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IN THE MATTER OF THE PROPOSED ACQUISITION OF CONTROL OF PRIMERICA LIFE INSURANCE COMPANY BY WARBURG PINCUS PRIVATE EQUITY X, L.P. AND WARBURG PINCUS LLC

DOCKET NO. F2010-01

DECISION AND ORDER

I. Introduction

Warburg Pincus Private Equity X, L.P. and Warburg Pincus LLC seek approval of their proposed acquisition of control of Primerica, Inc. and the resulting change in control of Primerica Life Insurance Company, pursuant to M. G. L. c. 175, § 206B and 211 CMR 7.00 *et seq*.

A. The Applicant

Warburg Pincus Private Equity X, L.P. is a private equity fund organized as a Delaware limited partnership and managed by Warburg Pincus LLC, a New York limited liability company (collectively known as the "Applicant" or "Warburg"). Warburg Pincus Private Equity X, L.P.'s general partner is Warburg Pincus X, L.P., a Delaware limited partnership, which is controlled by its general partner Warburg Pincus X, LLC, which in turn is controlled by its sole member Warburg Pincus Partners, LLC, a New York limited liability company, which in turn is controlled by its managing member, Warburg Pincus & Co., a New York general partnership. The Applicant is part of a private equity investment firm founded in 1966, with more than $30 billion of assets currently under management. Warburg invests in a range of sectors including

financial services, consumer and retail, industrial, business services, healthcare, energy, real estate and technology, media and telecommunications. Warburg has raised twelve private equity investment funds which have invested more than $36 billion in approximately six hundred companies in thirty countries. Warburg has invested more than $3 billion in financial services companies and previously has taken a controlling interest in insurance companies.

B. The Domestic Insurer

Primerica Life Insurance Company (the "Insurer") is a Massachusetts domestic life insurance company licensed in all states (except New York), the District of Columbia, Guam, Northern Mariana Islands and Puerto Rico, with a total direct written premium for life insurance in 2008 of $1,684,249,000. The Insurer currently is a wholly owned subsidiary of Citigroup Insurance Holding Corporation, a Georgia corporation ("Citigroup Insurance Holding") that in turn is a wholly owned subsidiary of Associated Madison Companies, Inc., a Delaware corporation, that in turn is a wholly owned subsidiary of Citigroup, Inc., a publicly traded Delaware corporation ("Citigroup").

Primerica, Inc., a Delaware corporation ("Primerica"), is a wholly owned subsidiary of Citigroup Insurance Holding and an indirect wholly owned subsidiary of Citigroup. Citigroup is in the process of completing an initial public offering of Primerica common stock. Warburg's proposed investment in Primerica, which is the subject of this hearing, is contingent on the completion of the public offering and a related corporate restructuring pursuant to which the Insurer will become a wholly owned subsidiary of Primerica.

C. The Division of Insurance Working Group

The Commissioner of Insurance ("Commissioner") designated a Working Group of staff members of the Division of Insurance ("Division") to review and evaluate the proposed transaction on behalf of policyholders and the insuring public. The Working Group was led by Robert G. Dynan, Deputy Commissioner of Financial Analysis, and consisted of representatives of the Financial Surveillance, Financial Examination and Legal Units of the Division.

D. The Proposed Transaction

The proposed transaction is part of a strategy by Citigroup, the ultimate parent of the Insurer, to sell its nonbanking businesses in order to simplify its organizational structure. Pursuant to the conditions set forth in the Securities Purchase Agreement dated February 8, 2010, between Warburg, Citigroup Insurance Holding and Primerica ("Securities Purchase Agreement"), Warburg proposes to acquire control of the Insurer by purchasing Primerica common stock from Citigroup Insurance Holding ("the Warburg investment" or "the proposed transaction"). Warburg has committed to an initial purchase of $230 million in Primerica common stock, which will result in the acquisition from Citigroup Insurance Holding of 23.9 percent of the fully diluted common stock of Primerica at a price per share based on a 0.95x multiple of Primerica's December 31, 2009 unaudited pro forma book value, after certain adjustments. Warburg also will acquire a warrant issued by Primerica that may be exercised for a number of shares of common stock equal to 25 percent of the number of shares acquired pursuant to the initial purchase. This warrant will have a term of seven years, and may be exercised for common stock at a price equal to 120 percent of the per-share price for Primerica's initial public offering. Warburg also will have the right to purchase up to $100 million of additional common shares at a price equal to the initial public offering price. Consideration for the proposed transaction is cash derived from funds invested with Warburg Pincus Private Equity X, L.P. by investors who serve as limited partners.

