THE COMMONWEALTH OF MASSACHUSETTS

OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

DIVISION OF INSURANCE

REPORT OF EXAMINATION OF THE

Primerica Life Insurance Company

Boston, Massachusetts

As of December 31, 2009

NAIC GROUP CODE 0041

NAIC COMPANY CODE 65919

EMPLOYER'S ID NO. 04-1590590

PRIMERICA LIFE INSURANCE COMPANY

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COMMONWEALTH OF MASSACHUSETTS
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March 29, 2011

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Honorable Commissioners, Director and Superintendant:

Pursuant to the statutory requirements of the Commonwealth of Massachusetts and in conformity with your instructions, an association examination has been made of the transactions and financial condition of

<u>Primerica Life Insurance Company</u>

having its home office at One Federal Street, Boston, Massachusetts 02110 and its administrative offices located at 3120 Breckinridge Boulevard, Duluth, Georgia 30099. The following report is respectfully submitted.

INTRODUCTION

Primerica Life Insurance Company ("PLIC", "Primerica" or "the Company") was last examined for the period January 1, 2000 through December 31, 2004. The current examination covers the intervening period from January 1, 2005, through December 31, 2009, and any material transactions and/or events occurring subsequent. This financial examination was conducted in accordance with Massachusetts General Laws ("MGL") Chapter 175, Section 4 and complied with those standards established by the Financial Condition (E) Committee of the National Association of Insurance Commissioners ("NAIC") and the *NAIC Financial Condition Examiners Handbook*, and examination standards of the Commonwealth of Massachusetts Division of Insurance ("the Division"). It was conducted at the direction of and under the overall management and control of the examination staff of the Division, representing the NAIC Northeastern Zone (Zone 1). Representatives from the firm of PricewaterhouseCoopers LLP ("PwC") were engaged by the Division to assist in the examination by performing certain examination procedures, including an actuarial review of the Company's actuarially determined items.

SCOPE OF EXAMINATION

During the course of this examination, the operations, management and corporate policies, transactions, accounting practices and procedures and internal controls of the Company were reviewed, analyzed, and tested to the extent deemed appropriate and necessary. General operations of the Company were reviewed for compliance with applicable Massachusetts insurance statutes. Audit work conducted by the Company's external auditors, KPMG LLP ("KPMG"), was reviewed, relied upon wherever deemed appropriate and effective, and incorporated into the work papers supporting this examination wherever deemed appropriate. The work of the internal auditors of the Company's parent, Citigroup Inc. ("Citi") was also reviewed and relied upon to the extent deemed appropriate. The premium, loss and benefit, reinsurance, investment and operating controls employed by the Company were reviewed and found to have in place sufficient internal controls. In performing the examination, certain procedures, reviewed and approved by the Division, were applied to selected records and transactions of the Company. NAIC JumpStart reports were utilized for procedures relating to bonds, stocks, and short-term investments.

INFORMATION SYSTEMS REVIEW

A review and an evaluation of the control environment of PLIC's information systems were performed. The NAIC's Information Systems (IS) Questionnaire completed by the

Company was reviewed and interviews with Company staff were conducted to gather supplemental information and corroborate the Company's responses to the questionnaire. A review was also made of the documentation supporting Management and Organization Controls, Application Systems Development and Maintenance Controls, Operating and Processing Controls, Logical and Physical Security Controls, Contingency Planning Controls, Personal Computer, Local Area Network (LAN), Wide Area Network (WAN) and Internet Controls. The control environment of the Company's information systems was reviewed and found to have in place sufficient internal controls.

COMMENTS ON THE PREVIOUS STATUTORY EXAMINATION REPORT

There were no comments or recommendations from the prior Examination Report as of December 31, 2004.

HISTORY

The Company was incorporated on September 19, 1927, under the laws of the Commonwealth of Massachusetts as the Fraternal Protective Insurance Company and commenced business on October 31, 1927. The name of the Company was changed on November 12, 1931, to the Massachusetts Indemnity Insurance Company. In July of 1956, the name was changed to Massachusetts Indemnity and Life Insurance Company. Effective July 1, 1992, the name was changed to Primerica Life Insurance Company.

The Company is authorized to write life insurance, accident and health insurance and make contracts for the payment of annuities and pure endowments. The Company is engaged primarily in the business of underwriting and administering term life insurance.

