

**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, 2024

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)

1 Primerica Parkway
Duluth, Georgia
(Address of principal executive offices)

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

30099
(ZIP Code)

(770) 381-1000
(Registrant's telephone number, including area code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PRI	New York Stock Exchange

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, if any, every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of October 31, 2024, the registrant had 33,371,400 shares of common stock, \$0.01 par value per share, outstanding.

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I – FINANCIAL INFORMATION</u>	2
<u>Item 1. Financial Statements (unaudited).</u>	2
<u>Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023</u>	2
<u>Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2024 and 2023</u>	3
<u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2024 and 2023</u>	4
<u>Condensed Consolidated Statements of Stockholders' Equity for the three and nine months ended September 30, 2024 and 2023</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2024 and 2023</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>	29
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk.</u>	47
<u>Item 4. Controls and Procedures.</u>	47
 <u>PART II – OTHER INFORMATION</u>	 47
<u>Item 1. Legal Proceedings.</u>	47
<u>Item 1A. Risk Factors.</u>	47
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.</u>	47
<u>Item 5. Other Information</u>	48
<u>Item 6. Exhibits.</u>	48
<u>Signatures</u>	49

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

PRIMERICA, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets – Unaudited

September 30, 2024 December 31, 2023
(In thousands, except per-share amounts)

Assets:			
Investments:			
Fixed-maturity securities available-for-sale, at fair value (amortized cost: \$3,126,239 in 2024 and \$2,935,212 in 2023)	\$	2,994,955	\$ 2,719,467
Fixed-maturity security held-to-maturity, at amortized cost (fair value: \$1,297,940 in 2024 and \$1,334,892 in 2023)		1,330,430	1,386,980
Short-term investments available-for-sale, at fair value (amortized cost: \$276 in 2023)		-	276
Equity securities, at fair value (historical cost: \$22,881 in 2024 and \$27,106 in 2023)		28,411	29,680
Trading securities, at fair value (cost: \$3,636 in 2024 and \$18,761 in 2023)		3,235	18,383
Policy loans and other invested assets		52,842	51,175
Total investments		4,409,873	4,205,961
Cash and cash equivalents		550,142	594,148
Accrued investment income		26,389	23,958
Reinsurance recoverables		2,873,528	3,015,777
Deferred policy acquisition costs, net		3,636,964	3,447,234
Agent balances, due premiums and other receivables		300,697	269,216
Intangible assets		45,275	45,275
Income taxes		128,479	120,035
Operating lease right-of-use assets		48,190	51,506
Other assets		394,494	439,940
Separate account assets		2,401,137	2,395,842
Assets from discontinued operations entities		-	418,840
Total assets	\$	<u>14,815,168</u>	\$ <u>15,027,732</u>
Liabilities and stockholders' equity:			
Liabilities:			
Future policy benefits	\$	6,919,418	\$ 6,742,025
Unearned and advance premiums		16,186	14,876
Policy claims and other benefits payable		496,835	513,803
Other policyholders' funds		398,464	435,094
Note payable		594,311	593,709
Surplus note		1,330,090	1,386,592
Income taxes		20,524	76,257
Operating lease liabilities		56,930	58,893
Other liabilities		549,209	579,045
Payable under securities lending		85,236	99,785
Separate account liabilities		2,401,137	2,395,842
Liabilities from discontinued operations entities		-	65,844
Commitments and contingent liabilities (see <i>Commitments and Contingent Liabilities note</i>)			
Total liabilities		12,868,340	12,961,765
Stockholders' equity:			
Common stock (\$0.01 par value; authorized 500,000 shares in 2024 and 2023; issued and outstanding 33,508 shares in 2024 and 34,996 shares in 2023)		335	350
Paid-in capital		-	-
Retained earnings		2,132,015	2,276,946
Accumulated other comprehensive income (loss), net of income tax:			
Effect of change in discount rate assumptions on the liability for future policy benefits		(71,241)	(39,086)
Unrealized foreign currency translation gains (losses)		(10,771)	(2,235)
Net unrealized investment gains (losses) on available-for-sale securities		(103,510)	(170,008)
Total stockholders' equity		1,946,828	2,065,967
Total liabilities and stockholders' equity	\$	<u>14,815,168</u>	\$ <u>15,027,732</u>

See accompanying notes to condensed consolidated financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income – Unaudited

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(In thousands, except per-share amounts)</i>			
Revenues:				
Direct premiums	\$ 852,452	\$ 831,681	\$ 2,538,856	\$ 2,477,850
Ceded premiums	(412,645)	(411,015)	(1,249,970)	(1,241,629)
Net premiums	439,807	420,666	1,288,886	1,236,221
Commissions and fees	271,901	227,514	789,039	665,065
Investment income net of investment expenses	57,017	51,036	164,719	147,540
Interest expense on surplus note	(15,908)	(16,306)	(47,352)	(49,348)
Net investment income	41,109	34,730	117,367	98,192
Realized investment gains (losses)	311	(3)	882	(650)
Other investment gains (losses)	1,898	(1,792)	2,533	(6,080)
Investment gains (losses)	2,209	(1,795)	3,415	(6,730)
Other, net	19,103	16,381	102,326	49,569
Total revenues	774,129	697,496	2,301,033	2,042,317
Benefits and expenses:				
Benefits and claims	164,363	162,062	480,714	474,240
Future policy benefits remeasurement (gain) loss	(23,019)	179	(27,294)	(1,129)
Amortization of deferred policy acquisition costs	75,539	69,405	221,231	205,438
Sales commissions	142,254	116,200	415,546	340,697
Insurance expenses	63,529	57,821	189,363	178,039
Insurance commissions	7,180	7,911	24,213	25,192
Interest expense	6,093	6,632	18,964	20,008
Other operating expenses	83,612	70,902	257,561	227,816
Total benefits and expenses	519,551	491,112	1,580,298	1,470,301
Income from continuing operations before income taxes	254,578	206,384	720,735	572,016
Income taxes from continuing operations	59,841	48,930	168,283	134,603
Income from continuing operations	194,737	157,454	552,452	437,413
Loss from discontinued operations, net of income taxes	(30,364)	(5,391)	(249,005)	(12,747)
Net income	<u>\$ 164,373</u>	<u>\$ 152,063</u>	<u>\$ 303,447</u>	<u>\$ 424,666</u>
Basic earnings per share:				
Continuing operations	\$ 5.73	\$ 4.38	\$ 16.02	\$ 12.02
Discontinued operations	(0.89)	(0.15)	(7.22)	(0.35)
Basic earnings per share	<u>\$ 4.84</u>	<u>\$ 4.23</u>	<u>\$ 8.80</u>	<u>\$ 11.67</u>
Diluted earnings per share:				
Continuing operations	\$ 5.72	\$ 4.38	\$ 16.00	\$ 12.00
Discontinued operations	(0.89)	(0.15)	(7.22)	(0.35)
Diluted earnings per share	<u>\$ 4.83</u>	<u>\$ 4.23</u>	<u>\$ 8.78</u>	<u>\$ 11.65</u>
Weighted-average shares used in computing earnings per share:				
Basic	<u>33,834</u>	<u>35,760</u>	<u>34,365</u>	<u>36,225</u>
Diluted	<u>33,891</u>	<u>35,822</u>	<u>34,421</u>	<u>36,302</u>

See accompanying notes to condensed consolidated financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Loss) – Unaudited

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(In thousands)</i>			
Net income	\$ 164,373	\$ 152,063	\$ 303,447	\$ 424,666
Other comprehensive income (loss) before income taxes:				
Unrealized investment gains (losses) on available-for-sale securities:				
Change in unrealized holding gains (losses) on available-for-sale securities	106,493	(55,060)	84,890	(39,694)
Reclassification adjustment for investment (gains) losses included in net income	142	3	(429)	2,817
Effect of change in discount rate assumptions on the liability for future policy benefits	(346,794)	410,460	(40,910)	314,487
Foreign currency translation adjustments:				
Change in unrealized foreign currency translation gains (losses)	4,736	(7,016)	(8,536)	1,010
Total other comprehensive income (loss) before income taxes	(235,423)	348,387	35,015	278,620
Income tax expense (benefit) related to items of other comprehensive income (loss)	(51,313)	76,506	9,208	59,125
Other comprehensive income (loss), net of income taxes	(184,110)	271,881	25,807	219,495
Total comprehensive income (loss)	<u>\$ (19,737)</u>	<u>\$ 423,944</u>	<u>\$ 329,254</u>	<u>\$ 644,161</u>

See accompanying notes to condensed consolidated financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity – Unaudited

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<i>(In thousands, except per-share amounts)</i>				
Equity				
Common stock:				
Balance, beginning of period	\$ 340	\$ 358	\$ 350	\$ 368
Repurchases of common stock	(5)	(5)	(17)	(17)
Net issuance of common stock	-	-	2	2
Balance, end of period	335	353	335	353
Paid-in capital:				
Balance, beginning of period	-	-	-	-
Share-based compensation	6,212	3,926	26,715	26,053
Net issuance of common stock	-	-	(2)	(2)
Repurchases of common stock	(6,212)	(3,926)	(26,713)	(26,051)
Balance, end of period	-	-	-	-
Retained earnings:				
Balance, beginning of period	2,122,832	2,190,223	2,276,946	2,153,617
Net income	164,373	152,063	303,447	424,666
Dividends	(30,515)	(23,336)	(82,606)	(70,845)
Repurchases of common stock	(124,675)	(103,572)	(365,772)	(292,060)
Balance, end of period	2,132,015	2,215,378	2,132,015	2,215,378
Accumulated other comprehensive income (loss), net of income tax:				
Balance, beginning of period	(1,412)	(175,117)	(211,329)	(122,731)
Effect of change in discount rate assumptions on the liability for future policy benefits	(272,682)	322,251	(32,155)	247,219
Change in foreign currency translation adjustment	4,736	(7,016)	(8,536)	1,010
Change in net unrealized investment gains (losses) during the period	83,836	(43,354)	66,498	(28,734)
Balance, end of period	(185,522)	96,764	(185,522)	96,764
Total stockholders' equity	<u>\$ 1,946,828</u>	<u>\$ 2,312,495</u>	<u>\$ 1,946,828</u>	<u>\$ 2,312,495</u>
Dividends declared per share	<u>\$ 0.90</u>	<u>\$ 0.65</u>	<u>\$ 2.40</u>	<u>\$ 1.95</u>

