

Primerica, Inc.  
Form 10-Q  
November 08, 2012

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34680

Primerica, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

27-1204330  
(I.R.S. Employer  
Identification No.)

3120 Breckinridge Boulevard  
Duluth, Georgia  
(Address of principal executive offices)  
(770) 381-1000  
(Registrant's telephone number, including area code)

30099  
(ZIP Code)

Not applicable.  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	As of October 31, 2012
Common Stock, \$.01 Par Value	57,569,453 shares

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PART I – FINANCIAL INFORMATION  
 ITEM 1. FINANCIAL STATEMENTS.  
 PRIMERICA, INC. AND SUBSIDIARIES  
 Condensed Consolidated Balance Sheets

	September 30, 2012 (unaudited) (In thousands, except per-share amounts)	December 31, 2011
Assets		
Investments:		
Fixed-maturity securities available for sale, at fair value (amortized cost: \$1,728,636 in 2012 and \$1,811,359 in 2011)	\$ 1,912,456	\$ 1,959,156
Equity securities available for sale, at fair value (cost: \$28,908 in 2012 and \$21,329 in 2011)	36,693	26,712
Trading securities, at fair value (cost: \$17,271 in 2012 and \$9,793 in 2011)	17,081	9,640
Policy loans	24,669	25,996
Total investments	1,990,899	2,021,504
Cash and cash equivalents	185,823	136,078
Accrued investment income	21,646	21,579
Due from reinsurers	3,993,603	3,855,318
Deferred policy acquisition costs, net	1,036,020	904,485
Premiums and other receivables	177,791	163,845
Intangible assets, net (accumulated amortization: \$60,771 in 2012 and \$58,218 in 2011)	69,376	71,928
Other assets	328,651	268,485
Separate account assets	2,630,630	2,408,598
Total assets	\$ 10,434,439	\$ 9,851,820
Liabilities and Stockholders' Equity		
Liabilities:		
Future policy benefits	\$ 4,797,815	\$ 4,614,860
Unearned premiums	6,765	7,022
Policy claims and other benefits payable	242,265	241,754
Other policyholders' funds	346,352	340,766
Notes payable	374,421	300,000
Income taxes	96,408	81,316
Other liabilities	424,706	381,496
Payable under securities lending	177,666	149,358
Separate account liabilities	2,630,630	2,408,598
Total liabilities	9,097,028	8,525,170
Stockholders' equity:		
Common stock of (\$.01 par value. Authorized 500,000 in 2012 and 2011 and issued 59,723 shares in 2012 and 64,883 shares in 2011)	597	649
Paid-in capital	691,885	835,232
Retained earnings	468,223	344,104
Accumulated other comprehensive income (loss), net of income tax:		
Unrealized foreign currency translation gains (losses)	58,234	51,248
Net unrealized investment gains (losses):		
Net unrealized investment gains not other-than-temporarily impaired	119,836	97,082

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Net unrealized investment losses other-than-temporarily impaired	(1,364	)	(1,665	)
Total stockholders' equity	1,337,411		1,326,650	
Total liabilities and stockholders' equity	\$ 10,434,439		\$ 9,851,820	

See accompanying notes to condensed consolidated financial statements.

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## PRIMERICA, INC. AND SUBSIDIARIES

## Condensed Consolidated Statements of Income - Unaudited

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
	(In thousands, except per-share amounts)			
Revenues:				
Direct premiums	\$567,273	\$560,739	\$1,698,383	\$1,673,689
Ceded premiums	(414,991 )	(425,643 )	(1,248,969 )	(1,283,445 )
Net premiums	152,282	135,096	449,414	390,244
Commissions and fees	104,337	100,883	315,003	315,697
Net investment income	26,881	27,103	76,583	82,958
Realized investment gains (losses), including other-than-temporary impairment losses	3,872	(178 )	10,324	2,184
Other, net	11,716	12,887	34,890	36,155
Total revenues	299,088	275,791	886,214	827,238
Benefits and expenses:				
Benefits and claims	70,738	64,101	207,596	179,008
Amortization of deferred policy acquisition costs, net	29,234	26,645	83,970	73,849
Sales commissions	49,370	47,135	150,562	