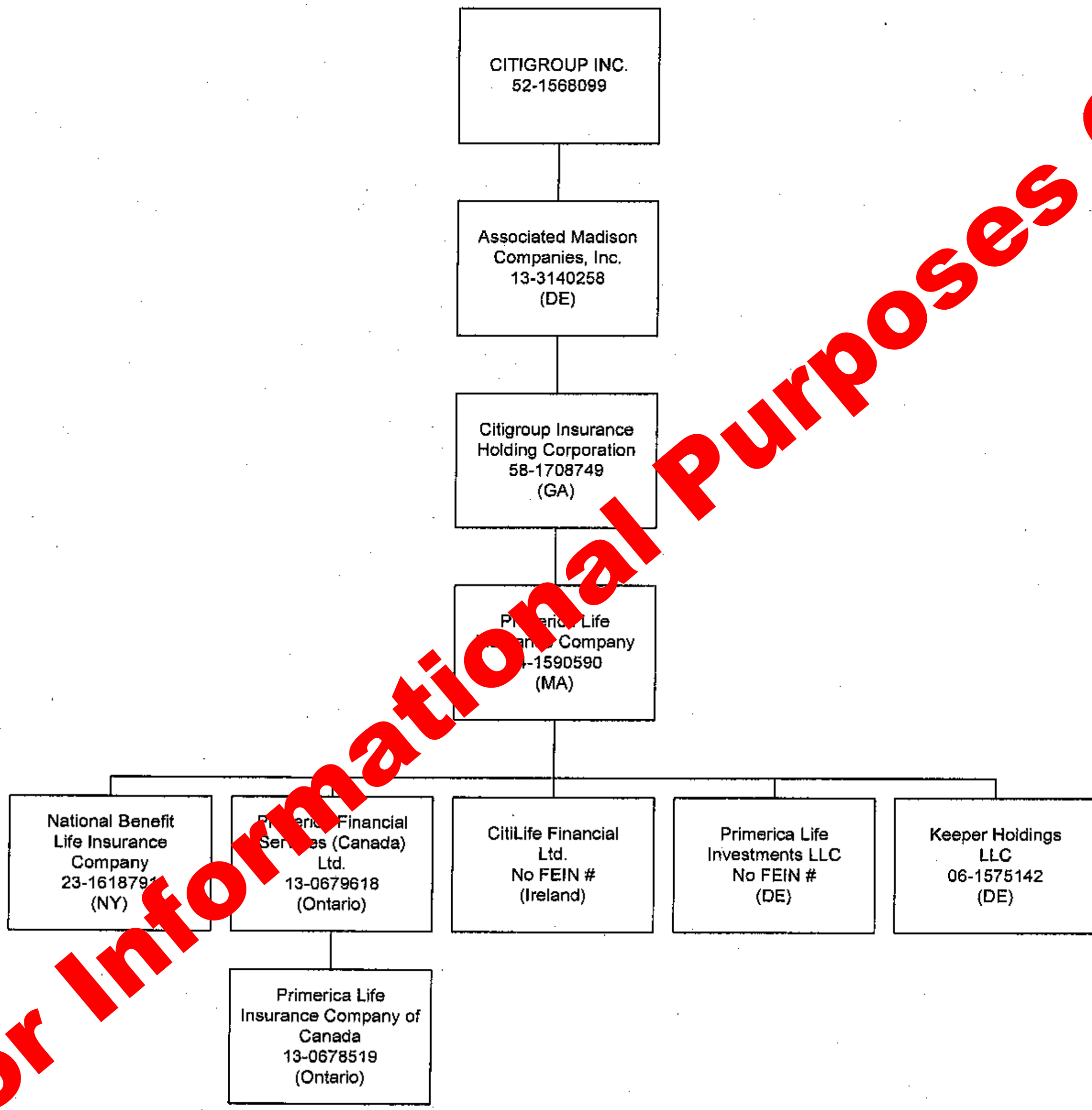
GROWTH OF COMPANY

The growth of the Company since the last examination to December 31, 2009 is summarized in the following schedule:

Year	Premium Income	Admitted Assets	Total Liabilities	Capital and Surplus
2005	$1,130,896,331	$5,437,586,252	$3,734,918,836	$1,702,667,416
2006	1,183,845,901	5,549,726,496	3,884,658,212	1,665,068,284
2007	1,154,392,076	5,895,972,126	4,241,123,623	1,654,848,504
2008	1,190,758,476	5,958,953,136	4,486,405,459	1,472,547,677
2009	1,193,478,700	6,805,089,529	5,099,494,230	1,705,595,299

ORGANIZATIONAL CHART

An organization chart of Primerica and certain of its subsidiaries and affiliates at December 31, 2009 was as follows:



Refer to the Subsequent Event section within this examination report for a discussion of the significant restructuring transactions which impacted the structure of the organization. An updated organizational chart is also included for informational purposes.

AFFILIATED COMPANIES

During the period from 2005 through 2009, the Company engaged in a number of transactions and arrangements with affiliates including the following:

General Agency Agreement with Primerica Financial Services, Inc.

PLIC has a General Agency Agreement with Primerica Financial Services, Inc. ("PFS") that provides that PFS will be PLIC's general agent for marketing all insurance of PLIC. In consideration of such services, PLIC agreed to pay PFS marketing fees of no less than $10,000,000, based upon US gross direct premiums received by PLIC. In 2009 and 2008, PLIC paid fees of $15,000,000 and $15,000,000, respectively.

Service Arrangements with Citi and Affiliates

PLIC had arrangements with various Citi affiliates whereby they provided payroll processing services and pay-for-employee benefits, as well as other shared services on behalf of PLIC. In 2009 and 2008, PLIC incurred expenses in connection with these arrangements of $30,208,673 and $30,679,356, respectively.

PLIC had arrangements with various Citi affiliates whereby PLIC provided or paid for various services including printing, shipping and warehousing of printed materials, banking fees and escheatment processing services. In 2009 and 2008, PLIC incurred revenue, net of expenses, of $439,412 and $2,074,407, respectively.

Cost Sharing and Allocation Agreement

PLIC has a cost sharing and allocation agreement with Primerica Financial Services Home Mortgages, Inc., PFS Investments Inc., Primerica Financial Services, Inc., Primerica Shareholder Services, Inc., Primerica Services, Inc., Primerica Convention Services, Inc., and Primerica Client Services, Inc. Under the terms of the agreement, PLIC provides certain functions, personnel and facilities, including accounting, tax, financial reporting, treasury, education, training, marketing, field communications, executive, licensing, telecommunications, information services, printing, facilities, purchasing and other administrative services. The affiliate companies reimburse PLIC for the fair and reasonable cost of these functions. In 2009 and 2008, the Company received reimbursements of $26,098,076 and $28,533,615, respectively.

Cost Sharing and Services Agreement with National Benefit Life Insurance Company

PLIC has a cost sharing and services agreement with National Benefit Life Insurance Company ("National Benefit Life"), a wholly owned subsidiary. Under the terms of the agreement, PLIC provides certain functions, personnel and facilities, including, but not limited to, insurance administration and underwriting. In 2009 and 2008, PLIC received reimbursements of $4,449,665 and $4,136,724, respectively.

In addition, National Benefit Life has an agreement with PLIC whereby PLIC provides National Benefit Life with certain data processing services for a fee. In 2009 and 2008, PLIC received $2,034,912 and $2,054,214, respectively.

Data Processing Services to Primerica Life Insurance Company of Canada and PFSL Investments Canada, Ltd.

PLIC has an agreement with Primerica Life Insurance Company of Canada and PFSL Investments Canada, Ltd. whereby the Company provides certain data processing services for a fee. In 2009 and 2008, PLIC received $128,699 and $275,213, respectively, for such services.

Service Arrangements with European Affiliates

PLIC has arrangements with certain of its European affiliates to provide maintenance and support for use of information systems, including the Life Administration System, Commission and Agent Systems, Peoplesoft General Ledger and general network/mainframe support. The following European affiliates received and were charged for information support services from Primerica Life. In 2009 and 2008, respectively, the Company received the following; Citilife Financial Limited $123,141 and $198,531; Citisolutions Financial Limited $27,875 and $37,295; Citisolutions Financial Limited (Spanish branch) $54,474 and $89,089.

