIUM: \$9,450.00

MONTHLY COST OF INSURANCE SCHEDULE

PLAN CODE	BENEFITS	SUM INSURED	MONTHLY COST OF INSURANCE	FIRST MONTHLY DEDUCTION	LAST MONTHLY DEDUCTION
[REDACTED]	FLEXIBLE PREMIUM ADJUSTABLE LIFE WITH ACCELERATED BENEFIT AMENDMENT RIDER [REDACTED]	\$1,500,000	SEE PAGE 2A	01/19/03	12/19/66

INTEREST RATE ON POLICY LOANS: 6.54% PER YEAR IN ADVANCE

• GET THE FACTS •

SCHEDULE (CONTINUED)

TABLE OF GUARANTEED POLICY VALUES

END OF POLICY YEAR	ACCUMULATION ACCOUNT	CASH VALUE
1	2,170	\$ 0
2	8,655	0
3	15,164	0
4	21,704	0
5	28,289	464
6	33,284	6,850
7	38,158	13,115
8	42,881	20,621
9	47,423	27,945
10	51,732	35,037
11	55,776	41,863
12	59,517	48,387
13	62,904	54,556
14	65,883	60,318
15	68,369	65,587
16	70,259	70,259
17	71,434	71,434
18	71,752	71,752
19	71,080	71,080
20	69,264	69,264
AGE 60	47,394	47,394
AGE 65	0	0

Handwritten notes:
 750 MO.
 9000 YR!
 AGE 46 → \$90,000.
 56 →
 CASH VALUE circled
 ✓ ?

THE GUARANTEED VALUES SHOWN ABOVE ASSUME THAT THE PLANNED PERIODIC PREMIUM IS PAID ON THE FIRST DAY OF EACH PREMIUM PAYMENT PERIOD IN THE AMOUNT AND FOR THE MODE SPECIFIED ON THE POLICY SCHEDULE PAGE. THESE VALUES ASSUME THERE IS NO INDEBTEDNESS, NO PARTIAL SURRENDERS AND NO CHANGES IN SPECIFIED AMOUNT, DEATH BENEFIT OPTION OR RIDERS ATTACHED TO THE POLICY.

BASED UPON THE MINIMUM GUARANTEED INTEREST RATE OF 3.00% PER ANNUM, MAXIMUM COST OF INSURANCE AND MAXIMUM EXPENSE CHARGES, THIS POLICY WILL REMAIN IN FORCE UNTIL MAY 19, 2030, PROVIDED: (1) THE PLANNED PERIODIC PREMIUM IS PAID EACH TIME WHEN DUE; AND (2) NO CHANGES ARE MADE TO THE POLICY.

→ Policy Lapses!

Some policies may only contain the minimum interest rate and maximum insurance charges that a company guarantees will occur. For example, this UL policy contains a guaranteed interest rate of 3%. However, companies may, and frequently do, pay more than the guaranteed minimum rate. The difference between the guaranteed rate and the higher "credited" rate can be substantial and greatly affect the accumulation amount and lapse date. Likewise, companies may, and frequently do, charge less than the maximum insurance or expense charges. Only guaranteed interest rates and maximum charges are used in the following examples because that is what is available from the policy itself. To determine how any particular policy performs and the actual cost for the policy, contact the company that issues the policy.

• GET THE FACTS •

SCHEDULE (CONTINUED)

TABLE OF GUARANTEED **MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1,000**

ATTAINED AGE	RATE	ATTAINED AGE	RATE	ATTAINED AGE	RATE
36	0.0766	58	0.9117	80	8.1567
37	0.0846	59	1.0042	81	8.9375
38	0.0943	60	1.1075	82	9.8183
39	0.1039	61	1.2225	83	10.7950
40	0.1128	62	1.3550	84	11.8483
41	0.2133	63	1.5050	85	12.9542
42	0.2292	64	1.6717	86	14.0983
43	0.2467	65	1.8542	87	15.2633
44	0.2658	66	2.0517	88	16.4442
45	0.2875	67	2.2633	89	17.6575
46	0.3108	68	2.4933	90	18.9208
47	0.3358	69	2.7483	91	20.2633
48	0.3633	70	3.0367	92	21.7350
49	0.3933	71	3.3658	93	23.4792
50	0.4275	72	3.7458	94	25.8192
51	0.4667	73	4.1758	95	29.3217
52	0.5117	74	4.6483	96	35.0825
53	0.5633	75	5.1533	97	45.0833
54	0.6208	76	5.6867	98	62.0958
55	0.6850	77	6.2442	99	83.3333
56	0.7550	78	6.8292		
57	0.8292	79	7.4600		

HOW TO CALCULATE THESE RATES PER \$1,000

- @ 36 $.0766 \times 12 \times 1500 = \1378 ins. cost that
- @ 46 $.3108 \times 12 \times 1500 = \5594 " " year...
- @ 56 $.7550 \times 12 \times 1500 = \$13,590$ " "
- @ 66 $2.0517 \times 12 \times 1500 = \$36,930$ INS. cost that yr.

THE COST OF INSURANCE RATES SHOWN ABOVE ARE BASED ON THE 1980 COMMISSIONER'S STANDARD ORDINARY MALE NONSMOKER MORTALITY TABLE, AGE LAST BIRTHDAY. ACTUAL MONTHLY COST OF INSURANCE RATES WILL BE DETERMINED BY THE COMPANY BASED ON ITS EXPECTATIONS AS TO FUTURE MORTALITY EXPERIENCE. HOWEVER, THE ACTUAL COST OF INSURANCE RATES WILL NOT BE GREATER THAN THOSE SHOWN ABOVE.

• GET THE FACTS •

SCHEDULE (CONTINUED)

TABLE OF MINIMUM DEATH BENEFIT PERCENTAGES

ATTAINED AGE	PERCENT OF ACCUMULATION ACCOUNT	ATTAINED AGE	PERCENT OF ACCUMULATION ACCO
0-40	250%	65	120%
45	215%	70	115%
50	185%	75	105%
55	150%	90	105%
60	130%	95 AND OVER	100%

FOR AGES NOT SHOWN, THE APPLICABLE PERCENTAGE WILL BE DETERMINED BY INTERPOLATING BETWEEN THE AGES THAT ARE SHOWN.