See accompanying notes to condensed consolidated financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows – Unaudited

	Nine months ended September 30,	
	2024	2023
	<i>(In thousands)</i>	
Cash flows from operating activities:		
Net income	\$ 303,447	\$ 424,666
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Change in future policy benefits and other policy liabilities	79,105	37,206
Deferral of policy acquisition costs	(411,221)	(383,516)
Amortization of deferred policy acquisition costs	221,231	205,438
Change in income taxes	(97,618)	(47,473)
Investment (gains) losses	(3,415)	6,730
Accretion and amortization of investments	(2,748)	(649)
Depreciation and amortization	19,078	24,798
Change in reinsurance recoverables	154,257	180,301
Change in agent balances, due premiums and other receivables	(28,906)	(32,681)
Change in renewal commissions receivable	22,150	8,225
Trading securities sold, matured, or called (acquired), net	15,238	(14,624)
Share-based compensation	19,543	16,622
Impairment of goodwill and other long-lived assets	253,607	-
Gain on insurance proceeds received from acquisition representation and warranty policy	(50,000)	-
Loss on disposal of discontinued operations, excluding income tax benefit	95,787	-
Change in other operating assets and liabilities, net	1,913	26,416
Net cash provided by (used in) operating activities	591,448	451,459
Cash flows from investing activities:		
Available-for-sale investments sold, matured or called:		
Fixed-maturity securities — sold	6,685	17,580
Fixed-maturity securities — matured or called	298,810	200,207
Short-term investments — sold	-	28,799
Short-term investments — matured or called	268	41,774
Equity securities — sold	-	2,750
Equity securities — matured or called	4,375	-
Available-for-sale investments acquired:		
Fixed-maturity securities	(496,290)	(345,137)
Short-term investments	-	(19,767)
Equity securities — acquired	(157)	(380)
Purchases of property and equipment and other investing activities, net	(26,648)	(13,631)
Cash collateral received (returned) on loaned securities, net	(14,549)	(22,982)
Sales (purchases) of short-term investments using securities lending collateral, net	14,549	22,982
Insurance proceeds received from acquisition representation and warranty policy	50,000	-
Disposal of cash in discontinued operations	(18,613)	-
Net cash provided by (used in) investing activities	(181,570)	(87,805)
Cash flows from financing activities:		
Dividends paid	(82,606)	(70,845)
Common stock repurchased	(380,645)	(302,516)
Tax withholdings on share-based compensation	(8,333)	(10,239)
Finance leases	(192)	(199)
Net cash provided by (used in) financing activities	(471,776)	(383,799)
Effect of foreign exchange rate changes on cash	(1,108)	(333)
Change in cash and cash equivalents	(63,006)	(20,478)
Cash and cash equivalents, beginning of period	613,148	489,240
Cash and cash equivalents, end of period	<u>\$ 550,142</u>	<u>\$ 468,762</u>

See accompanying notes to condensed consolidated financial statements.

PRIMERICA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements — Unaudited

(1) Description of Business, Basis of Presentation, and Summary of Significant Accounting Policies

Description of Business. Primerica, Inc. (the “Parent Company”), together with its subsidiaries (collectively, “we”, “us” or the “Company”), is a leading provider of financial products and services to middle-income households in the United States and Canada through a network of independent contractor sales representatives (“independent sales representatives” or “independent sales force”). We assist our clients in meeting their needs for term life insurance, which we underwrite, and mutual funds, annuities, managed investments and other financial products, which we distribute primarily on behalf of third parties. Our primary subsidiaries include the following entities: Primerica Financial Services, LLC, a general agency and marketing company; Primerica Life Insurance Company (“Primerica Life”), our principal life insurance company; Primerica Financial Services (Canada) Ltd., a holding company for our Canadian operations, which includes Primerica Life Insurance Company of Canada (“Primerica Life Canada”) and PFS Investments Canada Ltd.; and PFS Investments Inc., an investment products company and broker-dealer. Primerica Life, domiciled in Tennessee, owns National Benefit Life Insurance Company, a New York insurance company. Vidalia Re, Inc. (“Vidalia Re”) is a special purpose financial captive insurance company and wholly owned subsidiary of Primerica Life. Vidalia Re has entered into a separate coinsurance agreement with Primerica Life whereby Primerica Life has ceded certain level-premium term life insurance policies to Vidalia Re (the “Vidalia Re Coinsurance Agreement”).

On September 30, 2024, the Company abandoned its ownership in e-TeleQuote Insurance, Inc. and subsidiaries (collectively, “e-TeleQuote”), a marketer of Medicare-related insurance products underwritten by third-party health insurance carriers to eligible Medicare beneficiaries (the “Senior Health business”). Refer to Note 2 (Discontinued Operations) for more information.

Basis of Presentation. We prepare our financial statements in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). These principles are established primarily by the Financial Accounting Standards Board (“FASB”).

The accompanying unaudited condensed consolidated financial statements contain all adjustments, generally consisting of normal recurring accruals, which are necessary to fairly present the balance sheets as of September 30, 2024 and December 31, 2023, the statements of income, comprehensive income (loss), and stockholders’ equity for the three and nine months ended September 30, 2024 and 2023, and cash flows for the nine months ended September 30, 2024 and 2023. Results of operations for interim periods are not necessarily indicative of results for the entire year or of the results to be expected in future periods.

These unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and note disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are sufficient to make the information not misleading. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto that are included in our Annual Report on Form 10-K for the year ended December 31, 2023 (“2023 Annual Report”).

Use of Estimates. The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect financial statement balances, revenues and expenses and cash flows, as well as the disclosure of contingent assets and liabilities. Management considers available facts and knowledge of existing circumstances when establishing the estimates included in our financial statements. The most significant items that involve a greater degree of accounting estimates and actuarial determinations subject to change in the future are the valuation of investments, deferred policy acquisition costs (“DAC”), liability for future policy benefits (“LFPB”) and corresponding amounts recoverable from reinsurers, and income taxes. Estimates for these and other items are subject to change and are reassessed by management in accordance with U.S. GAAP. Actual results could differ from those estimates.

Consolidation. The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and those entities required to be consolidated under U.S. GAAP. All material intercompany profits, transactions, and balances among the consolidated entities have been eliminated.

Changes to Accounting Policies. All significant accounting policies remain unchanged from the 2023 Annual Report unless otherwise described.

Reclassifications. Certain reclassifications have been made to prior period amounts to conform to current period reporting classifications. These reclassifications had no impact on net income or total stockholders’ equity and were primarily related to discontinued operations. See Note 2 (Discontinued Operations) for more information.

New Accounting Standards Not Yet Adopted.

Accounting standard	Adoption date	Description	Effects on the financial statements
<i>Segment Reporting (Topic 280)— Improvements to Reportable Segment Disclosures</i> ASU 2023-07	Annual periods beginning after December 15, 2023 and interim periods thereafter. Early adoption is permitted. Retrospective transition for all periods presented.	In November 2023, the FASB issued the ASU to enhance segment disclosures. The amendments (1) require disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and included within each reported measure of segment profit or loss; (2) require disclosure of “other segment items” by reportable segment, which is the difference between segment revenue and significant segment expenses; (3) require annual segment disclosures to be included in interim financial statements; (4) clarify that if the CODM uses more than one measure of a segment’s profit or loss in assessing segment performance and deciding how to allocate resources, an entity may report one or more of those additional measures; and (5) require disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources.	We do not believe the adoption of the standard will have a material impact on our consolidated financial statements. We will revise disclosures in accordance with the new standard in our annual 2024 financial statements and for interim periods thereafter.
<i>Income Taxes (Topic 740)— Improvements to Income Tax Disclosures</i> ASU 2023-09	Annual periods beginning after December 15, 2024. Early adoption is permitted. Prospective transition, although retrospective transition is permitted.	In December 2023, the FASB issued the ASU to increase income tax transparency through improvements primarily related to the existing rate reconciliation and income taxes paid disclosures. The amendments require (1) consistent categories and greater disaggregation of information in the rate reconciliation; and (2) income taxes paid disaggregated by jurisdiction. The ASU also removes certain disclosure requirements, such as reasonably possible significant changes in the total amount of unrecognized tax benefits within 12 months of the reporting date.	We do not believe the adoption of the standard will have a material impact on our consolidated financial statements. We will revise disclosures in accordance with the new standard in our annual 2025 financial statements.

In addition, in March 2024, the SEC issued final rules that include updates to Regulation S-X for climate-related disclosures (the “Climate-Related Disclosures rule”). The Climate-Related Disclosures rule is currently stayed pending the completion of judicial review. The Climate-Related Disclosures rule requires a registrant to disclose in the notes to the financial statements (1) expenditures and losses, and capitalized costs and charges in each case excluding recoveries, incurred or recognized during a fiscal year as a result of severe weather events and other natural conditions; and (2) where material to a company’s plan to achieve disclosed climate-related targets or goals, information regarding carbon offsets and renewable energy credits. The adoption of the Climate-Related Disclosures rule will impact our disclosures and may require changes to certain of our processes, systems, and controls. We are currently evaluating existing processes and data to determine what changes may be necessary. If the stay is lifted, the updates to Regulation S-X included in the Climate-Related Disclosures rule would be effective for the Company’s Form 10-K for the fiscal year ending December 31, 2025.

Recently issued accounting guidance not discussed above is not applicable, is immaterial to our consolidated financial statements, or did not or is not expected to have a material impact on our business.

(2) Discontinued Operations

The Company reports the results of operations of a business as discontinued operations if (i) the business has been disposed of or is classified as held for sale; (ii) the disposal of the business represents a strategic shift that will have a major impact on the Company’s operations and financial results; (iii) the operations and cash flows of the business have been or will be eliminated from the ongoing operations of the Company as a result of the disposal; and (iv) the Company will not have any significant continuing involvement in the operations of the business after the disposal. The results of discontinued operations are reported in net income from discontinued

operations in the consolidated statements of income for all periods presented, commencing in the period in which the business is either disposed of or is classified as held for sale, including any gain or loss recognized on closing or adjustment of the carrying amount to fair value less costs to sell, as applicable. Assets and liabilities related to a business which meets the criteria for discontinued operations are segregated in the consolidated balance sheets for the current and prior periods.