Tax Allocation Agreement

A Tax Allocation Agreement, effective January 1, 1994, was in effect between the Company and other affiliates which are included in the Citigroup Insurance Holding Corporation ("CIHC") consolidated tax return. The agreement generally provides an allocation of tax liability (or receivable) among each such affiliate equal to the amount which would have been paid (or credited) to each affiliate had the affiliate filed a separate return. The agreement's provisions require computations of separate tax liability in accordance with Section 1502 of the Internal Revenue Code and the underlying Treasury Regulations.

COMMON CAPITAL STOCK

The authorized capital stock of the Company consists of 500,000 shares of common stock with a par value of $5.00 each. At December 31, 2009, 497,020 shares were issued and outstanding and such outstanding shares were owned by CIHC.

The Company reported 2,980 shares of treasury stock as of December 31, 2009, with an aggregate par value of $14,900.

Gross Paid-in and Contributed Surplus

The Company's Gross Paid-in and Contributed Surplus during the period of this examination was as follows:

Year	Amount
2009	$719,180,809
2008	720,783,914
2007	724,192,633
2006	720,123,080
2005	714,164,164

Dividend to Stockholder

During the period of this examination, the Company's Board of Directors declared dividends to Stockholder as follows:

Year	Dividend
2009	$149,000,000
2008	353,000,000
2007	263,000,000
2006	330,000,000
2005	260,000,000

MANAGEMENT AND CONTROL

Board of Directors

The Company's Bylaws provide that the Board of Directors shall be comprised of such number as determined by the Stockholder or by a majority of Directors, but shall not be less than five Directors nor more than eleven. Directors are elected and hold the position until the next Annual Meeting of the Stockholder or until their successors are duly chosen and qualified.

The membership of the Board as of December 31, 2009, and principal affiliation of each member is as follows:

Name and Address	**Principal Affiliation**
Jeffrey Scott Fendler	Chief Executive Officer, President Primerica Life Insurance Company
David Thomas Chadwick	Executive Vice President Primerica Life Insurance Company
Ricky Lewis Mathis	Executive Vice President Primerica Life Insurance Company
Joseph Lee Moskowitz	Executive Vice President Primerica Life Insurance Company
Terrie Lynn Mote	Executive Vice President Primerica Life Insurance Company
Alison Sue Rand	Executive Vice President, Chief Financial Officer Primerica Life Insurance Company
Raul Rivera	Chairman, President, Chief Executive Officer National Benefit Life Insurance Company
Daniel Brian Settle	Executive Vice President, Chief Actuary Primerica Life Insurance Company
Donald Richard Williams	Director
Glenn Jackson Williams	President Primerica Financial Services, Inc.

Executive Committee

The Executive Committee, to the extent permitted by law, may exercise all of the powers during intervals between meetings of the Board. At December 31, 2009, the Executive Committee consisted of the following members:

Jeffrey S. Fendler
Rick L. Mathis
Alison S. Rand

Investment Committee

The purpose of the Investment Committee is to approve and authorize investments of the Company. At December 31, 2009, the Investment Committee consisted of the following members:

Jeffrey S. Fendler
Alison S. Rand
D. Richard Williams

Compensation Committee

The purpose of the Compensation Committee is to authorize the payment of salaries and other compensation to the five most highly compensated officers and directors and to any additional officer or director whose salary exceeds one hundred fifty thousand dollars. At December 31, 2009, the Compensation Committee consisted of the following member:

D. Richard Williams

Officers:

Jeffrey S. Fendler	Chief Executive Officer, President
Michael C. Adams	Executive Vice President
Chess E. Britt	Executive Vice President
Shirley A. Cate	Executive Vice President
David T. Chadwick	Executive Vice President
Cynthia A. Chavis	Executive Vice President
V. Catherine Falls	Executive Vice President
Alexis P. Ginn	Executive Vice President
William A. Kelly	Executive Vice President
Monica Lewis	Executive Vice President
Ricky L. Mathis	Executive Vice President
Cynthia K. Mitchell	Executive Vice President
Melanie J. Mitchell	Executive Vice President
Duane M. Morrow	Executive Vice President
Joseph L. Moskowitz	Executive Vice President
Terrie L. Mote	Executive Vice President
Robert H. Peterman, Jr.	Executive Vice President
Gregory C. Pitts	Executive Vice President
Alison S. Rand	Executive Vice President, Chief Financial Officer
Norma J. Richardson	Executive Vice President
Peter W. Schneider	Executive Vice President, General Counsel
Daniel B. Settle	Executive Vice President, Chief Actuary
Karen R. Tin[illegible] Saltiel	Executive Vice President
Stan[illegible]n [illegible]. Shapiro	Executive Vice President, Clerk/Secretary
David [illegible]. Siegel	Executive Vice President
Mark L. Supic	Executive Vice President
Thomas F. Swift	Executive Vice President
Deborah F. Thomas	Executive Vice President
Janice L. Trantham	Executive Vice President
Michael S. Turnage	Executive Vice President
Lisa M. Vacante	Executive Vice President
David R. Wade	Executive Vice President
Glenn J. Williams	Executive Vice President
Danny J. Woodard	Executive Vice President

CONFLICT OF INTEREST

As of December 31, 2009, the Citigroup Code of Conduct required Primerica employees to be sensitive to any activities, interests or relationships that might interfere with, or even *appear* to interfere with, the employee's ability to act in the best interest of the Company and its customers. Therefore, employees are required to obtain written consent from the Company before engaging in any other businesses, accepting employment or compensation from any other person, or serving as an officer, director, partner, or employee of another business or organization.

The Citigroup Code of Conduct and the U.S. Consumer Group Employee Handbook, each of which is distributed to Primerica employees, provides information with regards to conflict of interest. In addition, all employees are required to review and sign the Standards of Corporate Conduct as they participate in each annual compliance meeting. The Standards of Corporate Conduct reinforces the need for disclosure of conflict of interest issues.

MANAGEMENT CONTINUITY AND NATIONAL EMERGENCY

The Company provides for the continuity of management in the event of a catastrophe or other emergency in accordance with sections 180M through 180Q of Chapter 175 of the Massachusetts General Laws.

FIDELITY BOND AND OTHER INSURANCE

Primerica, along with other subsidiaries of Citi, is a named insured on a Bankers Blanket Bond, which limits exceed the NAIC suggested minimum for fidelity bond coverage. The Company, along with other subsidiaries within Citi, is also named as an insured for excess all risk, registered mail, directors and officers liability, comprehensive general liability, comprehensive automobile liability, workers' compensation, excess liability and global all risk blanket/property real and personal including EDP, extra expense, business interruption and terrorism coverages.