"EXPENSE CHARGES"

● THERE IS A MAXIMUM CHARGE OF \$7.50 PER MONTH PER POLICY.

● "THERE IS A MAXIMUM PERCENTAGE OF PREMIUM CHARGE FOR ALL POLICY YEARS EQUAL TO 2.0% OF PREMIUMS PAID TO THE COMPANY."

● THERE IS AN ADDITIONAL MAXIMUM PERCENTAGE OF PREMIUM CHARGE FOR THE FIRST POLICY YEAR EQUAL TO 48.0% OF PREMIUMS PAID UP TO THE QUALIFYING ANNUAL PREMIUM.

● THERE IS A MAXIMUM EXPENSE CHARGE OF \$.05 PER MONTH FOR EACH \$1,000 OF INITIAL SPECIFIED AMOUNT.

"TABLE OF SURRENDER CHARGES"

YEAR	SURRENDER CHARGE	YEAR	SURRENDER CHARGE
1	\$27,825	9	\$19,478
2	27,825	10	16,695
3	27,825	11	13,913
4	27,825	12	11,130
5	27,825	13	8,348
6	26,434	14	5,565
7	25,043	15	2,783
8	22,260	16 AND LATER	0

A PRO RATA SURRENDER CHARGE WILL BE IMPOSED ON PARTIAL WITHDRAWALS. THE AMOUNT OF THE SURRENDER CHARGE WILL BE BASED UPON THE PERCENTAGE OF REDUCTION IN THE SPECIFIED AMOUNT BUT WILL NOT BE LESS THAN TWENTY-FIVE DOLLARS (\$25.00).

NOTE: AT SOME FUTURE TIME, THE POLICY CASH SURRENDER VALUE MAY NOT COVER THE NEXT MONTHLY DEDUCTION. IN SUCH A SITUATION, THE POLICY WILL ENTER THE GRACE PERIOD AND WILL TERMINATE AT THE END OF THAT PERIOD IF SUFFICIENT PREMIUM IS NOT PAID.

• GET THE FACTS •

PREMIUM PAYMENTS, GRACE PERIOD AND REINSTATEMENT PROVISIONS (Continued)

REINSTATEMENT

If the policy lapses, it may be reinstated before the maturity date if all of the following conditions are met within 5 years of the end of the grace period.

1. We must get evidence of insurability satisfactory to Us;
2. We get a premium sufficient to pay any past due monthly deductions up to the end of the grace period;
3. We get a premium sufficient to keep the policy in force for six months following reinstatement;
4. Any indebtedness due Us at the end of the grace period is paid or reinstated; and
5. The policy has not been previously surrendered.

Any rider coverage on any other Insured will be reinstated, subject to any additional conditions provided in the rider.

Monthly deductions will not be due for the period of time between the end of the grace period and the date of reinstatement.

Upon reinstatement, surrender charges, if any, will then be reinstated in the amount shown in the Schedule for the policy year of lapse and will decrease in exactly the same manner they would have had the policy not lapsed. The Minimum Annual Premium Provision won't apply if this policy is reinstated.

The Suicide Exclusion and Incontestability sections will apply if the policy has been in force for less than 2 years. After the policy has been in force for 2 years during Your lifetime, it will be contestable only as to statements made in the reinstatement application but only for 2 years following reinstatement.

DEATH BENEFIT PROVISION

Upon Your death, We'll pay death benefits according to the death benefit Option described below. The Death Benefit Option is shown in the Schedule.

Option A. The accumulation account is included in the specified amount. The death benefit will be the greater of:

- (a) the specified amount on the date of death, ^{or}
- (b) the accumulation account on the date of death multiplied by the applicable percentage at Your attained age as shown in the Table of Minimum Death Benefit Percentages in the Schedule.

2. Option B. The accumulation account is not included in the specified amount. The death benefit will be the greater of:

- (a) the accumulation account on the date of death, plus the specified amount on the date of death, or
- (b) the accumulation account on the date of death multiplied by the applicable percentage at Your attained age as shown in the Table of Minimum Death Benefit Percentages in the Schedule.

POLICY CHANGE PROVISION

CHANGES IN SPECIFIED AMOUNT

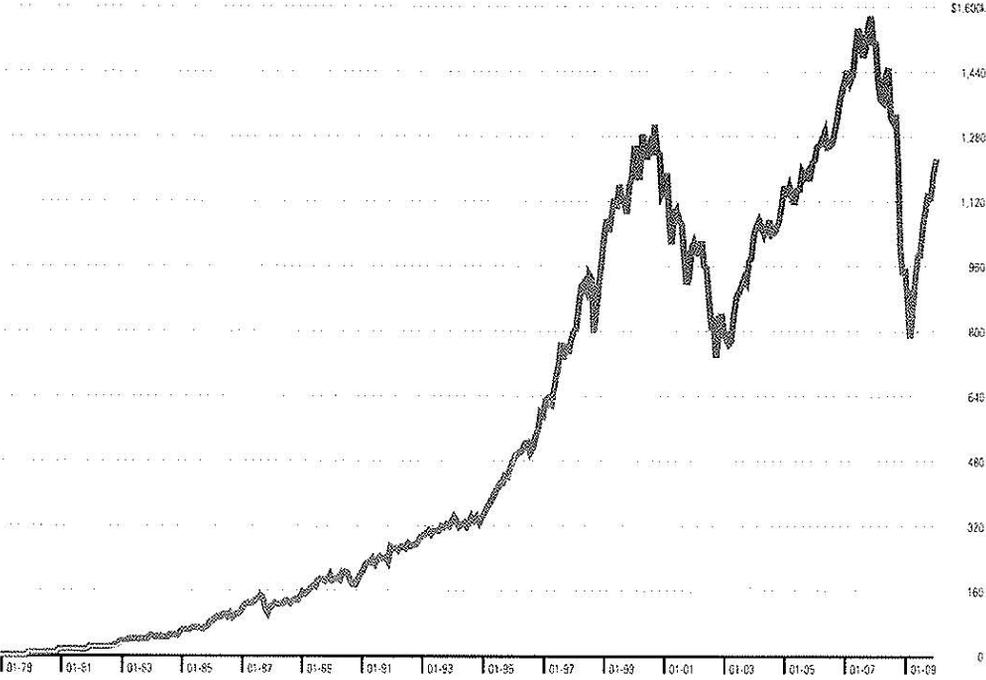
At any time after the second policy year, the Specified Amount may be changed, upon written request, subject to the following provisions.