In July 2024, the Board of Directors ("Board") of the Company authorized the exit of the Senior Health business. On September 30, 2024, the Company irrevocably and permanently surrendered and relinquished all rights in e-TeleQuote to an independent third party without receipt of consideration and with no continuing involvement in its management or operations.

The Company determined that the disposal represented a strategic shift that will have a major impact on the Company's operations and financial results. The disposal represented a strategic shift as the Senior Health business had been designated as a separate operating segment, and the Board and management recognized that its previously expected impact on the Company's operations and financial results would not be realized. Accordingly, the results of operations for the Senior Health business and related assets and liabilities have been reported in discontinued operations for all periods presented in our unaudited condensed consolidated statements of income and our unaudited condensed consolidated balance sheets, respectively. Related balances in the notes to the unaudited condensed consolidated financial statements have been restated to remove balances and activities related to the discontinued operations except as otherwise noted.

We recognized an after-tax net gain on disposal of \$2.6 million, which is comprised of the \$95.8 million write-off of e-TeleQuote's assets and liabilities as of the abandonment date and the recognition of a \$98.4 million income tax benefit.

The major classes of line items constituting discontinued operations in the unaudited condensed consolidated statements of income were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(In thousands)</i>			
Revenues:				
Commissions and fees	\$ 12,898	\$ 11,388	\$ 30,550	\$ 38,514
Other, net	408	2,048	2,056	8,522
Total revenues	13,306	13,436	32,606	47,036
Expenses:				
Contract acquisition costs	16,336	12,568	45,594	40,154
Impairment of goodwill and other long-lived assets	-	-	253,607	-
Loss on disposition	95,787	-	95,787	-
Other operating expenses	16,396	8,451	31,956	24,259
Total expenses	128,519	21,019	426,944	64,413
Loss before income taxes	(115,213)	(7,583)	(394,338)	(17,377)
Income tax benefit	84,849	2,192	145,333	4,630
Loss from discontinued operations, net of income taxes	<u>\$ (30,364)</u>	<u>\$ (5,391)</u>	<u>\$ (249,005)</u>	<u>\$ (12,747)</u>

The carrying values of the major classes of assets and liabilities from discontinued operations entities included on the unaudited condensed consolidated balance sheets were as follows:

	September 30, 2024		December 31, 2023
	<i>(In thousands)</i>		
Cash and cash equivalents	\$	-	\$ 19,000
Renewal commissions receivable		-	128,886
Agent balances, due premiums and other receivables		-	3,850
Goodwill		-	127,707
Intangible assets, net (accumulated amortization: \$0 in 2024 and \$26,250 in 2023)		-	129,750
Income taxes		-	3,479
Operating lease right-of-use assets		-	2,187
Other assets		-	3,981
Total assets from discontinued operations entities	<u>\$</u>	<u>-</u>	<u>\$ 418,840</u>
Income taxes	\$	-	\$ 58,990
Operating lease liabilities		-	2,465
Other liabilities		-	4,389
Total liabilities from discontinued operations entities	<u>\$</u>	<u>-</u>	<u>\$ 65,844</u>

Total operating and investing cash flows of the discontinued operations were as follows, which excludes the Company's use of \$46.5 million of the total income tax benefit recognized on disposal to offset income tax payments during the third quarter of 2024:

	Nine months ended September 30,			
	2024		2023	
	<i>(In thousands)</i>			
Net cash provided by (used in) operating activities	\$	(1,378)	\$	11,659
Net cash provided by (used in) investing activities	\$	(18,747)	\$	(318)

(3) Segment and Geographical Information

Segments. We have two primary operating segments, Term Life Insurance and Investment and Savings Products. We also have a Corporate and Other Distributed Products segment. The Company previously reported a Senior Health segment, which consisted of the Senior Health business that was disposed of as of September 30, 2024, and is now reported in discontinued operations. Refer to Note 2 (Discontinued Operations) for additional information on the disposal.

Notable information included in profit or loss by segment was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(In thousands)			
Revenues:				
Term life insurance segment	\$ 450,306	\$ 428,772	\$ 1,317,661	\$ 1,261,715
Investment and savings products segment	266,073	218,898	770,695	643,609
Corporate and other distributed products segment	57,750	49,826	212,677	136,993
Total revenues	<u>\$ 774,129</u>	<u>\$ 697,496</u>	<u>\$ 2,301,033</u>	<u>\$ 2,042,317</u>
Net investment income:				
Term life insurance segment	\$ -	\$ -	\$ -	\$ -
Investment and savings products segment	-	-	-	-
Corporate and other distributed products segment	41,109	34,730	117,367	98,192
Total net investment income	<u>\$ 41,109</u>	<u>\$ 34,730</u>	<u>\$ 117,367</u>	<u>\$ 98,192</u>
Amortization of DAC:				
Term life insurance segment	\$ 73,698	\$ 67,720	\$ 216,105	\$ 199,792
Investment and savings products segment	1,540	1,311	4,219	4,212
Corporate and other distributed products segment	301	374	907	1,434
Total amortization of DAC	<u>\$ 75,539</u>	<u>\$ 69,405</u>	<u>\$ 221,231</u>	<u>\$ 205,438</u>
Non-cash share-based compensation expense:				
Term life insurance segment	\$ 890	\$ 626	\$ 3,986	\$ 3,201
Investment and savings products segment	713	672	2,467	2,330
Corporate and other distributed products segment	1,028	563	11,551	10,530
Total non-cash share-based compensation expense	<u>\$ 2,631</u>	<u>\$ 1,861</u>	<u>\$ 18,004</u>	<u>\$ 16,061</u>
Income (loss) from continuing operations before income taxes:				
Term life insurance segment	\$ 178,354	\$ 141,222	\$ 464,501	\$ 411,877
Investment and savings products segment	79,911	64,373	220,257	180,064
Corporate and other distributed products segment	(3,687)	789	35,977	(19,925)
Total income from continuing operations before income taxes	<u>\$ 254,578</u>	<u>\$ 206,384</u>	<u>\$ 720,735</u>	<u>\$ 572,016</u>

In April 2024, the Company executed agreements providing for the receipt of proceeds for certain claims filed by the Company under a Representation and Warranty insurance policy negotiated and purchased in connection with the acquisition of e-TeleQuote on July 1, 2021. The claims made by the Company involved breaches of certain representations and warranties relating to the pre-acquisition financial statements made by the sellers of e-TeleQuote in connection with the acquisition. The Company recognized a gain during the nine months ended September 30, 2024 of \$50.0 million, which is equal to the aggregate proceeds received from the third-party insurers under the policy in May 2024, reflecting the full coverage under the policy. The Company recognized this gain in Corporate and Other Distributed Products segment revenues as it resulted from a corporate investment decision to purchase the insurance policy. On a consolidated basis, this gain is included in Other, net revenue in the accompanying unaudited condensed consolidated statements of income.

The Company recorded corporate restructuring charges of \$2.0 million and \$2.8 million for the three and nine months ended September 30, 2024, respectively, associated with the decision to exit the Senior Health business, which are included in the determination of income (loss) from continuing operations before income taxes in the Corporate and Other Distributed Products segment.

Total assets from continuing operations by segment were as follows:

	September 30, 2024	December 31, 2023
	(In thousands)	
Assets:		
Term life insurance segment	\$ 6,601,695	\$ 6,543,923
Investment and savings products segment ⁽¹⁾	2,565,299	2,537,079
Corporate and other distributed products segment	5,648,174	5,527,890
Total assets from continuing operations	<u>\$ 14,815,168</u>	<u>\$ 14,608,892</u>

(1) The Investment and Savings Products segment includes assets held in separate accounts. Excluding separate accounts, the Investment and Savings Products segment assets were \$164.2 million and \$141.3 million as of September 30, 2024 and December 31, 2023, respectively.

Geographical Information. Results of operations by country and long-lived assets – primarily tangible assets reported in other assets in our unaudited condensed consolidated balance sheets – from continuing operations were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<i>(In thousands)</i>				
Revenues by country:				
United States	\$ 673,366	\$ 607,627	\$ 2,009,105	\$ 1,780,008
Canada	100,763	89,869	291,928	262,309
Total revenues	<u>\$ 774,129</u>	<u>\$ 697,496</u>	<u>\$ 2,301,033</u>	<u>\$ 2,042,317</u>

	September 30, 2024		December 31, 2023	
	<i>(In thousands)</i>			
Long-lived assets by country:				
United States	\$ 35,960	\$ 34,968		
Canada	2,380	2,636		
Total long-lived assets	<u>\$ 38,340</u>	<u>\$ 37,604</u>		

(4) Investments

Available-for-sale Securities. The amortized cost, gross unrealized gains and losses, and fair value of available-for-sale (“AFS”) securities were as follows:

	September 30, 2024			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
<i>(In thousands)</i>				
Securities available-for-sale, carried at fair value:				
Fixed-maturity securities:				
U.S. government and agencies	\$ 9,659	\$ 43	\$ (268)	\$ 9,434
Foreign government	179,581	2,596	(5,433)	176,744
States and political subdivisions	132,867	373	(11,188)	122,052
Corporates	1,893,617	31,741	(86,388)	1,838,970
Residential mortgage-backed securities	551,182	3,247	(51,671)	502,758
Commercial mortgage-backed securities	116,062	178	(10,098)	106,142
Other asset-backed securities	243,271	2,000	(6,416)	238,855
Total fixed-maturity securities	<u>\$ 3,126,239</u>	<u>\$ 40,178</u>	<u>\$ (171,462)</u>	<u>\$ 2,994,955</u>

	December 31, 2023			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
<i>(In thousands)</i>				
Securities available-for-sale, carried at fair value:				
Fixed-maturity securities:				
U.S. government and agencies	\$ 9,974	\$ 18	\$ (476)	\$ 9,516
Foreign government	170,354	1,616	(8,588)	163,382
States and political subdivisions	145,779	891	(14,681)	131,989
Corporates	1,723,023	14,787	(120,286)	1,617,524
Residential mortgage-backed securities	499,771	1,688	(63,928)	437,531
Commercial mortgage-backed securities	127,454	156	(15,443)	112,167
Other asset-backed securities	258,857	763	(12,262)	247,358
Total fixed-maturity securities	2,935,212	19,919	(235,664)	2,719,467
Short-term investments	276	-	-	276
Total fixed-maturity and short-term investments	<u>\$ 2,935,488</u>	<u>\$ 19,919</u>	<u>\$ (235,664)</u>	<u>\$ 2,719,743</u>

All of our AFS mortgage- and asset-backed securities represent beneficial interests in variable interest entities (“VIEs”). We are not the primary beneficiary of these VIEs because we do not have the power to direct the activities that most significantly impact the entities’ economic performance. The maximum exposure to loss as a result of our involvement in these VIEs equals the carrying value of the securities.