EMPLOYEE WELFARE

Eligible employees of the Company are offered the following benefits:

- Life Insurance
- Medical and Dental Insurance
- Long Term Disability
- Employee Savings Plan
- Defined Benefit Pension Plan
- Stock Option Plans

The following are general descriptions of the major benefits that were offered as of December 31, 2009:

Employee Savings Plan

Primerica employees that meet specific requirements were eligible to participate in a 401(k) Savings Plan. The Company matched employee contributions to the Plan to a maximum of 6% of annual eligible pay. In addition, a fixed contribution of up to 2% of eligible pay was made to the accounts of eligible participants whose qualifying compensation for the year is $100,000 or less. Employees did not have to contribute to the Plan to receive a fixed contribution. The Company also made an annual transition contribution to the Plan accounts of eligible employees whose total annual benefit opportunity from the Company under the cash balance formula of the Citigroup Pension Plan as in effect for 2007, the 401(k) matching contribution in effect for 2007, plus the equity-based Citigroup Ownership Program, exceeded the total of the maximum matching contribution and fixed contribution percentages under the current Plan design. Prior to 2008, the Company contributed to a maximum of 3% of eligible pay up to a maximum of $1,500 annually to the plan for eligible employees.

Defined Benefit Pension Plan

The Company participated in the Citigroup Pension Plan, a qualified noncontributory defined benefit pension plan sponsored by Citigroup, the Company's ultimate parent. Benefits under this plan for the employees of the Company were based on the cash balance formula. The Parent's funding policy for qualified pension plans was to contribute, at a minimum, the equivalent of the amount required under the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code. As a result of the redesign of the Parent's retirement and equity programs, the Citigroup Pension Plan was not available to employees hired on or after January 1, 2007. In addition, effective January 1, 2008, the Plan no longer provided for the addition of any benefit credits to the hypothetical accounts of Plan participants. Only interest credits were provided until a distribution is taken from the Plan.

Stock Plans

Periodically, the Parent granted stock options to certain officers and employees of the Company. These stock options related to Citi's stock, and as such, were approved by Citi's Board of Directors. Generally, the options granted vested over three years. The options were exercised only if the person was employed or contractually associated with the Company or a subsidiary of Citi. The plan also permitted an employee exercising an option to be granted new options (reload options) in an amount equal to the number of common shares used to satisfy the exercise price and the withholding taxes due upon exercise.

The Company participated in a Capital Accumulation Plan sponsored by Citi. Under this plan, restricted stock of Citi was issued to participating officers, sales representatives and other key employees. The restricted stock vested evenly over a four-year period.

The Company participated in a Citigroup Ownership Program sponsored by Citi. Under this plan, Citi's restricted/deferred stock with a three-year vesting period was issued to all eligible employees. The last award given under this plan was on June 30, 2007.

The Company participated in the Management Committee Long-Term Incentive Plan sponsored by Citi. The Long-Term Incentive Plan is a 30-month cliff vesting deferred stock plan that covers members of the Citigroup Management Committee. The Management Committee members who stay with the Parent for the duration of the 30-month term and meet certain targets would have an award vested at the end of the 30-month period. The Plan has both market and performance conditions. It also has a 30-month service condition for its vesting. The grant date for this plan was July 1, 2007. Awards granted under this plan were cancelled in September 2009.

TERRITORY AND PLAN OF OPERATION

Primerica is authorized to transact business in all states and the District of Columbia. The Company is also authorized in Canada, Puerto Rico, Guam, the U.S. Virgin Islands and the Northern Mariana Islands.

Primerica is primarily engaged in the business of underwriting and administering term life insurance sold through PFS, an affiliated general agency. PFS and its affiliates market in the State of New York the insurance products of National Benefit Life Insurance Company, and, in Canada, the insurance products of Primerica Life Insurance Company of Canada, direct and indirect subsidiaries of Primerica, respectively.

Some agents licensed with the Company distribute mutual fund products of several third-party companies and variable annuity products of MetLife, Inc. and its affiliates, through PFS Investments Inc., a FINRA registered broker/dealer. In Canada, the Company offers its own Primerica-branded mutual funds, funds of other mutual fund companies and segregated funds underwritten by Primerica Life Insurance Company of Canada. Some agents of the Company also distribute other products, including secured and unsecured loans, various other insurance products, prepaid legal services and a credit information product, none of which are underwritten by the Company.

The term life insurance products sold by the Company as of December 31, 2009, consist of:

1. Term life insurance products and riders featuring level initial premium periods of 10, 15, 20, 30 and 35 years with level face amounts to age 95 for primary and spouse insureds.

2. A term life insurance policy and rider featuring level initial premium periods to age 65 (or for 30 years, if greater), with level face amounts for the first 25 years, decreasing thereafter, for primary and spouse insureds.

3. A term rider on the lives of children of primary insured, which is convertible to age 25.

4. A rider that increases the face amount of coverage (for primary or spouse insureds) in predetermined increments.

5. A disability waiver of premium rider

The life insurance plans sold by the Company have an option to convert to decreasing or annual renewable term insurance coverage to age 100. Policies are offered at reduced rates to non-tobacco users and preferred risks. The Company maintains closed blocks of fixed annuities and accident and health policies.

The predominant method of premium payment of the Company's products is monthly via electronic funds transfer or pre-authorized check.

TREATMENT OF POLICYHOLDERS-MARKET CONDUCT

During the financial examination of the Company, the Division's Market Conduct Department initiated a comprehensive market conduct examination of the Company for the period January 1, 2009 through December 31, 2009. The market conduct examination was called pursuant to authority in Massachusetts General Laws Chapter 175, Section 4 (3). The market conduct examination is being conducted at the direction of, and under the overall management and control of, the market conduct examination staff of the Division. Representatives from the firm of INS Regulatory Insurance Services, Inc. were engaged to complete certain agreed upon procedures which were developed using the guidance and standards of the NAIC Market Conduct Regulation Handbook and the Commonwealth of Massachusetts insurance laws, regulations and bulletins. The basic business areas that are being reviewed under this market conduct examination are Company Operations/Management; Complaint Handling; Marketing and Sales; Producer Licensing; Policyholder Services; Underwriting and Rating and Claims. Once this market conduct examination is completed a Report on the Comprehensive Market Conduct Examination of the Company for the period January 1, 2009 through December 31, 2009, will be issued and become available as a public document.