Pursuant to the terms of the Securities Purchase Agreement, Warburg may not hold, directly or indirectly, more than 35 percent of the outstanding voting securities of Primerica, nor may it hold more than 45 percent of the fully diluted economic equity interest, including non-voting shares and warrants. The Securities Purchase Agreement allows for a cure period of five business days should Warburg's investment exceed these amounts due to actions beyond their control. The terms of the Securities Purchase Agreement also provide Warburg with the right to nominate two directors to the board of directors of Primerica as long as Warburg's ownership interest in Primerica common stock is at least 15 percent. If Warburg's ownership interest in Primerica common stock is less than 15 percent but at least 7.5 percent, Warburg has the right to nominate one director to the board of directors of Primerica. If Warburg's ownership interest in Primerica common stock falls below 7.5 percent but is at least 5 percent, Warburg has the right

to have a non-voting observer attend meetings of the Primerica board of directors and receive information about the company.

II. Procedural History

On February 8, 2010, in accordance with M.G.L. c. 175, § 206B and 211 CMR 7.00 *et seq.*, the Applicant submitted to the Division a "Form A" application, "Statement Regarding Acquisition of Control or Merger With A Domestic Insurer, Primerica Life Insurance Company," with accompanying exhibits (the "Application"). Supplemental materials, including a copy of the most recent Form S-1 filed by Primerica with the United States Securities and Exchange Commission ("SEC"), were submitted on February 25, 2010. The Working Group deemed the Application complete and on March 1, 2010, the Applicant filed with the Division a waiver of its right to a minimum of 20 days notice of the public hearing on the proposed transaction. Thereafter, on that same date, the Commissioner issued a Notice of Public Hearing ("Notice") that scheduled the hearing in this matter for March 11, 2010.

The Notice was posted on the Division's website on March 1, 2010 and also was mailed directly to individuals who requested notification of Division proceedings. The Applicant provided a copy of the Notice to the Insurer on March 2, 2010. The Notice appeared in *The Boston Globe* and *The Wall Street Journal* on March 3, 2010. The Notice informed the public that information about the Applicant's proposed acquisition of the Insurer was available for inspection at the Division. Any person whose statutory interests may be affected by the proceeding, or to whom the Notice was sent, was advised to submit to the Division by March 8, 2010 a written Notice of Intent to Participate at the hearing. The Notice identified March 5, 2010 as the close of discovery. No person or entity filed a Notice of Intent to Participate, or sought discovery relative to the proposed transaction.

On March 5, 2010, the Applicant submitted to the Division a commitment letter executed by the Applicant, Primerica and the Insurer in support of the Application. On March 9, 2010, the Applicant submitted to the Division a revised Exhibit 3 to the Application ("Post-Stock Transfer and IPO Ownership Structure of Primerica Life Insurance Company"). The Applicant and the Insurer additionally submitted pre-filed testimony of Michael E. Martin on behalf of Warburg,

James Adam Mark von Moltke on behalf of Citigroup and D. Richard Williams on behalf of Primerica and the Insurer on that same date.

The Commissioner appointed Stephen M. Sumner, Counsel to the Commissioner, and Mindy A. Merow Rubin, Counsel to the Commissioner, to serve as Presiding Officers for the hearing. Neither Presiding Officer participated in the Working Group's analysis of the Application and related materials.

III. The Public Hearing

The hearing commenced on March 11, 2010 at 10:00 a.m. at the offices of the Division. Presiding Officer Sumner asked if any elected or appointed officials or their representatives wished to identify themselves and speak on the record; no one responded. Other than representatives of Warburg, Citibank, Primerica, the Insurer and the Division's Working Group, no individual or entity appeared at the hearing seeking to participate or submitted written comments or statements in connection with the hearing.

Robert G. Dynan, Deputy Commissioner for Financial Analysis at the Division, provided testimony on behalf of the Working Group regarding its view of the proposed transaction. Mr. Dynan testified that the Working Group had reviewed the Application and exhibits, including the Securities Purchase Agreement, financial projections and financial statements. Mr. Dynan noted that the proposed acquisition of control of the Insurer is part of a series of ancillary transactions involving Citigroup and an initial public offering of Primerica common stock that are beyond the scope of this hearing. He did, however, for purposes of completeness, confirm that the Commissioner issued notices of non-disapproval relative to three related "Form D" submissions filed with the Division pursuant to M.G.L. c. 175, § 206C(n). He also reported that the Commissioner issued two approvals relative to exemption requests made by the Applicant and Primerica pursuant to M.G.L. c. 175, § 206B(e)(2), and approved, pursuant to M.G.L. c. 175, § 206C(r), a request by the Insurer for an extraordinary dividend.