Hypothetical Portfolio Illustration

01-30-1979 to 12-31-2009

Portfolio Summary

Portfolio Net Amount Invested



Planning Assumptions

Currency	USD
Rebalance	None
Federal Income Tax Rate	0%
Capital Gain Tax Rate	0%
State Tax Rate	0%
Tax Paid	Out of Pocket

Performance

Net Amount Invested	\$214,272
Final Market Value	\$1.22 mil
Average Annualized Return	9.83%
Cumulative Return	1719.26%

Investment Detail

Period	Beginning Balance	New Investment	Distribution/Withdrawal	Total Reinvest	Charges & Fees	Taxes Due	Market Value	Total Return %
Totals	0	214,272	0	0	0	0	1,217,888	9.83
January-December 1979	0	6,912	0	0	0	0	6,912	0.00
January-December 1980	6,912	6,912	0	0	0	0	16,071	32.50
January-December 1981	16,071	6,912	0	0	0	0	22,191	-4.92
January-December 1982	22,191	6,912	0	0	0	0	33,885	21.55
January-December 1983	33,885	6,912	0	0	0	0	48,440	22.56
January-December 1984	48,440	6,912	0	0	0	0	58,391	6.27
January-December 1985	58,391	6,912	0	0	0	0	83,828	31.73
January-December 1986	83,828	6,912	0	0	0	0	106,387	18.67
January-December 1987	106,387	6,912	0	0	0	0	118,885	5.25
January-December 1988	118,885	6,912	0	0	0	0	145,542	16.61
January-December 1989	145,542	6,912	0	0	0	0	198,570	31.69
January-December 1990	198,570	6,912	0	0	0	0	199,318	-3.10
January-December 1991	199,318	6,912	0	0	0	0	266,954	30.47
January-December 1992	266,954	6,912	0	0	0	0	294,206	7.62
January-December 1993	294,206	6,912	0	0	0	0	330,771	10.08
January-December 1994	330,771	6,912	0	0	0	0	342,050	1.32
January-December 1995	342,050	6,912	0	0	0	0	477,497	37.58
January-December 1996	477,497	6,912	0	0	0	0	594,043	22.96
January-December 1997	594,043	6,912	0	0	0	0	799,148	33.36
January-December 1998	799,148	6,912	0	0	0	0	1,034,446	28.58
January-December 1999	1,034,446	6,912	0	0	0	0	1,259,021	21.04

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Hypothetical Portfolio Illustration

01-30-1979 to 12-31-2009

Investment Detail

Period		Beginning Balance	New Investment	Distribution/Withdrawal	Total Reinvest	Charges & Fees	Taxes Due	Market Value	Total Return %
Totals		0	214,272	0	0	0	0	1,217,888	9.83
January-December	2000	1,259,021	6,912	0	0	0	0	1,151,307	-9.10
January-December	2001	1,151,307	6,912	0	0	0	0	1,021,376	-11.89
January-December	2002	1,021,376	6,912	0	0	0	0	802,559	-22.10
January-December	2003	802,559	6,912	0	0	0	0	1,039,681	28.68
January-December	2004	1,039,681	6,912	0	0	0	0	1,159,732	10.88
January-December	2005	1,159,732	6,912	0	0	0	0	1,223,610	4.91
January-December	2006	1,223,610	6,912	0	0	0	0	1,423,782	15.79
January-December	2007	1,423,782	6,912	0	0	0	0	1,508,916	5.49
January-December	2008	1,508,916	6,912	0	0	0	0	957,562	-37.00
January-December	2009	957,562	6,912	0	0	0	0	1,217,888	26.46

The S&P 500® is an index containing the stocks of 500 Large-Cap corporations, most of which are American. All of the stocks in the index are those of large publicly held companies and trade on the two largest U.S. stock markets, the New York Stock Exchange and the NASDAQ. After the Dow Jones Industrial Average, the S&P 500 is the most widely watched index of large-cap US stocks. It is considered to be a bellwether for the U.S. economy.

\$576/month = \$6,912/year = 1.2 million after 30 years

January 1979 to December 2009

9.83% Total Return

Past performance is no guarantee of future results. This chart is for illustrative purposes and does not represent an actual investment. The returns do not reflect the past or future performance of any investment. All investments involve risk including loss of principal. The figures in the chart above assume reinvestment of dividends and do not reflect any fees, expenses or tax consequences, which would lower performance. The Standard & Poors 500®, which is an unmanaged group of securities, is considered to be representative of the stock market in general. Because indices are not managed portfolios, there are no advisory fees or internal management expenses reflected in their past performance. An investor cannot invest directly in an index.