STATUTORY DEPOSITS

The statutory deposits of the Company at December 31, 2009, were as follows:

Location	Type of Security	Par Value	Statement Value	Market Value
Arkansas	US of America Treasury Note	$ 115,000	$ 117,075	$ 115,74[illegible]
Florida	US of America Treasury Note	295,000	300,322	296,912
Georgia	US of America Treasury Note	220,000	223,969	221,426
Kansas	US of America Treasury Note	200,000	203,608	201,296
New Mexico	US of America Treasury Note	135,000	[illegible]	135,875
North Carolina	US of America Treasury Note	290,000	337,453	354,251
North Carolina	US of America Treasury Note	110,[illegible]	111,984	110,713
Virginia	US of America Treasury Note	[illegible],000	305,412	301,944
Puerto Rico	US of America Treasury Bond	2,010,000	2,233,345	2,346,774
Virgin Islands	US of America Treasury Note	535,000	544,652	538,467
Guam	Certificate of Deposit	73,607	73,607	73,607
Massachusetts	US of America Treasury Note	1,500,000	1,527,060	1,509,720
TOTALS		$5,783,607	$6,115,922	$6,206,730

REINSURANCE

Reinsurance Assumed

The Company did not have any assumed reinsurance on December 31, 2009. As of January 1, 2008, all assumed reinsurance treaties were terminated by novation.

Reinsurance Ceded

With respect to ceded ordinary life business, the Company's net retention for any one life is $1,000,000 for basic life insurance and an additional $600,000 for Increasing Benefit

Riders (IBR) as authorized by the Board of Directors. At December 31, 2009, the Company had ceded approximately 16% of its written business (based on aggregate reserves for life policies) via treaties of coinsurance and yearly renewable term. Cessions were executed on both an automatic and facultative basis.

Quota Share Coinsurance

From 1980 to 1991, the Company reinsured coverages for primary and spouse insureds under first dollar quota share coinsurance arrangements. The percentage reinsured ranged from 15% to 50% up to the retention limit. The table below shows the reinsurance companies with the most reinsurance in-force under the quota share coinsurance arrangements.

As of December 31, 2009

Company	Ceded Face	Reserve Credit
Swiss Re Life & Health America, Inc.	$ 13,616,749,805	$ [illegible]47,246,504
Munich American Reassurance Co.	1,918,433,790	31,629,403
Employer's Reassurance Corporation	1,261,28[illegible]78	9,500,446
Transamerica Insurance Companies.	84[illegible]	15,028,831
Total of 4 companies	$ [illegible]13,063	$ 203,405,184
Total all quota share coinsurance	[illegible]9,291,804,313	222,106,218
Share of 4 companies	91%	92%

Excess Loss

From 1991 to June of 1994, the Company reinsured coverages over the retention limit on an excess loss basis. No significant amounts of reinsurance were ceded during this time. December 31, 2009 amounts of $21,086,486 Ceded Face and $96,009 of Reserve Credit are included in the Quota Share Yearly Renewable Term section.

Quota Share Yearly Renewable Term (YRT)

From June [illegible] to present, the Company reinsured coverages for primary and spouse insureds on first dollar quota share YRT arrangements. The percentage reinsured ranged from [illegible]0% to 90% up to the retention limit. The table below shows the reinsurance companies with the most reinsurance in-force under quota share YRT arrangements.

As of December 31, 2009

Company	Ceded Face	Reserve Credit
Scor Global Reinsurance Companies	$ 75,087,415,980	$ 121,464,640
RGA Reinsurance Company	53,226,862,180	70,295,033
Generali USA Life Reassurance Company	50,651,871,392	88,691,521
Transamerica Insurance Companies	37,661,946,091	65,645,488
Swiss Re Life & Health America, Inc.	35,043,277,130	59,537,295
Munich American Reassurance Co.	34,538,012,916	57,514,248
TOA Reinsurance Company	24,681,975,884	23,024,809
Scottish Re Companies	17,537,671,235	35,343,528
Total of 8 companies	$ 328,429,032,808	$ 521,516,562
Total all quota share YRT	360,567,175,668	561,343,137
Share of 8 companies	91%	93%

ACCOUNTS AND RECORDS

The Company maintains its accounts and records electronically. All entries are input to the data processing system, which then generates general ledger and supporting reports, as well as other reports common to the insurance industry.

In accordance with Massachusetts Regulation 211 CMR 23.00, the Company is audited annually by the independent accounting firm of KPMG LLP, whose work papers were utilized during the course of this examination to the extent deemed appropriate. Management letters given to the Company as part of its audit process were reviewed for all the years covered by the examination.

SUBSEQUENT EVENTS

On March 31, 2010 and April 1, 2010, Citi, the Company's ultimate parent, consummated a series of transactions, the intent of which was to restructure ownership in specified subsidiaries, including the Company.

In connection with the various restructuring transactions, an initial public offering of the stock of Primerica, Inc. (the "Parent"), a newly formed Delaware corporation and indirect subsidiary of Citi, was made. Ownership of the Company, together with certain other indirect subsidiaries of Citi, was transferred to the Parent on April 1, 2010. The Parent thus became the direct ultimate parent of the Company, now a wholly owned subsidiary of the Parent.

Further, ownership of certain subsidiaries of the Company was restructured as follows:

(i) Primerica Financial Services (Canada) Ltd. became a sister company to the Company, being directly owned by the Parent rather than a subsidiary of the

Company; (ii) CitiLife Financial Limited was dividended to the Company's previous parent, Citigroup Insurance Holding Corporation ("CIHC"); and (iii) Keeper Holdings LLC was dividended to the Company's previous parent CIHC.

On April 15, 2010, in connection with an initial public offering of the stock of the Parent (the current direct parent of the Company), and pursuant to a Securities Purchase Agreement dated February 8, 2010, CICH (the prior direct parent of the Parent) sold to Warburg Pincus Equity X, L.P. and Warburg Pincus X Partners, L.P. (together "Warburg") sufficient shares of common stock so that Warburg became the owner of greater than 10% of the common stock of the Parent, thereby reducing the shares and percentage owned by CIHC. CIHC, however, continues to own greater than 10% of the common stock of the Parent.

This transaction was the subject of a Form A application submitted by Warburg to the Division of Insurance on February 8, 2010. The transaction was authorized by the Division in a Decision and Order dated March 25, 2010.