Mr. Dynan stated that the Working Group determined that in order to meet the statutory standards set forth in M.G.L. c. 175, § 206B, certain conditions were necessary; which conditions were agreed to and set forth in a March 5, 2010 commitment letter to the Commissioner signed by the Applicant, Primerica and the Insurer ("the commitment letter").

Specifically, the Applicant, Primerica and the Insurer have agreed that, without first obtaining the prior written consent of the Commissioner, they will not:

1. Alter in any material manner the Insurer's plan of operation for the next five years;
2. Amend or otherwise alter the investment guidelines to be used in connection with certain coinsurance trust agreements, which were the subject of a previously reviewed Form D submission for which a notice of non-disapproval was issued by the Commissioner;
3. Include any letters of credit as assets in the trust accounts established under the trust agreements;
4. Allow the Applicant and their affiliates to hold equity securities of Primerica that would entitle such persons to vote more than 40 percent of the voting power represented by all equity securities of Primerica, or, on a fully diluted basis, more than 45 percent of the economic interest represented by all equity securities of Primerica; provided, however, in determining whether the Applicant and their affiliates hold more than such percentages, the exceptions set forth in Section 3.6(a) of the Securities Purchase Agreement; or
5. Allow the Applicant and their affiliates to seek to nominate more than two directors to, or have more than two directors on, the Board of Directors of Primerica.

Mr. Dynan concluded his testimony by addressing each of the seven standards articulated in M.G.L. c. 175, § 206B(d)(1) and testified that the Working Group did not foresee any matters that would lead to an adverse determination relative to any of the standards set forth in that statute. He asserted that the recommendation of the Working Group is based upon the promises and commitments made by the Applicant, Primerica and the Insurer in the commitment letter.

Mr. Richard K. Kim of Wachtell, Lipton, Rosen & Katz entered an appearance on behalf of the Applicant. Mr. Kim called to testify Michael E. Martin, a Managing Director and co-head of the financial services group at Warburg Pincus LLC. Mr. Martin described the terms and conditions of the proposed transaction, noting that Warburg will acquire up to $330 million of Primerica's common stock along with warrants to purchase additional shares. This will be

achieved by an initial investment of up to $230 million and the option to acquire an additional $100 million of common stock at the price established by the initial public offering. He stated that the proposed transaction is contingent on the completion of the initial public offering of Primerica's common stock and the completion of a related corporate restructuring pursuant to which the Insurer will become a wholly owned subsidiary of Primerica. Mr. Martin noted that the Applicant will have the right to designate two directors to Primerica's nine member board of directors, but will not have any representatives on the board of directors of the Insurer. Mr. Martin provided examples of transactions entered into by Warburg that are similar to the proposed acquisition of the Insurer and noted that the Applicant previously had taken a controlling interest in insurance companies and had been approved as an insurance holding company by several other states. He also described the terms of the commitment letter whereby the parties have agreed to obtain the Commissioner's written consent prior to taking certain actions with respect to ownership, management and operation of Primerica and the Insurer. Mr. Martin explained that the fourth commitment in the commitment letter, which imposes limitations on the Applicant's aggregate ownership interest in Primerica, largely tracks the contractual limitations set forth in the Securities Purchase Agreement. Mr. Martin concluded by stating that the proposed transaction fully warrants the support of the Commissioner.

Mr. Robert J. Sullivan of Skadden, Arps, Slate, Meagher & Flom LLP entered an appearance on behalf of both Citigroup and the Insurer. Mr. Sullivan first called to testify Mr. James Adam Mark von Moltke, Managing Director, Head of Corporate Mergers and Acquisitions for Citigroup. Mr. von Moltke explained his company's motivation regarding the proposed Warburg investment and the initial public offering of Primerica common stock, explaining that Citigroup had decided to sell its nonbanking businesses in order to simplify its organizational structure and in recognition that "the Primerica entities were noncore businesses of Citigroup." He stated that the proposed transaction, together with the initial public offering of Primerica common stock, was designed to allow Citigroup to reduce its stake in Primerica in a manner that is not disruptive to either Primerica or the Insurer. He then gave an overview of the terms of the proposed Warburg investment, stating that based on the initial investment of $230 million, Warburg is expected to own approximately 23 percent of Primerica's outstanding shares of common stock, along with the warrants to purchase another approximately 6 percent of such