• GET THE FACTS •

January 07, 2008

Primerica Financial Services - Commission Quote Estimate -

Rev. 8.6.0(B108)

*** For internal use only. Not to be distributed to the public ***

Waiver of Premium: No

State of Sale: UT

Name	Age	Class	Face Amount	Annual Premium	Monthly Premium	Description
Primary	36	Preferred	\$1,500,000	\$1,830.00	\$173.85	C5UT 30, Custom Advantage 30
First Year Totals			\$1,500,000	\$1,830.00	\$173.85	

Total Monthly Commissions on Personal Production/Rates by Product

Product Code	ACP Amount	REP	SRP	DIS	DIV	REG	RVP
C5UT 30, Custom Advantage 30	\$2,000.76	\$500.19 25.00 %	\$700.27 35.00 %	\$1,000.38 50.00 %	\$1,200.46 60.00 %	\$1,400.53 70.00 %	\$1,900.72 95.00 %
Total 1st Year Compensation							
Personal Sale		\$500.19	\$700.27	\$1,000.38	\$1,200.46	\$1,400.53	\$1,900.72
Spread by Level		\$500.19	\$200.08	\$300.11	\$200.08	\$200.07	\$500.19
75% Advance *							
Personal Sale		\$375.14	\$525.20	\$750.00	\$750.00	\$750.00	\$1,000.00
Spread by Level		\$375.14	\$150.06	\$225.08	\$150.06	\$150.05	\$375.14

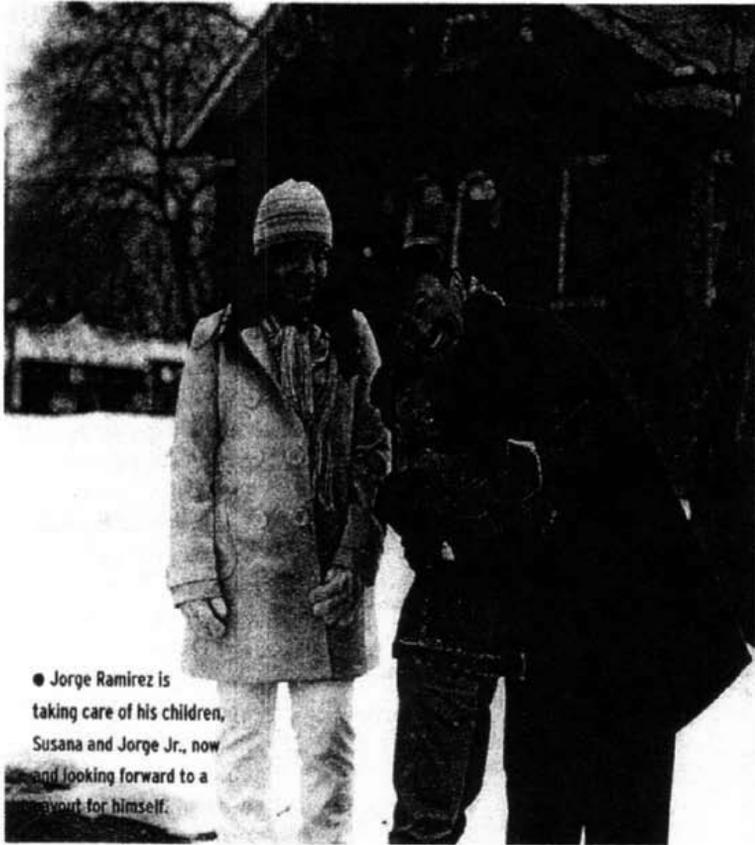
\$1,500.00 Estimated Bonus Premium Credit Amount over \$1500 = \$586.32

Estimated commissions are for New Business only. Actual commission payments subject to agent agreement, applicable Operating Guidelines and Commission Schedules. Commission rates, rules and procedures are subject to change from time to time.

* The maximum advance, if any, per policy to an RVP is \$1,000 and to a non-RVP is \$750, and will be calculated only on face amount up to \$500,000.

• GET THE FACTS •

DON'T GET MISLED BY RETURN OF PREMIUM POLICIES



● Jorge Ramirez is taking care of his children, Susana and Jorge Jr., now and looking forward to a payout for himself.

ANNA R. SCOTT

INSURANCE | With return-of-premium policies, you bet your life you'll get money back. *By Kimberly Lankford*

REFUND guaranteed

Assumptions

Opening Savings Balance :	\$0.00	\$0.00
Annual Rate of Return :	10%	10%
Number of Years :	30	20
Contribution Each Year :	\$495	\$927
Ending Balance :	\$89,567	\$58,403

Your Money

A good investment? A check for \$26,000 (or whatever you paid in premiums) sounds like a great deal. But you may not be getting the biggest bang for your buck.

Ramirez could have paid \$405 a year (instead of \$1,332) for the same coverage with a regular 20-year term policy and invested the \$927 difference in premiums. As long as his investments returned more than 3.1% per year, he would have come out ahead.

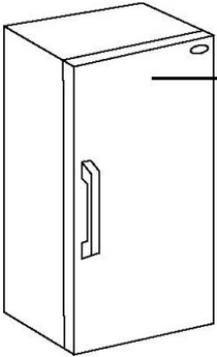
A 30-year ROP policy can be a better deal if you need insurance for a longer time, because the premium differential between the two kinds of term policies is much smaller. For example, a healthy 41-year-old man would pay a premium of \$930 a year for a regular 30-year, \$500,000 term policy and \$1,425 for a return-of-premium version. If he invested the annual difference of \$495 himself, his investments would have to return at least 6.2% a year to accumulate more than the nearly \$43,000 he'd get in returned premiums.

KIPLINGER'S | MARCH 2006

This example is for illustrative purposes and does not represent an actual investment. This example shows a constant rate of return, unlike actual investments which will fluctuate in value. The rate of return is compounded monthly. It does not include fees and taxes, which would lower results.

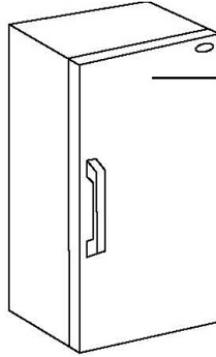
• GET THE FACTS •

Which Would You Buy?



Refrigerator A

- \$2,000 price tag
- 36-year guarantee
- \$2,000 money back years later



Refrigerator B

- \$1,000 price tag
- 36-year guarantee
- \$0 money back

If you had \$2,000, which refrigerator would you buy?

Cash value insurance policies can be universal life, whole life or other policies that have a savings feature. They contain benefits in addition to death protection, such as dividends, interest or cash value available for a loan or upon surrender of the policy. Cash value policies may also have level premiums for the life of the policy. Return of Premium policies return premium, usually prorated in the earlier years.

Term insurance provides a death benefit only and its premiums can increase at certain ages.

The Rule of 72

Approximates the number of years it takes to double your money.