During the first quarter of 2010, the Company's federal income tax return was consolidated into Citi's federal income tax return. On March 30, 2010, in anticipation of the corporate reorganization (see note 10), the Company entered into a tax separation agreement with Citi and prepaid its estimated tax liability to Citi based upon EBIT. Any overpayment or underpayment was treated as a return of capital or contribution of capital, accordingly. As a result, the Company recorded the $15.0 million overpayment as a return of capital resulting in a reduction of tax assets and a reduction of surplus. In accordance with the tax separation agreement, Citi will be responsible for and shall indemnify and hold the Company and its subsidiaries harmless from and against any consolidated, combined, affiliated, unitary or similar federal, state or local income tax liability with respect to the Company and any of its subsidiaries for any taxable period before April 2010.

Additionally, in conjunction with the corporate reorganization, elections under Section 338(h)(10) of the Internal Revenue Code will result in changes to the Company's deferred tax balances. The execution of the 338(h)(10) election is estimated to reduce the Company's deferred income tax asset by $158.1 million, resulting in a net deferred tax asset as of 4/1/2010 of $176.9 million.

Furthermore, effective April 1, 2010, the Company entered into a Tax Allocation agreement with its subsidiary. Allocation is based upon separate return calculations with credit for net losses utilized.

As described in the Extraordinary Dividends request of February 24, 2010, to the Massachusetts Division of Insurance, the Company paid a dividend on March 31, 2010, based on the carrying value to CIHC as follows:

• Citigroup Debt Security (12.50% Junior Subordinated Deferrable Interest Securities Due July 1, 2039	$ 391,000,000
• Cash and Securities	111,000,000
• Citilife Financial Ltd.	53,222,659
• Primerica Financial Services (Canada) Ltd and Subsidiaries	219,794,225 *
• Prime Reinsurance Company, Inc.	437,270,494
• Citi Holdings General LP Interest, L.P., Citi Holdings Mezzanine L.P. Interests, L.P. and Citi Holdings LP Interests Corporation	47,184,733
• Keeper Holdings LLC	188,287,263
	$ 1,447,759,374

** Consistent with the prior year, the true up of the carrying value of the investment in PFS Canada arising from its 2009 audited financial statements was not reflected in the carrying value of PFS Canada in the December 31, 2009 annual statement. The true up would have increased the carrying value of PFS Canada, as reflected in the December 31, 2009 annual statement, by approximately $53,000,000. The $53,000,000 true up was not subsequently recorded in 2010 as the investment in PFS Canada was distributed to Citi in March 2010.*

Concurrent with the reorganization of their business, the Company formed a new subsidiary, Prime Reinsurance Company, Inc. ("Prime RE"), a Vermont captive insurance company, to which the Company made an initial capital contribution. The Company also entered into an 80% coinsurance agreement and a 10% coinsurance agreement with Prime RE, resulting in ceding 90% of the risks and rewards of their term life insurance policies that were in-force at year-end 2009. Both treaties are very similar, with the main difference being that the 10% treaty contains an experience rating refund.

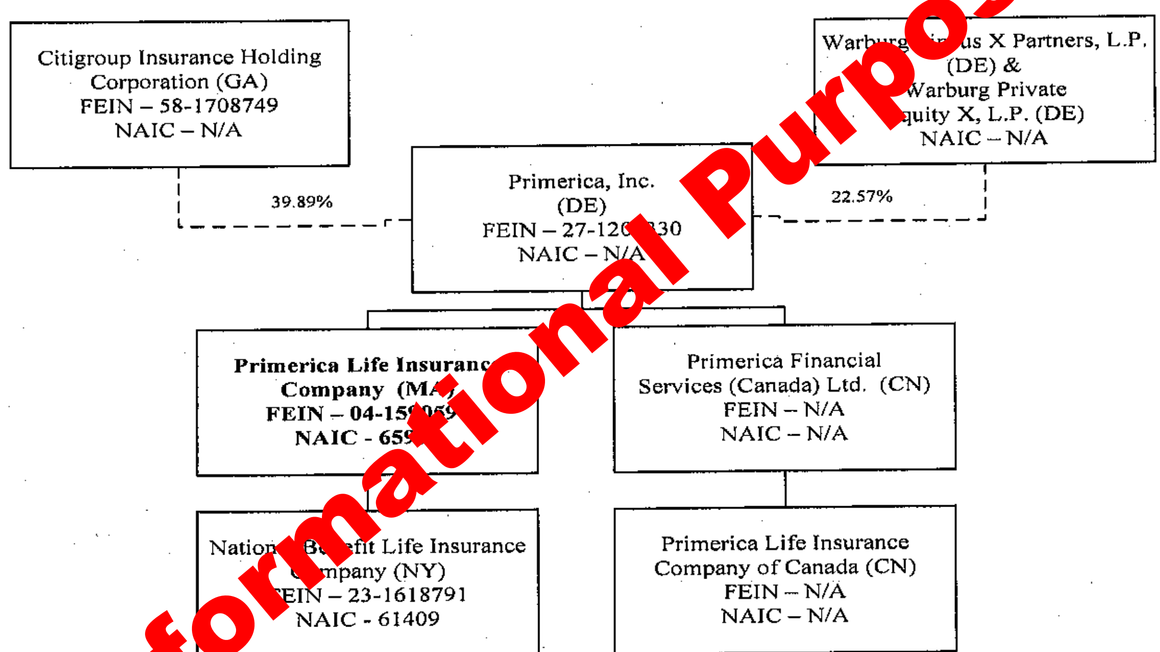
Concurrent with signing these agreements, the Company reduced their aggregate life reserves and transferred assets to support the statutory liabilities assumed by Prime RE. In addition, the Company transferred 90% of all future premiums and benefits and claims associated with these policies to Prime RE. The Company will receive ongoing ceding allowances as a reduction to insurance expenses to cover policy and claims administration expenses under each of these reinsurance contracts. Prime RE is not an admitted reinsurer in Massachusetts and will maintain a trust account sufficient for the Company to receive statutory reserve credit. The reinsurance treaties contain various safeguards to ensure that the Company will receive full statutory reserve credit.