The scheduled maturity distribution of the AFS fixed-maturity securities portfolio as of September 30, 2024 was as follows:

	Amortized cost		Fair value	
	(In thousands)			
Due in one year or less	\$	189,343	\$	188,598
Due after one year through five years		742,682		733,679
Due after five years through 10 years		818,210		775,033
Due after 10 years		465,489		449,890
		2,215,724		2,147,200
Mortgage- and asset-backed securities		910,515		847,755
Total AFS fixed-maturity securities	\$	3,126,239	\$	2,994,955

Expected maturities may differ from scheduled contractual maturities because issuers of securities may have the right to call or prepay obligations with or without call or prepayment penalties.

Trading Securities. The costs and fair values of the fixed-maturity securities classified as trading securities were as follows:

	September 30, 2024		December 31, 2023	
	Cost	Fair value	Cost	Fair value
	(In thousands)			
Fixed-maturity securities	\$	3,636	\$	3,235
			\$	18,761
			\$	18,383

Held-to-maturity Security. Concurrent with the execution of the Vidalia Re Coinsurance Agreement, Vidalia Re entered into a Surplus Note Purchase Agreement (the “Surplus Note Purchase Agreement”) with Hannover Life Reassurance Company of America and certain of its affiliates (collectively, “Hannover Re”) and a newly formed limited liability company (the “LLC”) owned by a third-party service provider. Under the Surplus Note Purchase Agreement, Vidalia Re issued a surplus note (the “Surplus Note”) to the LLC in exchange for a credit enhanced note from the LLC with an equal principal amount (the “LLC Note”). The principal amount of both the LLC Note and the Surplus Note will fluctuate over time to coincide with the amount of reserves contractually supported under the Vidalia Re Coinsurance Agreement. Both the LLC Note and the Surplus Note mature on December 31, 2030 and bear interest at an annual interest rate of 4.50%. The LLC Note is guaranteed by Hannover Re through a credit enhancement feature in exchange for a fee, which is reflected in interest expense in our unaudited condensed consolidated statements of income.

The LLC is a VIE as its owner does not have an equity investment at risk that is sufficient to permit the LLC to finance its activities without Vidalia Re or Hannover Re. The Parent Company, Primerica Life, and Vidalia Re share the power to direct the activities of the LLC with Hannover Re, but they do not have the obligation to absorb losses or the right to receive any residual returns related to the LLC’s primary risks or sources of variability. Through the credit enhancement feature, Hannover Re is the ultimate risk taker in this transaction and bears the obligation to absorb the LLC’s losses in the event of a Surplus Note default in exchange for the fee. Accordingly, the Company is not the primary beneficiary of the LLC and does not consolidate the LLC within its unaudited condensed consolidated financial statements. Hannover Re’s financial strength rating by A.M. Best was A+ as of September 30, 2024.

The LLC Note is classified as a held-to-maturity debt security in the Company’s invested asset portfolio as we have the positive intent and ability to hold the security until maturity. As of September 30, 2024, the LLC Note had an estimated unrealized holding loss of \$32.5 million based on its amortized cost and estimated fair value. The estimated fair value of the LLC Note is expected to be at least equal to the estimated fair value of the offsetting Surplus Note. See Note 16 (Debt) for more information on the Surplus Note.

As of September 30, 2024 and December 31, 2023, no credit losses have been recognized on the LLC Note.

Investments on Deposit with Governmental Authorities. As required by law, we have investments on deposit with governmental authorities and banks for the protection of policyholders. The fair value of investments on deposit was \$7.9 million and \$7.3 million as of September 30, 2024 and December 31, 2023, respectively.

Securities Lending Transactions. We participate in securities lending transactions with broker-dealers and other financial institutions to increase investment income with minimal risk. We require minimum collateral on securities loaned equal to 102% of the fair value of the loaned securities. We accept collateral in the form of securities, which we are not able to sell or encumber, and to the extent the collateral declines in value below 100%, we require additional collateral from the borrower. Any securities collateral received is not reflected in our unaudited condensed consolidated balance sheets. We also accept collateral in the form of cash, all of which we reinvest. For loans involving unrestricted cash collateral, the collateral is reported as an asset with a corresponding liability representing our obligation to return the collateral. We continue to carry the loaned securities as invested assets in our unaudited condensed consolidated balance sheets during the terms of the loans, and we do not report them as sales. Cash collateral received and reinvested was \$85.2 million and \$99.8 million as of September 30, 2024 and December 31, 2023, respectively.

Net Investment Income. The components of net investment income were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(In thousands)			
Fixed-maturity securities (available-for-sale)	\$ 31,990	\$ 27,381	\$ 92,543	\$ 79,544
Fixed-maturity security (held-to-maturity)	15,908	16,306	47,352	49,348
Equity securities	324	366	1,036	1,126
Policy loans and other invested assets	402	475	1,407	756
Cash, cash equivalents and short-term investments	6,540	6,609	20,161	17,577
Total return on deposit asset underlying 10% coinsurance agreement ⁽¹⁾	3,959	2,022	8,534	5,707
Gross investment income	59,123	53,159	171,033	154,058
Investment expenses	(2,106)	(2,123)	(6,314)	(6,518)
Investment income net of investment expenses	57,017	51,036	164,719	147,540
Interest expense on surplus note	(15,908)	(16,306)	(47,352)	(49,348)
Net investment income	<u>\$ 41,109</u>	<u>\$ 34,730</u>	<u>\$ 117,367</u>	<u>\$ 98,192</u>

⁽¹⁾ Includes \$1.8 million and \$1.9 million of net gains (losses) recognized for the change in fair value of the deposit asset underlying the 10% coinsurance agreement for the three and nine months ended September 30, 2024, respectively. Includes \$(0.5) million and \$(1.7) million of net gains (losses) recognized for the change in fair value of the deposit asset underlying the 10% coinsurance agreement for the three and nine months ended September 30, 2023, respectively.

The components of investment gains (losses), as well as details on gross realized investment gains (losses) and other investment gains (losses) were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(In thousands)			
Realized investment gains (losses):				
Gross gains from sales of available-for-sale fixed-maturity securities	\$ 311	\$ 6	\$ 989	\$ 498
Gross losses from sales of available-for-sale fixed-maturity securities	-	(9)	(107)	(1,148)
Net realized investment gains (losses):	311	(3)	882	(650)
Other investment gains (losses):				
Credit losses impairment of available-for-sale securities	(453)	-	(453)	(2,167)
Market gains (losses) recognized in net income during the period on equity securities	2,324	(1,800)	2,945	(3,930)
Gains (losses) from equity method investments	15	-	15	-
Gains (losses) from bifurcated options	6	-	5	-
Gains (losses) on trading securities	6	8	21	17
Other investment gains (losses):	1,898	(1,792)	2,533	(6,080)
Investment gains (losses)	<u>\$ 2,209</u>	<u>\$ (1,795)</u>	<u>\$ 3,415</u>	<u>\$ (6,730)</u>

The proceeds from sales or other redemptions of AFS securities were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(In thousands)			
Proceeds from sales or other redemptions	\$ 88,669	\$ 50,968	\$ 305,763	\$ 288,360

Accrued Interest. Accrued interest is recorded in accordance with the contractual interest schedule of the underlying security. In the event of default, the Company's policy is to no longer accrue interest on these securities and to write off any remaining accrued interest. As a result, the Company has made the policy election to not record an allowance for credit losses on accrued interest.

Credit Losses for AFS Fixed-maturity Securities. The following tables summarize all AFS securities in an unrealized loss position for which an allowance for credit losses has not been recorded as of September 30, 2024 and December 31, 2023, aggregated by major security type and by length of time such securities have continuously been in an unrealized loss position:

	September 30, 2024			
	Less than 12 months		12 months or longer	
	Fair value	Unrealized losses	Fair value	Unrealized losses
	<i>(In thousands)</i>			
Fixed-maturity securities:				
U.S. government and agencies	\$ -	\$ -	\$ 7,197	\$ (268)
Foreign government	3,784	(8)	94,698	(5,425)
States and political subdivisions	2,184	(26)	104,179	(11,162)
Corporates	26,434	(99)	1,071,528	(86,289)
Residential mortgage-backed securities	28,356	(261)	347,794	(51,410)
Commercial mortgage-backed securities	2,874	(1)	94,206	(10,097)
Other asset-backed securities	6,425	(19)	120,721	(6,397)
Total fixed-maturity securities	\$ 70,057	\$ (414)	\$ 1,840,323	\$ (171,048)

	December 31, 2023			
	Less than 12 months		12 months or longer	
	Fair value	Unrealized losses	Fair value	Unrealized losses
	<i>(In thousands)</i>			
Fixed-maturity securities:				
U.S. government and agencies	\$ -	\$ -	\$ 9,188	\$ (476)
Foreign government	17,209	(62)	104,827	(8,526)
States and political subdivisions	4,883	(46)	107,021	(14,635)
Corporates	39,783	(907)	1,231,694	(119,379)
Residential mortgage-backed securities	14,872	(142)	360,987	(63,786)
Commercial mortgage-backed securities	4,721	(107)	97,417	(15,336)
Other asset-backed securities	41,417	(159)	136,841	(12,103)
Total fixed-maturity securities	\$ 122,885	\$ (1,423)	\$ 2,047,975	\$ (234,241)

The amortized cost of AFS securities with a cost basis in excess of their fair values were \$2,081.8 million and \$2,406.5 million as of September 30, 2024 and December 31, 2023, respectively.

As of September 30, 2024, no allowance for credit losses was recorded for AFS securities. Substantially all of the unrealized losses were the result of change in market interest rates compared to the date the securities were acquired rather than the credit quality of the securities, and we have no present intention to dispose of them.