Number of Years	4% 18	6% 12	12% 6
0	\$1,000	\$1,000	\$1,000
6			\$2,000
12		\$2,000	\$4,000
18	\$2,000		\$8,000
24		\$4,000	\$16,000
30			\$32,000
36	\$4,000	\$8,000	\$64,000

This table serves as a demonstration of how the Rule of 72 works and is only an approximation of accumulations. The hypothetical percentage rates and values are not indicative of specific investments where rates will fluctuate. It does not include fees and taxes, which would lower results.

• GET THE FACTS •

Save Money with the Primerica Secure™ Program

Primerica Secure™ and Insurance Answer Center®^{1,2} can help your clients get the coverage they need, at a price they can afford.

1. It's easy to get started. Just have clients simply call **toll-free (877) 855-8111** during call center hours of operation, or log onto www.PrimericaSecure.com

Call Center Hours of Operation: Monday – Friday: 8 a.m. to Midnight, ET
Saturday: 9 a.m. to 8 p.m., ET

Before they call or log on, be sure to let them know what information they need to have handy:

Representative's Solution No.: _____ Representative's Last Name: _____

Additional information to have:

2. Auto Insurance Quotes

- All drivers' Social Security numbers
- All Vehicle Identification Numbers (VINs)
- Drivers Licenses for each insured driver
- Declarations page of your existing policy

Homeowner's Insurance Quotes

- The year your home was built
- Square footage of your home
- Type of security devices in your home
- Declarations page of your existing policy

Insurance Companies	Rating	Estimated 6-Month Premium ³
Safeco Insurance Co.®	A	\$359
Infinity®	A	\$434
The Hartford®	A+	\$466
Travelers Indemnity Company	A+	\$521
Unitrin Direct®	A	\$521
Esurance®	A	\$708

1 Primerica (Primerica Financial Services Inc. and Primerica Financial Services Insurance Marketing Inc., CA License Number 0612256), its representatives and the Primerica Secure™ Program do not represent any of the insurers in the program. Primerica, its affiliates and representatives offer other products and services. You are not required to apply for or purchase any other product or service in order to be considered for the Primerica Secure™ Program. Each product may be applied for and purchased separately.

2 Answer Financial Inc., (the insurance agent) is not an insurance company. It is authorized to offer insurance products and services through its licensed affiliates Insurance Answer Center® Inc. (California License No. 0899714), Answer Center Insurance Agency Inc., and other affiliates. Insurance Answer Center, Inc. represents insurance companies and is paid commissions and may receive other performance-based compensation for the services provided to you. Rates subject to change. All products may not be available in all states.

• GET THE FACTS •

Revolutionize Your Business with the Primerica Secure™ Program

Good For You

- Reconnect with former clients or prospects
- Do more kitchen table presentations
- Find new clients through the referral process

District Leader Steve and Tami Buttry of Nichols Hills, OK, saved **\$800 a year**.

\$800/year or \$66.66/month invested at 10% over 30 years = **\$143,779**

Good for New Recruits

- Start doing business and building a client base right away
- Earn money while studying for life or securities licenses
- Improve retention by becoming invested in the business

Great for Your Clients

- Clients receive quotes in less than 10 minutes
- Multiple quotes from top-rated carriers allow your client to choose the coverage that best fits their needs and budget
- Most clients will qualify
- **Average savings - up to \$450/Year**

Experts agree. Spending a few moments to compare policies could save a lot of money!

“When looking for a new policy, get at least three quotes... rates for comparable coverage can vary by more than \$500 for six months’ worth of coverage.”

– Smartmoney.com, August 8, 2007

“Rates for the exact same level of coverage can vary dramatically from company to company...”

– Kiplinger.com, February 8, 2007

• THE OPPORTUNITY WITH PRIMERICA •

Industry observers note the financial services field is positioned for explosive growth in the coming years.

“Experts predict strong hiring in the **financial services** industry.”

Parade, March 13, 2005



UNITED STATES DEPARTMENT OF LABOR

Employment of financial services representatives “is expected to grow much faster than the average for all occupations. Growth will be especially strong for personal finance professionals, which are projected to be among the 10 fastest growing occupations.”

Occupational Outlook Handbook, 2008-2009 Edition, Bureau of Labor Statistics, U.S. Dept. of Labor

“33% of Americans say no one has approached them about life insurance coverage.”

Agent's Sales Journal, July 2006

“...demand for **financial services** professionals has never been greater. As a result, a career in this fulfilling and lucrative field has become an appealing option, particularly for those seeking an opportunity to help people, while enjoying potentially high income and a flexible work schedule.”

Monster Intelligence Financial Services Professionals Report, Fall 2006

With more than 30 years of experience, Primerica is an established player in the market.

Primerica directs the industry's biggest field force, 100,000 representatives strong.

QUALITY OF LIFE

Experts say going into business for yourself gives you a better opportunity to live the life you want.

“‘The thing about being self-employed,’ says Thomas Stanley, co-author of *The Millionaire Next Door*, ‘is that there’s no upper limit.’ According to the Federal Reserve Board, between 1992 and 2001 the average net worth of households headed by self-employed people rose from \$714,500 to \$1.2 million.”

Money, May 2005

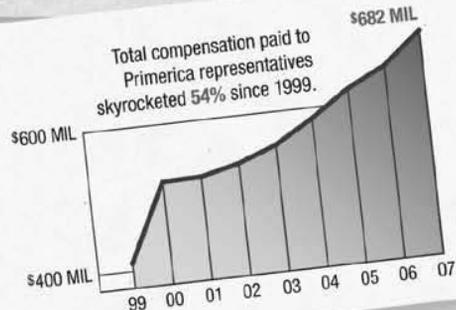
Working for yourself works

People who run their own businesses (and survive) tend to build wealth faster than employees do.

AVERAGE NET WORTH

	Self-employed	Employee
1992	\$742K	\$151K
1995	\$809K	\$158K
1998	\$1M	\$183K
2001	\$1.3M	\$225K

Money, May 2005



“Several recent studies ... have found the self-employed substantially more satisfied than people who labor for someone else.”

Money, September 2005

Primerica's business model supports large-scale growth.