In accordance with the coinsurance agreements, effective January 1, 2010, the Company recorded initial ceded premiums for the transfer of reserves, interest maintenance reserve ("IMR"), and related liabilities to Prime RE of $3.57 billion. Reserves transferred were $3.71 billion. The Company received a ceding allowance of $3.52 billion from Prime RE. After deducting income taxes of $0.91 billion, the Company recorded a deferred gain of $2.62 billion, which was charged to surplus. In addition, the IMR reserve, net of tax, in the amount of $137.2 million transferred to Prime RE was recorded to income from operations.

As part of the corporate reorganization, the Company transferred all of the issued and outstanding capital stock of Prime RE to Citigroup Insurance Holding Corporation. Each of the assets and liabilities, including the invested assets and the distribution of Prime RE, were transferred with corresponding gains or losses recorded in the statement of operations.

The Company's New York subsidiary, National Benefit Life, entered into a 90% coinsurance treaty with American Health and Life Insurance Company similar to the 80% treaty between the Company and Prime RE.

The following Organizational Chart reflects the corporate structure of Primerica a[illegible] certain of its subsidiaries and affiliates as of April 1, 2010:



Statements of Admitted Assets, Liabilities and Capital and Surplus as of June 30, 2010 (Unaudited)

PRIMERICA LIFE INSURANCE COMPANY
STATEMENT OF ASSETS, LIABILITIES, CAPITAL AND SURPLUS
AS OF JUNE 30, 2010

	(Unaudited)
ASSETS	
Cash and invested assets	$ 1,657,482,259
Net deferred tax asset	5,2[illegible]57
Uncollected premiums and agents' balances in course of collection	(2[illegible]65,068)
Reinsurance ceded	[illegible]8,650,491
All other assets	28,176,165
Total Assets	$ 1,624,913,404
LIABILITIES	
Aggregate reserve for life policies and contracts	$ 492,994,848
Liability for deposit-type contracts and all other reserves	372,913,648
Amounts withheld or retained by company as agent or trustee	54,614,494
All other liabilities	156,863,021
Total Liabilities	1,077,386,011
CAPITAL and SURPLUS	
Common stock	2,500,000
Gross paid in and contributed surplus	729,000,319
Unassigned funds	(183,958,026)
Treasury Stock	(14,900)
Total Capital and Surplus	547,527,393
Total Liabilities and Capital and Surplus	$ 1,624,913,404

NOTE 1 - SECURITIES LENDING

The NAIC issued additional guidance under SSAP 91R - Statement of Statutory Accounting Principles No. 91 - Revised (Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities) to clarify the accounting for securities lending. Substantive revisions were made in paragraphs 13, 14, 57-81, 98-101 regarding securities lending transactions and repurchase agreements and additional disclosures were adopted in May 2010 and became effective December 31, 2010. The updated guidance specifically notes that a change resulting from the adoption of SSAP 91R shall be accounted for as a change in accounting principle in accordance with *SSAP 3—Accounting Changes and Corrections of Errors*, that is, the cumulative effect of changes in accounting principles shall be reported as adjustments to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principle had been applied retroactively for all prior periods. Under SSAP 91, the Company historically did not report securities lending balances in its Balance Sheet. Had the securities lending balances been reflected at December 31, 2009, this would have resulted in the Company recording a Securities Lending Asset of approximately $473,905,000 with a corresponding Payable for Securities Lending for the same amount. The entry would not have had a net impact to the Company's total surplus as of December 31, 2009.

FINANCIAL STATEMENTS

The following financial statements reflect the assets, liabilities, capital and surplus as determined by this examination, showing the Statement of Assets, Liabilities, Capital and Surplus of the Company as of December 31, 2009, together with a Statement of Operations for the Year Ended December 31, 2009, and a Statement of Changes in Capital and Surplus for the Years Ended December 31, 2005, 2006, 2007, 2008 and 2009.

The following financial statements are presented on the basis of accounting practices prescribed or permitted by the Division of Insurance of the Commonwealth of Massachusetts and by the National Association of Insurance Commissioners, as of December 31, 2009:

- Statement of Assets, Liabilities, Capital and Surplus as of December 31, 2009;
- Statement of Operations for the Year Ended December 31, 2009;
- Statement of Changes in Capital and Surplus for the Years Ended December 31, 2005, 2006, 2007, 2008 and 2009

PRIMERICA LIFE INSURANCE COMPANY
STATEMENT OF ASSETS, LIABILITIES, CAPITAL AND SURPLUS
AS OF DECEMBER 31, 2009

ASSETS	As Reported by the Company	Examination Changes	Per Statutory Examination
Bonds	$ 4,801,974,515	$ -	$ 4,801,974,515
Preferred stocks	45,347,681		45,347,681
Common stocks	933,626,661		933,626,661
Cash and short-term investments	564,319,546		564,319,546
Other invested assets	53,937,251		53,937,251
Receivable for securities	906,244		906,244
Investment income due and accrued	56,453,500		56,453,500
Uncollected premiums and agents' balances in course of collection	(11,550,465)		(11,550,465)
Deferred premiums and agents' balances and installments booked but deferred and not yet due	17,617,936		17,617,936
Reinsurance ceded	47,039,644		47,039,644
Net deferred tax asset	289,323,678		289,323,678
Guaranty funds receivable or on deposit	1,451,509		1,451,509
Electronic data processing equipment and software	1,605,250		1,605,250
Receivable from parent, subsidiaries and affiliates	3,023,846		3,023,846
Aggregate write-ins for other than invested assets	12,732		12,732
Total Assets	6,805,089,528	$ -	$ 6,805,089,528