We recognized \$0.5 million for credit losses on AFS securities for the three and nine months ended September 30, 2024 in the unaudited condensed consolidated statements of income. We did not recognize any credit losses on AFS securities for the three months ended September 30, 2023 and we recognized \$2.2 million for credit losses on AFS securities for the nine months ended September 30, 2023 in the unaudited condensed consolidated statements of income. We recognize credit losses on securities due to: (i) our intent to sell them; (ii) adverse credit events indicating that we will not receive the security's contractual cash flows when contractually due, such as news of an impending filing for bankruptcy; (iii) analyses of the issuer's most recent financial statements or other information indicating that significant liquidity deficiencies, significant losses and large declines in capitalization exist; and (iv) analyses of rating agency information for issuances with severe ratings downgrades indicating a significant increase in the possibility of default.

Derivatives. We have a deferred loss related to closed forward contracts, which were settled several years ago, that were used to mitigate our exposure to foreign currency exchange rates that resulted from the net investment in our Canadian operations. The amount of deferred loss included in accumulated other comprehensive income (loss) was \$26.4 million as of each of September 30, 2024 and December 31, 2023. These deferred losses will not be recognized until such time as we sell or substantially liquidate our Canadian operations, although we have no such intention.

(5) Fair Value of Financial Instruments

Fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Invested assets recorded at fair value are measured and classified in accordance with a three-tier fair value hierarchy based on observable and unobservable inputs. Observable inputs reflect market data obtained from

independent sources, while unobservable inputs reflect our view of market assumptions in the absence of observable market information. We classify and disclose all invested assets carried at fair value in one of the following three levels:

- Level 1. Quoted prices for identical instruments in active markets. Level 1 consists of financial instruments whose value is based on quoted market prices in active markets, such as cash, cash equivalents in money market funds, exchange-traded common stocks and actively traded mutual fund investments;
- Level 2. Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets. Level 2 includes those financial instruments that are valued using industry-standard pricing methodologies, models or other valuation methodologies. Various inputs are considered in deriving the fair value of the underlying financial instrument, including interest rate and yield curves, credit spread, and foreign exchange rates. All significant inputs are observable, or derived from observable information in the marketplace or are supported by observable levels at which transactions are executed in the marketplace. Financial instruments in this category could include: cash equivalents and short-term investments in U.S. treasury securities; certain public and private corporate fixed-maturity and equity securities; government or agency securities; and certain mortgage- and asset-backed securities; and
- Level 3. Valuations derived from valuation techniques in which one or more significant inputs are unobservable. Level 3 consists of financial instruments whose fair value is estimated based on industry-standard pricing methodologies and models using significant inputs not based on, nor corroborated by, readily available market information. Valuations for this category primarily consist of non-binding broker quotes. Financial instruments in this category could include less liquid mortgage- and asset-backed securities and equity securities.

As of each reporting period, all assets and liabilities recorded at fair value are classified in their entirety based on the lowest level of input (Level 3 being the lowest in the hierarchy) that is significant to the fair value measurement. Significant levels of estimation and judgment are required to determine the fair value of certain of our investments. The factors influencing these estimations and judgments are subject to change in subsequent reporting periods.

The estimated fair value and hierarchy classifications for assets and liabilities that are measured at fair value on a recurring basis were as follows:

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Fair value assets:				
Available-for-sale fixed-maturity securities:				
U.S. government and agencies	\$ -	\$ 9,434	\$ -	\$ 9,434
Foreign government	-	176,744	-	176,744
States and political subdivisions	-	122,052	-	122,052
Corporates	4,024	1,834,946	-	1,838,970
Mortgage- and asset-backed securities:				
Residential mortgage-backed securities	-	502,758	-	502,758
Commercial mortgage-backed securities	-	106,142	-	106,142
Other asset-backed securities	-	236,990	1,865	238,855
Total available-for-sale fixed-maturity securities	4,024	2,989,066	1,865	2,994,955
Equity securities	25,845	993	1,573	28,411
Trading securities	-	3,235	-	3,235
Cash and cash equivalents	450,325	99,817	-	550,142
Separate accounts	-	2,401,137	-	2,401,137
Total fair value assets	<u>\$ 480,194</u>	<u>\$ 5,494,248</u>	<u>\$ 3,438</u>	<u>\$ 5,977,880</u>
Fair value liabilities:				
Separate accounts	\$ -	\$ 2,401,137	\$ -	\$ 2,401,137
Total fair value liabilities	<u>\$ -</u>	<u>\$ 2,401,137</u>	<u>\$ -</u>	<u>\$ 2,401,137</u>

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	<i>(In thousands)</i>			
Fair value assets:				
Available-for-sale fixed-maturity securities:				
U.S. government and agencies	\$ -	\$ 9,516	\$ -	\$ 9,516
Foreign government	-	163,382	-	163,382
States and political subdivisions	-	131,989	-	131,989
Corporates	3,951	1,613,573	-	1,617,524
Mortgage-and asset-backed securities:				
Residential mortgage-backed securities	-	437,531	-	437,531
Commercial mortgage-backed securities	-	112,167	-	112,167
Other asset-backed securities	-	246,858	500	247,358
Total available-for-sale fixed-maturity securities	3,951	2,715,016	500	2,719,467
Short-term investments	-	276	-	276
Total available-for-sale securities	3,951	2,715,292	500	2,719,743
Equity securities	27,062	974	1,644	29,680
Trading securities	-	18,383	-	18,383
Cash and cash equivalents	594,148	-	-	594,148
Separate accounts	-	2,395,842	-	2,395,842
Total fair value assets	<u>\$ 625,161</u>	<u>\$ 5,130,491</u>	<u>\$ 2,144</u>	<u>\$ 5,757,796</u>
Fair value liabilities:				
Separate accounts	\$ -	\$ 2,395,842	\$ -	\$ 2,395,842
Total fair value liabilities	<u>\$ -</u>	<u>\$ 2,395,842</u>	<u>\$ -</u>	<u>\$ 2,395,842</u>

In estimating fair value of our investments, we use a third-party pricing service for approximately all of our securities that are measured at fair value on a recurring basis. The remaining securities are primarily thinly-traded securities, such as private placements, and are valued using models based on observable inputs on public corporate spreads having similar characteristics (e.g., sector, average life and quality rating), liquidity and yield based on quality rating, average life and U.S. Treasury yields. All observable data inputs are corroborated by independent third-party data. We also corroborate pricing information provided by our third-party pricing service by performing a review of selected securities. Our review activities include: obtaining detailed information about the assumptions, inputs and methodologies used in pricing the security; documenting this information; and corroborating it by comparison to independently obtained prices and/or independently developed pricing methodologies.

Furthermore, we perform internal reasonableness assessments on fair value determinations within our portfolio throughout the year and as of year-end, including pricing variance analyses and comparisons to alternative pricing sources and benchmark returns. If a fair value appears unusual relative to these assessments, we will re-examine the inputs and may challenge a fair value assessment made by the pricing service. If there is a known pricing error, we will request a reassessment by the pricing service. If the pricing service is unable to perform the reassessment on a timely basis, we will determine the appropriate price by requesting a reassessment from an alternative pricing service or other qualified source as necessary. We do not adjust quotes or prices except in a rare circumstance to resolve a known error.

Because many fixed-maturity securities do not trade on a daily basis, third-party pricing services generally determine fair value using industry-standard methodologies, which vary by asset class. For corporates, governments, and agency securities, these methodologies include developing prices by incorporating available market information such as U.S. Treasury curves, benchmarking of similar securities including new issues, sector groupings, quotes from market participants and matrix pricing. Observable information is compiled and integrates relevant credit information, perceived market movements and sector news. Additionally, security prices are periodically back-tested to validate and/or refine models as conditions warrant. Market indicators and industry and economic events are also monitored as triggers to obtain additional data. For certain structured securities (such as mortgage- and asset-backed securities) with limited trading activity, third-party pricing services generally use industry-standard pricing methodologies that incorporate market information, such as index prices or discounting expected future cash flows based on underlying collateral, and quotes from market participants, to estimate fair value. If one or more of these input measures are not deemed observable for a particular security, the security will be classified as Level 3 in the fair value hierarchy.

Where specific market information is unavailable for certain securities, pricing models produce estimates of fair value primarily using Level 2 inputs along with certain Level 3 inputs. These models include matrix pricing. The pricing matrix uses current U.S. Treasury rates and credit spreads received from third-party sources to estimate fair value. The credit spreads incorporate the issuer's industry- or issuer-specific credit characteristics and the security's time to maturity, if warranted. Remaining unpriced securities are valued using an estimate of fair value based on indicative market prices that include significant unobservable inputs not based on, nor corroborated by, market information, including the utilization of non-binding broker quotes.

The roll-forward of the Level 3 assets measured at fair value on a recurring basis was as follows:

	Three months ended September 30,		Nine months ended September 30, ⁽¹⁾	
	2024	2023	2024	2023
	<i>(In thousands)</i>			
Level 3 assets, beginning of period	\$ 10,453	\$ 1,628	\$ 2,144	\$ 1,710
Net unrealized gains (losses) included in other comprehensive income (loss)	146	-	185	(61)
Realized gains (losses) and accretion (amortization) recognized in earnings	(31)	(8)	(72)	(89)
Purchases	1,851	-	10,666	2,316
Settlements	-	-	-	(8)
Transfers into Level 3	-	-	-	-
Transfers out of Level 3	(8,981)	-	(9,485)	(2,248)
Level 3 assets, end of period	<u>\$ 3,438</u>	<u>\$ 1,620</u>	<u>\$ 3,438</u>	<u>\$ 1,620</u>

⁽¹⁾Transfers of investments that enter and exit Level 3 in different quarters within the same fiscal year are not eliminated until the full year amounts are presented.

We obtain independent pricing quotes based on observable inputs as of the end of the reporting period for all securities in Level 2. Those inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, market bids/offers, quoted prices for similar instruments in markets that are not active, and other relevant data. We monitor these inputs for market indicators, industry and economic events. There were no material transfers between Level 1 and Level 3 during the three and nine months ended September 30, 2024 and 2023.