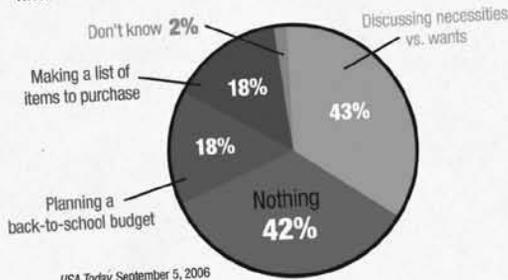
• GET THE FACTS •

"Just under half, or 46%, indicated they spend more time planning their next vacation than thinking of retirement funding plans."

Boston Globe, November 6, 2005

Most of us would rather plan a vacation than plan for retirement.

Nearly half of parents don't teach kids about finances
What are parents doing to discuss back-to-school finances with their teens?



USA Today, September 5, 2006

Your Money

FAMILY CREDIT COLLEGE INSURANCE RETIREMENT TAXES



BAD EXAMPLE: In a survey by USAA, 86% of teens say that parents are their most helpful source of information about money. Meanwhile, 49% of parents say their money-management skills range from "okay" to "terrible."

USA TODAY

"In a survey of 1,000 adults ... only 57% said they knew 'quite a bit' or a 'great deal' about managing their personal finances and retirement savings."

USA Today, April 5, 2006

Few people understand how money works.

PRIMERICA'S APPROACH:

What you don't know about money can hurt you, today or years later. The best defense against today's financial problems begins by understanding how money works.

QUALITY OF LIFE HAS SUFFERED

Wages have remained flat for years.



Workers put in more hours at the office.

Wealth gap swallows up American dream

Rich get richer, and regular folks get priced out

By Thomas H. Davenport
USA TODAY



Sales of homes above \$1 million are up 111 this year and are expected to keep climbing, according to a report by the National Association of Realtors. As the market cools, it's expected to drop to about \$1.5 million by the end of the year.

JOB INSECURITY

By TAMMY JOYNER / tjoyner@latimes.com

"Most disturbingly, workers losing the most economic ground are not the uneducated and unskilled but those with high school, community college and even four-year degrees. Overall, the middle class ... has lost purchasing power."

Los Angeles Times, December 3, 2006

Job satisfaction is at an all-time low.

"Average family income is down 2.3%"
USA Today, February 23, 2006



"38% of employed U.S. adults say they work more than 40 hours a week."

www.expedia.com, 2006 Vacation Deprivation Survey

PRIMERICA'S APPROACH:

Our products are relevant to the needs of ordinary families. And our unique business opportunity is helping people reshape their financial future.

The Four Ways to Earn Income*

Which two ways to earn income appeal to you the most?

Employee

Has a job.

Income based on position, not the person.

Business

Owns a system.

Has others working for him/her.
Unlimited income potential via manufacturing, marketing, etc.

Self-Employed

Owns a job.

Dentist, doctor, lawyer, hair stylist, real estate agent, salesperson.

Investor

Has money working for him/her.

Enjoys complete freedom and lives the dream.

*The Cash Flow Quadrant, CASH FLOW Technologies, Inc.; used with permission. The Cash Flow Quadrant and ESBI are trademarks of CASH FLOW Technologies, Inc. For information purposes only. Not for any product solicitation.

? If I could help you become financially independent more quickly, would you join me in my business?

A Track Record of Success ... with Tremendous Momentum

Cumulative Number of Earners

Personal Income	Since 1977	New Since 2000
Over \$50,000	5,300	2,761
Over \$100,000	2,532	1,391
Over \$1 million	63	32
Over \$2 million	17	6
Over \$5 million	1	1

In 2009, Primerica paid **\$515 million** to its sales force.

? With this track record, what would prevent you from pursuing this opportunity?

These figures represent 12-month rolling cash flow levels, including advances, which have been achieved by Primerica representatives, past and present, at some point during their affiliation with a Primerica Company, beginning in 1977. The representatives are not necessarily achieving those levels at this time. Further, the numbers reflected in the "Cumulative Number of Earners" column are cumulative from level to level and, therefore, include all representatives who have ever achieved the stated cash flow figures. The cash flow categories are not intended to demonstrate earnings of typical representatives. In the 12-month period ending in December 2009, Primerica's sales force consisted of approximately 100,000 life-licensed representatives, to whom the Company paid a total of \$515,691,076 in compensation, an average of \$5,156 per licensed representative. Most representatives do not reach the levels illustrated. Average RVP earnings are typically higher. Actual gross cash flow is, among other factors, dependent upon the size and scale of a representative's organization, the number of sales and the override spread on each sale, and the ability and efforts of you and your downlines. Having said this, Primerica provides a tremendous opportunity for individuals who work hard and who desire to develop a business with strong income potential.

Name: _____ Phone : _____

Life insurance is underwritten by the following affiliated companies in these respective jurisdictions: National Benefit Life Insurance Company, Home Office: Long Island City, NY, in New York; Primerica Life Insurance Company, Home Office: Duluth, GA, in all other U.S. jurisdictions; Primerica Life Insurance Company of Canada, in Canada. Securities offered by PFS Investments Inc.



• GET THE FACTS •

The Solution: Primerica!

Partner with a company that offers the right mix of financial education, personalized service and practical solutions ... to help YOU become financially stronger!

DEBT MANAGEMENT

Experts advise consumers to live within their means and knock out debt.

In 2007, Primerica helped clients consolidate nearly \$4.8 billion in debt.

U.S. News & World Report
“Reducing debt means making changes to your lifestyle so you are not spending more than you earn.”
U.S. News & World Report, December 3, 2006

Kiplinger.com
YOUR SOURCE FOR FINANCIAL PLANNING, INVESTMENT & BUSINESS CONSULTING

“... if you devise a plan to handle your debt now, you'll be less likely to let it get out of hand later. And the sooner you get it under control, the sooner you can free up cash to save for your future.”

www.kiplinger.com, December 1, 2006

“Being in control of your credit is arguably the most important financial move you can make.”
Money, February 2006

Primerica's lending affiliates have helped thousands of first-time homebuyers achieve their dream of home ownership.