stock. Mr. von Moltke stated that Warburg has the right to purchase an additional $100 million of Primerica's stock at the initial public offering price and noted that, if Warburg exercises this right, its ownership may increase to 35 percent of the voting power and up to 45 percent of the economic equity interests of Primerica He confirmed that these limits on the amount of aggregate stock that the Applicant may own are contractual limitations pursuant to the Securities Purchase Agreement. Mr. von Moltke then discussed the statutory standards governing the Commissioner's approval of the proposed transaction, stating that the proposed transaction would not substantially lessen competition in insurance or tend to create a monopoly in Massachusetts. He noted that the Applicant does not control any U.S. life insurance company and the terms of the Securities Purchase Agreement prohibit the Applicant from transferring any shares of Primerica's common stock to any direct competitor of the Insurer. Mr. von Moltke concluded his testimony by offering strong support for the approval of the proposed transaction.

Mr. D. Richard Williams, co-Chief executive Officer of Primerica, then testified in support of the proposed transaction on behalf of the Insurer. Mr. Williams summarized the terms of the commitment letter and indicated that assent to the first commitment, that there be no alteration of the plan of operation of the Insurer for the first five years without the prior written consent of the Commissioner, was based upon the fact that the Applicant and Primerica share a common goal of achieving the Insurer's financial projections over the next five years. Mr. Williams stated that the proposed transaction will have no impact on the policyholders of the Insurer, explaining that the restrictions contained in the commitment letter and the Securities Purchase Agreement are intended, in part, to provide continuity and uninterrupted service to the Insurer's policyholders. Mr. Williams concluded his testimony by offering strong support for the approval of the proposed transaction.

Presiding Officers Sumner and Merow Rubin inquired about other outstanding regulatory approvals related to the proposed transaction, and the timing of those approvals. Mr. von Moltke explained that there are a number of regulatory approvals that are necessary: (1) change of control approvals, including the approval sought in this hearing; (2) approvals relating to the coinsurance agreements entered into by insurance affiliates of Primerica with insurance affiliates or reinsurance affiliates of Citigroup; and (3) approvals connected to the SEC registration process. Mr. von Moltke noted that the principal change of control approvals are in the

Commonwealth of Massachusetts, the state of New York, and Canada (under the control of the Office of Superintendent of Financial Institutions); and the principal coinsurance approvals are in Massachusetts, Texas and Canada. He testified that none of the various regulatory approvals is dependent on any other and that all regulatory approvals are proceeding on independent timelines.

Mr. von Moltke explained that the parties have attempted to facilitate the issuance of all necessary approvals by March 25, 2010; except that the SEC registration process is expected to be completed by March 31, 2010. He also noted that the group of transactions requires Hart-Scott-Rodino federal antitrust approval. When asked what would happen if the requested approvals are not received within the parties' proposed timeframe, Mr. von Moltke responded that the pricing of the initial public offering of Primerica common stock could be delayed until all necessary regulatory approvals are received. Thereafter, the proposed transaction would be consummated as of the pricing of the initial public offering.

Presiding Officer Sumner requested an explanation of the difference between the limitations set forth in the Securities Purchase Agreement and the limitations specified in the fourth commitment in the commitment letter. Specifically, Presiding Officer Sumner noted that that the Securities Purchase Agreement states a limitation of 35 percent of the voting power of Primerica's outstanding voting securities or 45 percent of the economic equity interest, while the fourth commitment sets forth a limit of 40 percent of the voting power and 45 percent of the economic interest. Mr. von Moltke explained that both the Applicant and Primerica intend to have Citigroup's ownership in Primerica fall below 50 percent as a result of the initial public offering in combination with the Securities Purchase Agreement, but noted that Citigroup has not committed to sell a number of shares that would achieve that in the initial public offering. He testified that increasing the ownership cap above 35 percent but not to exceed 40 percent, with the consent of Citigroup and Primerica, is a device to provide Citigroup and the Applicant with additional flexibility in the commitment letter that does not exist in the Securities Purchase Agreement, in order to achieve an ownership interest by Citigroup below 50 percent, should the public sale of Primerica shares not achieve this goal.