The carrying values and estimated fair values of our financial instruments were as follows:

	September 30, 2024		December 31, 2023	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
	<i>(In thousands)</i>			
Assets:				
Fixed-maturity securities (available-for-sale)	\$ 2,994,955	\$ 2,994,955	\$ 2,719,467	\$ 2,719,467
Fixed-maturity security (held-to-maturity) ⁽¹⁾	1,330,430	1,297,940	1,386,980	1,334,892
Short-term investments (available-for-sale)	-	-	276	276
Equity securities	28,411	28,411	29,680	29,680
Trading securities	3,235	3,235	18,383	18,383
Policy loans ⁽¹⁾	42,431	42,431	38,975	38,975
Deposit asset underlying 10% coinsurance agreement ⁽¹⁾	166,425	166,425	187,377	187,377
Separate accounts	2,401,137	2,401,137	2,395,842	2,395,842
Liabilities:				
Note payable ⁽²⁾⁽³⁾	\$ 594,311	\$ 524,085	\$ 593,709	\$ 508,832
Surplus note ⁽¹⁾⁽²⁾	1,330,090	1,294,322	1,386,592	1,329,159
Separate accounts	2,401,137	2,401,137	2,395,842	2,395,842

⁽¹⁾Classified as a Level 3 fair value measurement.

⁽²⁾Carrying value amounts shown are net of unamortized issuance costs.

⁽³⁾Classified as a Level 2 fair value measurement.

The fair values of financial instruments presented above are estimates of the fair values at a specific point in time using various sources and methods, including market quotations and a complex matrix system that takes into account issuer sector, quality, and spreads in the current marketplace.

Financial Instruments Recognized at Fair Value in the Balance Sheets. Estimated fair values of investments in AFS securities are principally a function of current spreads and interest rates that are corroborated by independent third-party data. Therefore, the fair values presented are indicative of amounts we could realize or settle at the respective balance sheet date. We do not necessarily intend to dispose of or liquidate such instruments prior to maturity. Trading securities and equity securities, including common and nonredeemable preferred stocks, are carried at fair value. Segregated funds in separate accounts are carried at the underlying value of the variable insurance contracts, which is fair value.

The carrying amounts for cash and cash equivalents, trade receivables, accrued investment income, accounts payable, cash collateral and payables for security transactions approximate their fair values due to the short-term nature of these instruments. Consequently, such financial instruments are not included in the above table.

(6) Reinsurance

We use reinsurance extensively, which has a significant effect on our results of operations. Reinsurance arrangements do not relieve us of our primary obligation to the policyholder.

Details on in-force life insurance were as follows:

	September 30, 2024	December 31, 2023
	<i>(Dollars in thousands)</i>	
Direct life insurance in-force	\$ 959,866,448	\$ 946,756,416
Amounts ceded to other companies	(820,596,173)	(810,145,801)
Net life insurance in-force	<u>\$ 139,270,275</u>	<u>\$ 136,610,615</u>
Percentage of reinsured life insurance in-force	85 %	86 %

Benefits and claims ceded to reinsurers during the three and nine months ended September 30, 2024 were \$368.5 million and \$1,083.3 million, respectively, compared to \$339.9 million and \$1,032.9 million, respectively, for the three and nine months ended September 30, 2023.

Reinsurance recoverables include ceded policy benefit reserve balances, ceded claim liabilities, and ceded claims paid that have not been reimbursed. The Company allocated reinsurance recoverables estimated at the cohort level to individual reinsurers for disclosure purposes. Reinsurance recoverables estimated by reinsurer and the financial strength ratings of those reinsurers were as follows:

	September 30, 2024		December 31, 2023	
	Reinsurance recoverables	A.M. Best rating	Reinsurance recoverables	A.M. Best rating
	<i>(In thousands)</i>			
Swiss Re Life & Health America Inc. (Novated from Pecan Re Inc.) ⁽¹⁾	\$ 2,196,759	A+	\$ 2,271,223	A+
Munich Re of Malta ⁽¹⁾⁽²⁾	229,294	NR	243,890	NR
SCOR Global Life Reinsurance Companies ⁽³⁾	141,950	A	160,381	A
American Health and Life Insurance Company ⁽¹⁾	134,820	B++	141,771	B++
RGA Reinsurance Company	45,582	A+	43,188	A+
Swiss Re Life & Health America Inc. ⁽⁴⁾	40,518	A+	43,873	A+
Korean Reinsurance Company	38,464	A	41,373	A
Munich American Reassurance Company	38,311	A+	50,273	A+
All other reinsurers	8,842	-	20,925	-
Allowance for credit losses	(1,012)		(1,120)	
Reinsurance recoverables	<u>\$ 2,873,528</u>		<u>\$ 3,015,777</u>	

NR – not rated by A.M. Best

⁽¹⁾Reinsurance recoverables include balances ceded under coinsurance transactions of term life insurance policies that were in-force as of December 31, 2009. Amounts shown are net of their share of the reinsurance recoverable from other reinsurers. Arrangements with these reinsurers include collateral trust agreements held in support of reinsurance recoverables.

⁽²⁾Entity is rated AA by S&P.

⁽³⁾Includes amounts ceded to Transamerica Reinsurance Companies and fully retroceded to SCOR Global Life Reinsurance Companies.

⁽⁴⁾Includes amounts ceded to Lincoln National Life Insurance and fully retroceded to Swiss Re Life & Health America Inc.

We estimate and recognize lifetime expected credit losses for reinsurance recoverables. In estimating the allowance for credit losses for reinsurance recoverables, we factor in the underlying collateral for reinsurance agreements where available. Specifically, for reinsurers with underlying trust assets, we compare the reinsurance recoverables balance to the underlying trust assets that mitigate the potential exposure to credit losses. We also analyze the financial condition of the reinsurers, as determined by third-party rating agencies, to determine the probability of default for the reinsurers. We then utilize a third-party credit default study to calculate an expected credit loss given default rate or recovery rate. The probability of default and loss given default rates are then applied to the reinsurers' recoverable balance, while also factoring in any third-party letters of credit that support the reinsurance agreement, in order to calculate our allowance for credit losses.

The rollforward of the allowance for credit losses on reinsurance recoverables were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(In thousands)</i>			
Balance, beginning of period	\$ 1,122	\$ 5,599	\$ 1,120	\$ 2,936
Current period (benefit) provision for expected credit losses	(110)	302	(108)	2,965
Balance, at the end of period	<u>\$ 1,012</u>	<u>\$ 5,901</u>	<u>\$ 1,012</u>	<u>\$ 5,901</u>

(7) Deferred Policy Acquisition Costs

The balances and activity in DAC were as follows:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	<i>(In thousands)</i>			
	Term Life	Segregated Funds (Canada)	Term Life	Segregated Funds (Canada)
DAC balance, beginning of period	\$ 3,366,281	\$ 63,029	\$ 3,106,148	\$ 62,341
Capitalization	416,398	2,184	521,718	4,353
Amortization	(216,105)	(4,219)	(268,803)	(5,479)
Foreign exchange translation and other	(5,903)	(1,527)	7,218	1,814
DAC balance, at the end of period	<u>\$ 3,560,671</u>	<u>\$ 59,467</u>	<u>\$ 3,366,281</u>	<u>\$ 63,029</u>

Reconciliation of DAC by product was as follows:

	September 30, 2024	December 31, 2023
	<i>(In thousands)</i>	
Term Life Insurance	\$ 3,560,671	\$ 3,366,281
Segregated Funds (Canada)	59,467	63,029
Other	16,826	17,924
Total DAC, net	<u>\$ 3,636,964</u>	<u>\$ 3,447,234</u>

There were no material changes to the judgments, assumptions and methods used to amortize DAC during the nine months ended September 30, 2024 and 2023.

(8) Separate Accounts

The following table represents the fair value of assets supporting separate accounts by major investment category:

	September 30, 2024	December 31, 2023
	<i>(In thousands)</i>	
Fixed-income securities	\$ 803,916	\$ 876,524
Equity securities	1,541,997	1,436,122
Cash and cash equivalents	58,666	87,530
Due to/from funds	(3,463)	(4,357)
Other	21	23
Total separate account assets	<u>\$ 2,401,137</u>	<u>\$ 2,395,842</u>

The following table represents the balances of and changes in separate account liabilities:

	Nine months ended September 30, 2024	Year ended December 31, 2023
	<i>(In thousands)</i>	
Separate account liabilities balance, beginning of period	\$ 2,395,842	\$ 2,305,717
Premiums and deposits	124,235	186,631
Surrenders and withdrawals	(309,274)	(343,473)
Investment performance	293,221	245,565
Management fees and other charges	(45,516)	(62,159)
Foreign exchange translation	(57,371)	63,561
Separate account liabilities balance, end of period	<u>\$ 2,401,137</u>	<u>\$ 2,395,842</u>
Cash surrender value	\$ 2,367,983	\$ 2,354,813

The cash surrender value represents the amount of the contract holders' account balance distributable at the balance sheet date less the Company's estimate of the deferred sales charges that would be assessed if the policyholders redeemed their contracts at the balance sheet date. This estimate requires the Company to make certain assumptions regarding the underlying account balances by contribution year and application of the contractually defined deferred sales charges that would be applicable to each contribution year.

(9) Policy Claims and Other Benefits Payable

Changes in policy claims and other benefits payable were as follows:

	Nine months ended September 30,	
	2024	2023
	(In thousands)	
Policy claims and other benefits payable, beginning of period	\$ 513,803	\$ 538,250
Less reinsured policy claims and other benefits payable	534,674	543,433
Net balance, beginning of period	(20,871)	(5,183)
Incurred related to current year	189,772	183,506
Incurred related to prior years ⁽¹⁾	(3,418)	(4,103)
Total incurred	186,354	179,403
Claims paid related to current year, net of reinsured policy claims received	(224,952)	(245,951)
Reinsured policy claims received related to prior years, net of claims paid	37,111	18,499
Total paid	(187,841)	(227,452)
Foreign currency translation	(241)	43
Net balance, end of period	(22,599)	(53,189)
Add reinsured policy claims and other benefits payable	519,434	528,592
Balance, end of period	<u>\$ 496,835</u>	<u>\$ 475,403</u>

(1) Includes the difference between our estimate of claims incurred but not yet reported as of period-end and the actual incurred claims reported after period-end.