SPECIAL REPRINT EDITION

Direct Selling News

Serving the Direct Selling and Network Marketing Executive

Volume 6, Issue 9 • September 2010



CREATING Independence

by Barbara Seale

If the history of financial services direct seller Primerica were captured in a book, its latest chapter would have opened on April 1. For Primerica, that wasn't April Fools' Day. It was Independence Day—the day of its initial public offering (IPO), one of the most successful Wall Street has ever seen.

It also gave Primerica an opportunity to create a case study in how a top-tier direct seller creates a once-in-a-lifetime special event that celebrates both the company and its salesforce.

Primerica Reports Second-Quarter 2010 Results

Primerica Inc. (PRI—NYSE) announced net income was \$22.0 million for the second quarter of 2010, or 29 cents per diluted share. Total revenues were \$234.3 million for the second quarter of 2010. Net operating income was \$37.2 million, or 49 cents per diluted share, for the second quarter of 2010, compared with \$45.4 million for the second quarter of 2009. Recruits increased by 13.6 percent in second quarter 2010 compared to the same period a year ago, and sequentially increased by 12.3 percent compared to first quarter 2010 due to positive momentum generated from the company's IPO and the new equity-based salesforce incentive programs.

"I am very proud of our salesforce and the recruiting momentum generated out of our successful IPO," said John Addison, Chairman of Primerica Distribution and Co-Chief Executive Officer of Primerica. "Second quarter 2010 was the highest recruiting quarter in the history of the company, and we are working hard to support and motivate our leaders and get these new recruits licensed as they establish the foundation of the new Primerica."

Primerica, headquartered in Duluth, Ga., is a leading distributor of financial products to middle-income households in North America with approximately 100,000 licensed representatives. The company and its representatives offer clients term life insurance, mutual funds, variable annuities and other financial products.



The largest financial services marketing organization in North America, Primerica had been a subsidiary of banking behemoth Citigroup and its predecessor companies since the late 1980s. But as banks came under scrutiny during the economic crunch of the last few years and the regulatory climate changed, Citigroup's organizational structure changed in response. Primerica wasn't a bank, and its fit within the company became, in the words of Primerica co-CEO John Addison, "a little more challenging." Primerica's executives and Citi's managers began discussing the company's long-term strategy, seeking the right result for both entities. The process spanned about three years.

"It was obvious to everyone that our business could flourish better as an independent company in the financial services industry, but trying to get that accomplished during the credit meltdown and everything that was going on in the industry and with Wall Street, well, we couldn't have been trying to do it at a more difficult time if we had chosen it," Addison says.

For example, at one point a positive transaction was imminent. The next week Lehman Brothers fell and the financing and economic structure fell apart.

In early 2009, Primerica was scheduled to take 1,500 couples on an incentive trip to the Atlantis resort in the Bahamas. The timing corresponded to when Wall Street firms were under great scrutiny for meetings and conventions. Citi made the decision to cancel all incentive trips, including Primerica's.

"This was a point where it became clear to all parties that a transaction was necessary now. Citi saw this as well as Rick (co-CEO Rick Williams) and I, and we all agreed to push the transaction forward," says Addison.

IPO Express

Within a few weeks, discussions about making Primerica a separate entity were under way. Premier private equity firm Warburg Pincus agreed to invest \$230 million in Primerica stock. The Primerica IPO train was gaining speed. Addison, Williams and other Primerica executives started their "road show," making presentations to the world's top money managers in 14 cities over 11 days. More than 200 institutional investors in five countries participated in more than 65 presentations of the Primerica business model, and 96 percent of them chose to invest, including eight of the 10 largest mutual funds in North America. By the time everything came together and the stock price was being set on March 31, investment bankers were calling it one of the most oversubscribed deals they had ever worked on. On March 31, the night before the bell that opens trading, the IPO price was set at \$15.

"We were standing in the pit on April 1, and the price kept going up. It took them 30-plus minutes to open the stock. When it opened, it was at \$19.15," Addison says. "24.6 million shares were sold in the IPO. It was incredibly emotional."

At most companies in any industry, the rocketing stock price would have meant significant profit for the few company executives who were given the right to purchase shares at the initial price or who received grants of company stock. But

Primerica didn't forget the people that made the company great—its representatives that sell the company's term life insurance policies and mutual funds, as well as its employees. In connection with the IPO, the company put 5 million shares into the hands of key members of its salesforce.

"One of the things we fought so hard for in the process was having a significant allocation of equity in the transaction for our salesforce," Addison says. "We were able to deliver significant amounts of shares that they now own in their company—not a division of another company, but our own company."

Throughout the process Addison and Williams had kept Primerica's field salesforce and employees as informed as they legally could. And on Day One of its independence, it invited top earners to New York to be part of the celebration. Even that wasn't as easy as it sounds.

"You don't know when an IPO is going to happen until it happens," Addison says. "You don't know six months out that this is the date. A lot is driven by market conditions and regulatory approvals. There are many moving parts."

A Celebration for All

But knowing that the event would happen and feeling strongly that representatives had to be part of it, Primerica had a contest that let them earn their way to New York for a day of celebration. Winners got to see the 30-foot high, 80-foot long Primerica sign on the front of the New York Stock Exchange. About 60 couples and individual representatives—the company's Million-Dollar Earners—were at the Exchange for presentations and to share the excitement as Addison and Williams hit the gavel for the closing bell. Then 1,000 representatives and their partners attended the evening's dinner and subsequent IPO celebration in the Waldorf Astoria's Grand Ballroom. Primerica held a simulcast of the event to agents' offices across the country so they could join the celebration and participate in the emotional high of the whole day and all it meant for the company's future. Stock exchange officials said no other company had ever done an event of that magnitude.

"We wanted to make sure that this was an inclusive, not an exclusive opportunity," Addison says. "For most companies, ringing the bell is an interesting experience to do for a handful of executives. We wanted to make sure that we transferred that to all stakeholders in our business. Our key leaders were part of that experience. The reality of the future of our business is that we must build and grow our distribution. The people who put themselves on the line every day and live on commissions—we wanted them to be a part of that magical moment."