Presiding Officer Sumner then requested an explanation of the workings of the exceptions set forth in the Securities Purchase Agreement and incorporated by reference into the

commitment letter. Mr. Williams explained that the exceptions allow the Applicant to exceed a 35 percent ownership interest in Primerica when an increase above the 35 percent is as a result of actions by Primerica and not actions of the Applicant. The intent of the exceptions, he indicated, is to not force the Applicant to proactively sell shares in order to remain at a 35 percent ownership interest when Primerica repurchases shares. Presiding Officer Sumner then asked when the provision in the Securities Purchase Agreement for changing the stock from voting shares to nonvoting shares would be used, given that there is flexibility in the 35 percent ownership limitation. Mr. Martin responded by explaining that the Applicant can either go below a 35 percent interest by selling voting shares, or can elect to convert voting shares to nonvoting stock, thereby keeping the voting stock at the 35 percent level, while maintaining an economic interest in Primerica of no more than 45 percent. Mr. von Moltke was asked if the Applicant's ability to elect to receive nonvoting stock in order to avoid exceeding the 35 percent ownership cap really is an election on the Applicant's part, or would the Applicant, in fact, be compelled to do so to maintain the 35 percent ownership limit. Mr. Martin responded by noting that this election applies to the warrants the Applicant are receiving.

The public hearing was then adjourned and the docket remained open until 5:00 pm on March 11, 2010. No additional filings were received and the docket was closed.

IV. Analysis of the Proposed Transaction

A. Statutory Standard

The Commissioner shall approve the proposed transaction unless he finds that such approval would result in any of the circumstances set forth in M.G.L. c. 175, § 206B(d)(1)(i) through (vii). These circumstances, and the testimony relevant to these circumstances, are as follows.

(1) After the change of control, the domestic insurer . . . would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.

M.G.L. c. 175, § 206B (d)(1)(i) requires the domestic insurer, post-acquisition, to be able to satisfy the same licensing requirements as required for the writing of the lines of insurance

currently written by the domestic insurer. The Insurer currently is licensed to write insurance in Massachusetts. Mr. Martin testified that Warburg "does not intend to make any material changes to [the Insurer]." Mr. Williams testified that "the consummation of the Warburg Investment will not affect in any way the current insurance business of [the Insurer], its operations or capital structure." Mr. Dynan testified that the Working Group found nothing in its review that would lead to an adverse determination relative to this standard.

(2) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this commonwealth or tend to create a monopoly therein.

M.G.L. c. 175, § 206B (d)(1)(ii) requires that the proposed transaction neither lessen competition nor create a monopoly in the Massachusetts insurance market. Mr. Martin testified that the Applicant "does not currently control a U.S. life insurer. Accordingly, the proposed transaction will not lessen competition, substantially or otherwise, in Massachusetts or tend to create a monopoly." He also noted that the terms of the Securities Purchase Agreement prohibit the Applicant from transferring any shares of Primerica's common stock to any direct competitor of the Insurer. Mr. Dynan testified that the Working Group found nothing in its review that would lead to an adverse determination relative to this standard.

(3) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders.

M.G.L. c. 175, § 206B (d)(1)(iii) requires that any acquiring company be in sufficiently sound financial condition such that the proposed transaction does not jeopardize the financial stability of the domestic insurer or prejudice the interests of policyholders. Mr. Martin testified that the Applicant is a private equity investor which "currently has more than $30 billion of assets under management, which includes more than $8 billion available for investment." Consideration for the proposed transaction is cash derived from funds invested with Warburg Pincus Private Equity X, L.P. by investors who serve as limited partners. Mr. Williams testified that the proposed transaction would not change the insurance business of the Insurer.

Mr. Dynan testified that the Working Group found nothing in its review that would lead to an adverse determination relative to this standard.

(4) The terms of the offer, request, invitation, agreement or acquisition referred to in the said subsection (a) are unfair and unreasonable to the policyholders of the insurer.

M.G.L. c. 175, § 206B (d)(1)(iv) requires that the terms of the offer or agreement of acquisition not be unfair or unreasonable to policyholders of the domestic insurer. Mr. Williams in his pre-filed testimony stated he was not aware of "any aspect of the [proposed transaction] that would have any adverse impact whatsoever on [the Insurer]." Mr. Martin testified that since the proposed transaction will not impact the Insurer, there will be no impact on the policyholders and thus the terms of the proposed transaction are not unfair or unreasonable to the Insurer's policyholders. Mr. Dynan testified that the Working Group found nothing in its review that would lead to an adverse determination relative to this standard.

(5) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest.