The liability for policy claims and other benefits payable on traditional life insurance products includes estimated unpaid claims that have been reported to us and claims incurred but not yet reported. We estimate claims incurred but not yet reported based on our historical claims activity, adjusted for any current trends and conditions, and reported lag time experience.

(10) Future Policy Benefits

The following tables summarize balances and changes in the present value of expected net premiums and the present value of expected future policy benefits underlying the LFPB:

	Nine months ended September 30, 2024	Year ended December 31, 2023
	(Dollars in thousands)	
Present Value of Expected Net Premiums		
Term Life Insurance		
Balance at then current discount rate, beginning of period	\$ 13,977,353	\$ 13,053,386
Balance at original discount rate, beginning of period	14,012,553	13,521,221
Effect of changes in cash flow assumptions	(87,241)	(5,364)
Effect of actual variances from expected experience	(295,551)	(229,884)
Adjusted balance, beginning of period	13,629,761	13,285,973
Issuances	1,429,508	1,836,290
Interest accrual at original discount rate	454,639	544,806
Net premiums collected	(1,296,656)	(1,682,924)
Foreign currency translation	(24,631)	28,408
Expected net premiums at original discount rate, end of period	14,192,621	14,012,553
Effect of changes in discount rate assumptions	172,022	(35,200)
Expected net premiums at then current discount rate, end of period	<u>\$ 14,364,643</u>	<u>\$ 13,977,353</u>
Present Value of Expected Future Policy Benefits		
Balance at then current discount rate, beginning of period	\$ 20,508,435	\$ 19,143,253
Balance at original discount rate, beginning of period	20,391,694	19,706,818
Effect of changes in cash flow assumptions	(101,218)	(7,254)
Effect of actual variances from expected experience	(304,161)	(225,539)
Adjusted balance, beginning of period	19,986,315	19,474,025
Issuances	1,434,843	1,840,996
Interest accrual at original discount rate	693,859	856,727
Benefit payments	(1,391,067)	(1,823,542)
Foreign currency translation	(37,837)	43,488
Expected future policy benefits at original discount rate, end of period	20,686,113	20,391,694
Effect of changes in discount rate assumptions	381,760	116,741
Expected future policy benefits at then current discount rate, end of period	<u>\$ 21,067,873</u>	<u>\$ 20,508,435</u>
LFPB	\$ 6,703,230	\$ 6,531,082
Less: reinsurance recoverables	2,858,388	3,001,074
Net LFPB, after reinsurance recoverables	<u>\$ 3,844,842</u>	<u>\$ 3,530,008</u>
Weighted-average duration of net LFPB (in years)	8.0	7.9

Our annual actuarial assumption review was performed during the third quarter of 2024. Assumptions were updated using experience studies based on the Company's own data including actual to expected cash flow variances by policy cohort. Actuarial judgment was also used since prior historical experience may not fully reflect future expected experience.

As a result of the assumption review, the LFPB recognized for the Term Life Insurance segment decreased by \$28 million, net of reinsurance, primarily due to the reduction of the expected cost of waiver of premium benefits. The adjustment resulting from the assumption change was recognized as a remeasurement gain in the accompanying unaudited condensed consolidated statements of income during the three and nine months ended September 30, 2024. The waiver of premium benefit offered for our term life insurance product is an optional supplemental rider that waives the policyholder's insurance premiums during a qualifying disability. Lower than expected disability incidence rates have consistently been observed each year since the COVID-19 pandemic. Unlike our mortality or lapse rates, which had both favorable and unfavorable experience in the years since the onset of the pandemic, the disability incidence rates declined in 2020 and have remained at similar levels since then. Therefore, we have partially reflected this improvement in recognizing our best estimate assumption in determining our LFPB. Waiver of premium benefits are not reinsured on a yearly renewal term basis, therefore, most of the impact of this assumption change is reflected in the future policy benefits remeasurement gain line item in the accompanying unaudited condensed consolidated statements of income.

In our recent experience, we continue to observe lower mortality and higher lapses compared to the updated actuarial assumptions in our Term Life Insurance segment. However, we believe the majority of these variances are likely temporary and experience will return to pre-COVID-19 pandemic levels in the future. Slight changes were made to the mortality assumption that included rolling the mortality improvement forward one calendar year. The early duration lapse rate assumption was also increased to partially reflect recent experience. The LFPB impact, net of reinsurance, for both the mortality and lapse assumption changes was de minimus.

We also performed our annual review of LFPB assumptions for our closed block of non-term life insurance included in the Corporate and Other Distributed Products segment. Based on this review, we recognized a remeasurement loss of approximately \$5 million during the three and nine months ended September 30, 2024.

Discount rates, while a material assumption to our LFPB, are not part of the assumption-setting process since they are updated quarterly based on observable rates. There have been no changes with the compilation of data sources used for this input.

Losses recognized as a result of capping the net premium ratio at 100% were immaterial during the three and nine months ended September 30, 2024 and 2023.

The following table reconciles the LFPB to the unaudited condensed consolidated balance sheets:

	September 30, 2024	December 31, 2023
	<i>(In thousands)</i>	
Term Life Insurance	\$ 6,703,230	\$ 6,531,082
Other	216,188	210,943
Total	<u>\$ 6,919,418</u>	<u>\$ 6,742,025</u>

The following table reconciles the reinsurance recoverables to the unaudited condensed consolidated balance sheets:

	September 30, 2024	December 31, 2023
	<i>(In thousands)</i>	
Term Life Insurance	\$ 2,858,388	\$ 3,001,074
Other	15,140	14,703
Total	<u>\$ 2,873,528</u>	<u>\$ 3,015,777</u>

The amount of discounted (using the then current discount rate) and undiscounted expected gross premiums and expected future benefit payments were as follows:

	September 30, 2024		December 31, 2023	
	<i>(In thousands)</i>			
Term Life Insurance	Undiscounted	Discounted	Undiscounted	Discounted
Expected future benefit payments	\$ 33,779,835	\$ 21,067,872	\$ 33,342,272	\$ 20,508,435
Expected future gross premiums	\$ 39,343,577	\$ 27,423,186	\$ 38,701,869	\$ 26,687,880

The amount of revenue and interest recognized in our unaudited condensed consolidated statements of income were as follows:

	Three months ended September 30,				Nine months ended September 30,			
	2024		2023		2024		2023	
	(In thousands)							
Term Life Insurance								
Gross premiums	\$	847,626	\$	826,665	\$	2,524,615	\$	2,462,842
Interest accretion (expense)	\$	(80,375)	\$	(80,231)	\$	(239,220)	\$	(234,016)

The weighted-average discount rates were as follows:

	September 30, 2024	December 31, 2023
Term Life Insurance		
Original discount rate	4.91 %	4.93 %
Current discount rate	5.06 %	4.91 %

There were no changes to the methods used to determine the discount rates during the nine months ended September 30, 2024 and the twelve months ended December 31, 2023.

(11) Stockholders' Equity

The following table shows changes in our outstanding common stock:

	Nine months ended September 30,			
	2024		2023	
	(In thousands)			
Common stock, beginning of period	\$	34,996	\$	36,824
Shares of common stock issued upon exercise of stock options		-		60
Shares of common stock issued when sales restrictions on restricted stock units ("RSUs") lapsed and performance-based stock units ("PSUs") were earned		152		189
Common stock retired		(1,640)		(1,731)
Common stock, end of period	\$	33,508	\$	35,342

The above table excludes RSUs and PSUs, which do not have voting rights. As sales restrictions on RSUs lapse and PSUs are earned, we issue common shares with voting rights. As of September 30, 2024, we had a total of 216,617 RSUs and 58,619 PSUs outstanding. The PSU outstanding balance is based on the number of PSUs granted pursuant to the award agreements; however, the actual number of common shares earned could be higher or lower based on actual versus targeted performance. See Note 13 (Share-Based Transactions) for discussion of the PSU award structure.

On November 16, 2023, our Board authorized a share repurchase program for up to \$425.0 million of our outstanding common stock for purchases from November 16, 2023 through December 31, 2024 (the "Share Repurchase Program"). Under the Share Repurchase Program, we repurchased 1,606,227 shares of our common stock in the open market for an aggregate purchase price of \$380.6 million through September 30, 2024. Approximately \$44.4 million remains available for repurchases of our outstanding common stock under the Share Repurchase Program as of September 30, 2024.

(12) Earnings Per Share

The Company has outstanding common stock and equity awards that consist of RSUs and PSUs. All previously remaining outstanding stock options were exercised during the year ended December 31, 2023. The RSUs maintain non-forfeitable dividend rights that result in dividend payment obligations on a one-to-one ratio with common shares for any future dividend declarations.

Unvested RSUs are deemed participating securities for purposes of calculating earnings per share ("EPS") as they maintain dividend rights. We calculate EPS using the two-class method. Under the two-class method, we allocate earnings to common shares and vested RSUs outstanding for the period. Earnings attributable to unvested participating securities, along with the corresponding share counts, are excluded from EPS as reflected in our unaudited condensed consolidated statements of income.

In calculating basic EPS, we deduct from net income any dividends and undistributed earnings allocated to unvested RSUs and then divide the result by the weighted-average number of common shares and vested RSUs outstanding for the period.

We determine the potential dilutive effect of PSUs and stock options outstanding ("contingently-issuable shares") on EPS using the treasury-stock method. Under this method, we determine the proceeds that would be received from the issuance of the contingently-issuable shares if the end of the reporting period were the end of the contingency period. The proceeds from the contingently-issuable shares include the remaining unrecognized compensation expense of the awards and the cash received for the exercise price on stock options. We then use the average market price of our common shares during the period the contingently-issuable shares were outstanding to determine how many shares we could repurchase with the proceeds raised from the issuance of the

contingently-issuable shares. The net incremental share count issued represents the potential dilutive securities. We then reallocate earnings to common shares and vested RSUs by incorporating the increased fully-diluted share count to determine diluted EPS.