That partnership between the company and its representatives is symbolized in Primerica's new logo. The three rings—one red, one white and one blue—stand for the representative, the client and the company. And the company's new slogan, Freedom Lives Here, reflects its continuing commitment to creating financial freedom for its 100,000 licensed sales representatives who assist their clients in meeting their needs for term life insurance, mutual funds and other financial products. It also reflects its mission to create financial freedom for its clients. As it has from the beginning, Primerica

Primerica created a once-in-a-lifetime special event that celebrated both the company and its salesforce.



Co-CEOs John Addison and Rick Williams on the floor of the New York Stock Exchange, April 1, 2010.



focuses on households with \$30,000 to \$100,000 of annual income, representing approximately 50 percent of households. That target audience underscores Addison's favorite phrase: "We're not a Wall Street company; we're a Main Street company." Through its subsidiaries, Primerica currently insures more than 43 million lives, and more than 2 million clients maintain investment accounts through the company. In 2009 alone, the company paid \$933 million in death claims to its clients, averaging payments of \$2.5 million daily.

Staying Power

Headquartered in Duluth, Ga., an Atlanta suburb, the company has 1,700 employees at its home office and 300 more in other locations. It's a place where people stick around. The tenure of the company's top 300 officers and directors averages 18 years. Some 10,000 sales representatives have stayed with Primerica for more than 20 years. Both Addison and his co-CEO Rick Williams have spent most of their careers with Primerica and its predecessor companies, and they were named co-CEOs in 1999.

"We've developed a very experienced, knowledgeable, talented team," Addison says. "That can't be replicated. That's one of the reasons the

market was so receptive. This is all I've ever done, and what a great experience it has been. I learned so much from Art Williams."

Williams—no relation to Rick—was the founder of A.L. Williams & Associates, from which Primerica grew. He forged the concept that fueled the company: Buy term and invest the difference. That idea was the antithesis of what the life insurance industry sold in the 1960s and 70s, but Williams thought it was right for middle-income Americans. So he and 85 other people started the company in 1977. They took the concept of providing financial services to middle-income families and married it with the direct sales business model. A.L. Williams became the largest writer of individual life insurance policies in the United States in 1984, when Williams sold the company to Primerica, which eventually became Citigroup. Williams stayed with the company until 1990.

Throughout the company's various chapters, that original philosophy has remained. Addison says that the company's No. 1 goal now is growth in the size of its distribution system—licensed life insurance and securities sales force. Equally important is growth in the cash flow to its salesforce.

"Our goal is to build the number of financially free families in North America," he says. "By building that, you ensure the future of the company. The success of our stock is inextricably linked to growth in the size of the salesforce and the growth of their incomes."

As noted by many industry publications, Primerica is the one company that has figured out how to effectively distribute financial products to Main Street families. Primerica's salesforce is made up of teachers, firefighters, police officers and others who are cornerstones in their community, but whose paychecks don't reflect it, he says. To become a Primerica representative, new recruits take a different route than they do at most direct selling companies. The first step is to begin the licensing process to sell life insurance. The process varies by state, but once it's complete, sales representatives earn significant income from each term life insurance sale. On average, that requires 20 to 40 hours of pre-licensing education. Then they must pass the state licensing test.

If the representative also wants to sell mutual funds to help their clients "invest the difference," additional education and licensing are required. Primerica supports the agent's efforts through its powerful Primerica Online web system, an intranet that delivers not just company information, but an international field-production leader board that is updated daily. It is also rich in the subjects that help Primerica representatives serve their clients.

At the same time new representatives are pursuing their licenses, they begin field training with someone who shows them how to sell, how the process works and how to build a team.

Sales representatives use the company's proprietary Financial Needs Analysis (FNA) tool and an educational approach to demonstrate how Primerica products can assist clients in providing financial protection for their families, saving for retirement and managing debt. Primerica's investment accounts can be established with as little as a \$250 lump sum contribution, or a monthly bank draft of \$25, both among the lowest thresholds in the industry.

"You don't make money from Day One, but there's more compensation in life insurance than in a consumable," Addison says. And representatives who complete the process reap the rewards. "If you could blink your eyes and have a license, we'd love that. But the

"We wanted to make sure that this was an inclusive, not an exclusive opportunity."

—John Addison, Co-CEO, Primerica

reality is that people are paying some price, and being able to accomplish something makes you tougher. It makes you perform better."

That combination of personal investment and financial payback results in a high number of sales representatives staying with Primerica year after year, working either part time or full time. Virtually all start part time. They run their businesses while continuing other full-time jobs, earning supplemental income from commissions on the sale of term insurance policies that provide more coverage but have lower monthly premiums than whole life policies. And Primerica sells more term policies than any other company in the industry.

"Our flagship product and the cornerstone of our business is and always will be 'buy term and invest the difference' term life insurance and investments," he continues. "Fewer Americans today have life insurance than in 1975. Most sales are to people who have no life insurance, making sure you're properly protected in case something happens to the family's primary breadwinner. We're also looking at additional things to add to our business that add to our role of providing common-sense solutions to Main Street North America."

Addison adds that the company's business opportunity is just as important as its products. He says that recruiting has remained strong, and the company looks forward to drawing huge crowds to its next convention, the first since 2007. It will take place at the Georgia World Congress Center in Atlanta on June 15-18, 2011. Show organizers expect more than 50,000 attendees, generating an economic impact of more than \$57.8 million. Primerica's representatives from all 50 states, Canada and Puerto Rico attend the convention for professional development and they value it as an investment in their businesses. The return of the convention illustrates the advantages of Primerica's independence and its confidence in the future.

"One of the things that's great for us is we are a financial powerhouse with incredibly strong capital ratios," Addison says. "The fact that we're now not part of anything, we're our own company, we can step back and chart our own course, destiny and future—that is a fundamental change for our company. Our mission really hasn't changed, but our horizon has changed. Our 100 percent focus is on the future of this business. We're working with our salesforce, our leaders and our home office leaders to chart that course, which we believe is incredibly exciting." *DSN*

For more information, please contact:

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