M.G.L. c. 175, § 206B (d)(1)(v) requires that the acquiring party not be contemplating any material changes in its business that would be unfair and unreasonable to the domestic insurer's policyholders, or otherwise would not be in the public interest. According to Mr. Martin's testimony, the Applicant "has no plans to liquidate [the Insurer], sell its assets or consolidate or merge it with any person, or to make any material change in its business or corporate structure or management." Mr. Williams testified that "…there are no future plans different for [the Insurer] than what has been presented to the Massachusetts Division of Insurance in [the Insurer's] plan of operation." Mr. von Moltke noted in his pre-filed testimony that the Securities Purchase Agreement prohibits the Applicant from transferring any shares or warrants acquired as part of this transaction by public sale for eighteen months after the completion of the initial public offering or earlier except if Citigroup's beneficial ownership interest in Primerica's outstanding common stock falls below 10 percent. He also noted that the terms of the Securities Purchase Agreement prohibit the Applicant from transferring any shares

of Primerica's common stock to any direct competitor of the Insurer. The Applicant and the Insurer in the commitment letter agree that no changes will be made to the plan of operation of the Insurer without prior written consent of the Commissioner. Mr. Dynan testified that the Working Group found nothing in its review that would lead to an adverse determination relative to this standard.

(6) The competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of the policyholders of the insurer and of the public to permit the merger or other acquisition of control.

M.G.L. c. 175, § 206B (d)(1)(vi) requires that the competence, experience and integrity of those who will control the operations of domestic insurers subsequent to a proposed transaction be of a sufficient quality so as not to be prejudicial or contrary to the interests of the policyholders and the insuring public. Mr. Martin testified that the Applicant "does not intend to make any changes to the management, business practices or business plan of the Insurer…." Mr. Williams confirmed in his testimony that the current directors and executive management of the Insurer will remain the same after the consummation of the proposed transaction. He stated that, "…[t]hese individuals have extensive experience in our business and a thorough understanding of the Insurer's unique culture and business model and will continue to serve our policyholders and the insurance buying public generally." He also noted that he expects the Applicant to bring enhanced corporate governance through the addition of private equity principals with public company experience and insurance industry backgrounds to the board of directors of Primerica. Mr. von Moltke noted that the Applicant's two director nominees to the board of directors of Primerica have many years of experience with insurance companies. Mr. Dynan testified that the Working Group found nothing in its review that would lead to an adverse determination relative to this standard.

(7) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

Finally, M.G.L. c. 175, § 206B (d)(1)(vii) requires that the proposed transaction not be hazardous or prejudicial to the insurance buying public. Mr. Williams testified that the proposed

transaction would not change the insurance business of the Insurer. Mr. Martin testified that the proposed transaction will benefit the insurance buying public as the Insurer will operate with a strong capital base and robust risk-based capital. He stated that "…the [Applicant's] investment in [Primerica] will result in a financially stronger, better capitalized company." Mr. Dynan testified that the Working Group found nothing in its review that would lead to an adverse determination relative to this standard.

B. Findings

Based on the testimony presented at the hearing, including the Working Group's recommendation, as well as our independent review of the Application, related documents and all of the materials and information in the record of this proceeding, we find no obstacles to approval of Warburg's proposed acquisition of the Insurer pursuant to M.G.L. c. 175, § 206B (d)(1)(i) through (vii).

V. Conclusion

Given that the proposed transaction is contingent upon the successful completion of the initial public offering of Primerica common stock later this year, the parties to the proposed transaction shall provide information to the Division's Working Group regarding the progress of the transaction until the date on which such transaction is fully consummated. If there is any material change to any item submitted to the Division as it relates to the approval of this proposed transaction or any matters testified to during the hearing, the Applicant shall promptly submit such additional information to the Working Group so that the docket may be reopened and such information presented for our review. The docket may be reopened through the date of the consummation of the proposed transaction upon the request of the Working Group for any reason, or at the Commissioner's initiation. Additionally, as the recommendation of the Working Group is based upon the promises and commitments made in the commitment letter, the approval of the proposed transaction is specifically contingent upon those commitments and promises.

Based on the findings and analysis set forth above, Warburg Pincus Private Equity X, L.P.'s and Warburg Pincus LLC's proposed acquisition of control of Primerica Life Insurance Company complies with the requirements of M. G. L. c. 175, § 206B and is not prejudicial to the

policyholders or to the insuring public. The Division hereby authorizes the proposed transaction subject to the conditions contained in the above paragraph.

SO ORDERED.

March 25, 2010

_____
Stephen M. Sumner
Presiding Officer

_____
Mindy A. Merow Rubin
Presiding Officer

Affirmed:

_____
Joseph G. Murphy
Commissioner of Insurance