For Informational Purposes Only

PRIMERICA LIFE INSURANCE COMPANY
STATEMENT OF ASSETS, LIABILITIES, CAPITAL AND SURPLUS (Cont'd)
AS OF DECEMBER 31, 2009

LIABILITIES	As Reported by the Company	Examination Changes	Per Statutory Examination
Aggregate reserve for life policies and contracts	$ 4,182,959,607	$ -	$ 4,182,959,607
Liability for deposit-type contracts	335,748,255		335,748,255
Policy and contract claims-life	72,319,451		72,319,451
Premiums and annuity considerations received in advance	9,547,735		[illegible]
Contract liabilities not included elsewhere	69,003,771		[illegible]
Commissions to agents due or accrued	49,647,273		49,647,273
General expenses due or accrued	29,552,836		29,552,836
Taxes, licenses and fees due or accrued, excluding fed. inc. taxes	1,921,452		1,921,452
Current federal and foreign income taxes	35,332,424		35,332,424
Amounts withheld or retained by company as agent or trustee	5,323,397		5,323,397
Remittances and items not allocated	26,959,945		26,959,945
Dividends to stockholders declared and unpaid	149,000,000		149,000,000
Asset Valuation Reserve (AVR)	[illegible]		61,928,356
Reinsurance in unauthorized companies	[illegible]		3,824,160
Payable to parent, subsidiaries and affiliates	52,106,599		52,106,599
Payable for Securities	190,936		190,936
Aggregate write-ins for liabilities	14,128,032		14,128,032
Total Liabilities	5,099,494,229	-	5,099,494,229
CAPITAL and SURPLUS			
Common stock	2,500,000		2,500,000
Gross paid in and contributed surplus	719,180,809		719,180,809
Aggregate write-ins for special surplus funds	173,723,256		173,723,256
Unassigned funds	810,206,134		810,206,134
Treasury Stock	(14,900)		(14,900)
Total Capital and Surplus	1,705,595,299	-	1,705,595,299
Total Liabilities and Capital and Surplus	$ 6,805,089,528	$ -	$ 6,805,089,528

PRIMERICA LIFE INSURANCE COMPANY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

REVENUES	As Reported by the Company	Examination Changes	Per Statutory Examination
Premiums and annuity considerations	$ 1,193,478,700	$ -	$ 1,193,478,700
Net Investment income	322,555,901		322,555,901
Amortization of interest maintenance reserve	9,136,301		9,136,301
Commissions and expense allow. on reins. ceded	18,906,726		18,906,726
Aggregate write-ins for miscellaneous income	53,691,726		53,691,726
Total Revenues	1,597,769,354	-	1,597,769,354
BENEFITS			
Death benefits	375,340,726		375,340,726
Benefits under accident and health contracts	20,131,360		20,131,360
Surrender benefits and withdrawals for life contracts	5,902,055		5,902,055
Interest and adjustments on contracts or deposit-type contracts	8,445,109		8,445,109
Payments on supplemental contracts with life contingencies	8,587		8,587
Increase in aggregate reserves for life & A&H policies	333,859,159		333,859,159
Total Benefits	743,686,996	-	743,686,996
EXPENSES			
Commissions on premiums, annuity considerations and deposit-type contracts	275,786,934		275,786,934
General Insurance expense	190,955,282		190,955,282
Insurance taxes, licenses and fees, excluding federal income taxes	42,371,272		42,371,272
Increase in loading and deferred and uncollectible premiums	(1,961,546)		(1,961,546)
Aggregate write-ins for deductions	29,061		29,061
Total Expenses	1,250,867,999	-	1,250,867,999
Net gain from operations before dividends to policyholders and before federal income taxes	346,901,355		346,901,355
Federal and foreign income taxes incurred	172,746,344		172,746,344
Net gain from operation after dividends to policyholders and before federal income taxes	174,155,011		174,155,011
Net realized capital gains or (loss)	(48,211,762)		(48,211,762)
Net Income	$ 125,943,249	$ -	$ 125,943,249

PRIMERICA LIFE INSURANCE COMPANY
STATEMENT OF CHANGES IN CAPITAL AND SURPLUS
FOR THE YEARS ENDED DECEMBER 31, 2005, 2006, 2007, 2008 AND 2009

	2005	2006	2007	2008	2009
Capital and Surplus, prior year	$ 1,817,879,049	$ 1,702,667,415	$ 1,665,068,283	$ 1,654,848,503	$ 1,472,547,677
Net income	344,329,421	302,868,077	350,992,478	73,596,263	12[illegible]43[illegible]9
Change in net unrealized capital gains (losses)	(289,083,803)	47,142,407	(80,816,877)	176,060,573	104,968,212
Change in net unrealized foreign exchange capital gain (loss)	-	-	986,942	(1,13[illegible])	(273,052)
Change in net deferred income tax	22,326,742	66,968,373	51,211,478	1[illegible],961	43,953,996
Change in non-admitted assets and related items	(24,128,679)	(110,570,548)	(49,166,645)	([illegible]8,670,637)	(7,600,399)
Change in liability for reinsurance in unauthorized companies	-	-		-	(3,824,160)
Change in reserve on account of change in valuation basis	-	-	-	-	(9,021,548)
Change in asset valuation reserve	61,394,149	(19,966,3[illegible])	12,839,247	26,257,974	(44,218,826)
Paid in Capital	29,950,536	5,[illegible]58,916	4,069,553	(3,408,719)	(1,603,106)
Aggregate write-ins for gains and losses in surplus	-	-	(37,335,956)	-	173,723,256
Dividends to stockholder	(260,000,0[illegible])	(330,000,000)	(263,000,000)	(353,000,000)	(149,000,000)
Net change in capital and surplus for the year	(1[illegible]211,634)	(37,599,132)	(10,219,780)	(182,300,826)	233,047,622
Capital and Surplus, December 31, current year	$ 1,702,667,415	$ 1,665,068,283	$ 1,654,848,503	$ 1,472,547,677	$ 1,705,595,299

COMMENTS AND RECOMMENDATIONS

There were no comments or recommendations on the financial statements as a result of the procedures performed for the association financial examination.

ACKNOWLEDGEMENT

Report of Certified Financial Examiner

This is to certify that the undersigned is a duly qualified Certified Financial Examiner ("CFE"), and that pursuant to a proposal submitted by PricewaterhouseCoopers, LLP to the Division of Insurance of the Commonwealth of Massachusetts, certain agreed-upon procedures have been applied to the accounting and corporate records of Primerica Life Insurance Company for the purpose of assisting the Division in fulfilling its requirements regarding periodic Association Statutory Examinations of Massachusetts domiciled insurers.

The undersigned's participation in this examination as the Examiner-in-Charge encompassed responsibility for the coordination and direction of the statutory examination performed which was in accordance with, and substantially complied with the standards established by the Financial Condition (E) Committee and the NAIC and the NAIC Financial Condition Examiners Handbook. This participation consisted of involvement in the planning and administration of the examination, review of work papers prepared as documentary evidence of examination procedures performed, and of the statutory examination report.

The cooperation and assistance of the officers and employees of the Company extended to all examiners during the course of the examination is hereby acknowledged.

Respectfully submitted,

Kenneth R. Brenner, CPA, CFE
Supervising Examiner
Examiner-in-Charge
Commonwealth of Massachusetts
Division of Insurance
Representing Northeastern Zone, NAIC