The calculation of basic and diluted EPS was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(In thousands, except per-share amounts)</i>			
Basic EPS:				
Numerator (continuing operations):				
Income from continuing operations	\$ 194,737	\$ 157,454	\$ 552,452	\$ 437,413
Income attributable to unvested participating securities	(704)	(662)	(1,872)	(1,880)
Income from continuing operations used in calculating basic EPS	<u>\$ 194,033</u>	<u>\$ 156,792</u>	<u>\$ 550,580</u>	<u>\$ 435,533</u>
Numerator (discontinued operations):				
Loss from discontinued operations	\$ (30,364)	\$ (5,391)	\$ (249,005)	\$ (12,747)
Loss attributable to unvested participating securities	92	19	700	46
Loss from discontinued operations used in calculating basic EPS	<u>\$ (30,272)</u>	<u>\$ (5,372)</u>	<u>\$ (248,305)</u>	<u>\$ (12,701)</u>
Denominator:				
Weighted-average vested shares	33,834	35,760	34,365	36,225
Basic EPS from continuing operations	\$ 5.73	\$ 4.38	\$ 16.02	\$ 12.02
Basic EPS from discontinued operations	(0.89)	(0.15)	(7.22)	(0.35)
Basic EPS	<u>\$ 4.84</u>	<u>\$ 4.23</u>	<u>\$ 8.80</u>	<u>\$ 11.67</u>
Diluted EPS:				
Numerator (continuing operations):				
Income from continuing operations	\$ 194,737	\$ 157,454	\$ 552,452	\$ 437,413
Income attributable to unvested participating securities	(703)	(661)	(1,869)	(1,877)
Income from continuing operations used in calculating diluted EPS	<u>\$ 194,034</u>	<u>\$ 156,793</u>	<u>\$ 550,583</u>	<u>\$ 435,536</u>
Numerator (discontinued operations):				
Loss from discontinued operations	\$ (30,364)	\$ (5,391)	\$ (249,005)	\$ (12,747)
Loss attributable to unvested participating securities	92	19	698	46
Loss from discontinued operations used in calculating diluted EPS	<u>\$ (30,272)</u>	<u>\$ (5,372)</u>	<u>\$ (248,307)</u>	<u>\$ (12,701)</u>
Denominator:				
Weighted-average vested shares	33,834	35,760	34,365	36,225
Dilutive effect of incremental shares to be issued for contingently-issuable shares	57	62	56	77
Weighted-average shares used in calculating diluted EPS	<u>33,891</u>	<u>35,822</u>	<u>34,421</u>	<u>36,302</u>
Diluted EPS from continuing operations	\$ 5.72	\$ 4.38	\$ 16.00	\$ 12.00
Diluted EPS from discontinued operations	(0.89)	(0.15)	(7.22)	(0.35)
Diluted EPS	<u>\$ 4.83</u>	<u>\$ 4.23</u>	<u>\$ 8.78</u>	<u>\$ 11.65</u>

(13) Share-Based Transactions

The Company has outstanding equity awards under the Primerica, Inc. 2020 Omnibus Incentive Plan (the "OIP"), which was approved by the Company's stockholders on May 13, 2020. The OIP provides for the issuance of equity awards, including stock options, stock appreciation rights, restricted stock, deferred stock, RSUs, PSUs, and stock payment awards, as well as cash-based awards. In addition to time-based vesting requirements, awards granted under the OIP may also be subject to specified performance criteria. Under the OIP, the Company issues equity awards to our management (officers and other key employees), non-employees who serve on our Board, and independent sales force leaders. For more information on equity awards granted under the OIP, see Note 15 (Share-Based Transactions) to our consolidated financial statements within our 2023 Annual Report.

In connection with our granting of equity awards to management and members of the Board, we recognize expense over the requisite service period of the equity award. We defer and amortize the fair value of equity awards granted to the sales force in the same manner as other deferred policy acquisition costs for those awards that are an incremental direct cost of successful acquisitions of life insurance policies that result directly from and are essential to the policy acquisition(s) and would not have been incurred had the policy acquisition(s) not occurred. All equity awards granted to the independent sales force that are not directly related to the successful acquisition of life insurance policies are recognized as expense as incurred, which is in the quarter granted and earned.

The impact of equity awards granted under the OIP (inclusive of discontinued operations) are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	<i>(In thousands)</i>			
Equity awards expense recognized	\$ 3,875	\$ 2,035	\$ 19,543	\$ 16,622
Equity awards expense deferred	2,337	1,891	7,170	6,754

On February 16, 2024, the Compensation Committee of our Board granted the following equity awards to employees as part of the annual approval of management incentive compensation:

- 48,998 RSUs awarded to management with a measurement-date fair value of \$244.89 per unit that have time-based vesting requirements with equal and annual graded vesting over approximately three years subsequent to the grant date.

- 15,005 PSUs awarded to our five top executives as of that date with a measurement-date fair value of \$244.89 per unit. The PSUs will be earned on March 1, 2027 contingent upon the Company achieving a targeted annual average three-year return on adjusted equity (“ROAE”) and average EPS growth for the period from January 1, 2024 through December 31, 2026. The actual number of common shares that will be earned will vary based on the actual ROAE and average EPS growth relative to the targeted ROAE and average EPS growth and can range from zero to 22,507 shares.

All awards granted to employees on February 16, 2024 vest upon voluntary termination of employment by any employee who is “retirement eligible” as of his or her termination date. The substantive conditions in order to be retirement eligible require that an employee must be at least 55 years old and his or her age plus years of service with the Company must equal at least 75. The number of PSUs that will ultimately be earned for a retirement eligible employee is equal to the amount calculated using the Company’s actual cumulative three-year ROAE and average EPS growth for the performance period even if that employee retires prior to the completion of such relevant three-year performance period.

(14) Commitments and Contingent Liabilities

The Company is involved from time-to-time in legal disputes, regulatory inquiries and arbitration proceedings in the normal course of business. These disputes are subject to uncertainties, including the large and/or indeterminate amounts sought in certain of these matters and the inherent unpredictability of litigation. As such, the Company is unable to estimate the possible loss or range of loss that may result from these matters.

(15) Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) (“OCI”), including the income tax expense or benefit allocated to each component, were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	(In thousands)			
Foreign currency translation adjustments:				
Change in unrealized foreign currency translation gains (losses) before income taxes	\$ 4,736	\$ (7,016)	\$ (8,536)	\$ 1,010
Income tax expense (benefit) on unrealized foreign currency translation gains (losses)	-	-	-	-
Change in unrealized foreign currency translation gains (losses), net of income taxes	<u>\$ 4,736</u>	<u>\$ (7,016)</u>	<u>\$ (8,536)</u>	<u>\$ 1,010</u>
Unrealized gain (losses) on available-for-sale securities:				
Change in unrealized holding gains (losses) arising during period before income taxes	\$ 106,493	\$ (55,060)	\$ 84,890	\$ (39,694)
Income tax expense (benefit) on unrealized holding gains (losses) arising during period	22,769	(11,704)	18,053	(8,735)
Change in unrealized holding gains (losses) on available-for-sale securities arising during period, net of income taxes	83,724	(43,356)	66,837	(30,959)
Reclassification from accumulated OCI to net income for (gains) losses realized on available-for-sale securities	142	3	(429)	2,817
Income tax (expense) benefit on (gains) losses reclassified from accumulated OCI to net income	30	1	(90)	592
Reclassification from accumulated OCI to net income for (gains) losses realized on available-for-sale securities, net of income taxes	112	2	(339)	2,225
Change in unrealized gains (losses) on available-for-sale securities, net of income taxes and reclassification adjustment	<u>\$ 83,836</u>	<u>\$ (43,354)</u>	<u>\$ 66,498</u>	<u>\$ (28,734)</u>
Effect of change in discount rate assumptions on the LFPB:				
Change in effect in discount rate assumptions on the LFPB before income taxes	\$ (346,794)	\$ 410,460	\$ (40,910)	\$ 314,487
Income tax (expense) benefit on the effect of change in discount rate assumptions on the LFPB from accumulated OCI to net income	(74,112)	88,209	(8,755)	67,268
Change in effect in discount rate assumptions on the LFPB, net of income taxes	<u>\$ (272,682)</u>	<u>\$ 322,251</u>	<u>\$ (32,155)</u>	<u>\$ 247,219</u>

(16) Debt

Notes Payable. As of September 30, 2024, the Company had outstanding \$600.0 million of publicly-traded, senior unsecured notes (the “Senior Notes”), with an annual interest rate of 2.80% that are scheduled to mature on November 19, 2031. As of September 30, 2024, we were in compliance with the covenants of the Senior Notes. No events of default occurred on the Senior Notes during the three and nine months ended September 30, 2024.

Further discussion on the Company’s Senior Notes is included in Note 11 (Debt) to our consolidated financial statements within our 2023 Annual Report.

Surplus Note. As of September 30, 2024, the principal amount outstanding on the Surplus Note issued by Vidalia Re was \$1.3 billion, which is equal to the principal amount of the LLC Note. The principal amounts of the Surplus Note and the LLC Note have reached their peaks and are expected to decrease over time to coincide with the amount of policy reserves being contractually supported under the Vidalia Re Coinsurance Agreement. Both the LLC Note and the Surplus Note mature on December 31, 2030 and bear interest at an annual interest rate of 4.50%. This financing arrangement is non-recourse to the Parent Company and Primerica Life, meaning that neither of these companies has guaranteed the Surplus Note or is otherwise liable for reimbursement for any payments triggered by the LLC Note’s credit enhancement feature. The Parent Company has agreed to support Vidalia Re’s obligation to pay the credit enhancement fee incurred on the LLC Note.

Further discussion on the Company’s LLC Note is included in Note 4 (Investments).

Revolving Credit Facility. We maintain an unsecured \$200.0 million revolving credit facility (“Revolving Credit Facility”) with a syndicate of commercial banks. The Revolving Credit Facility has a scheduled termination date of June 22, 2026. Amounts outstanding under the Revolving Credit Facility are borrowed, at our discretion, on the basis of either a Secured Overnight Financing Rate (“SOFR”) rate loan, or a base rate loan. SOFR rate loans bear interest at a periodic rate equal to one-, three-, or six-month Adjusted Term SOFR, plus an applicable margin. Base rate loans bear interest at the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) one-month Adjusted Term SOFR plus 1.00%, plus an applicable margin. The Revolving Credit Facility also permits the issuance of letters of credit. The applicable margins are based on our debt rating with such margins for SOFR rate loans and letters of credit ranging from 1.000% to 1.625% per annum and for base rate loans ranging from 0.000% to 0.625% per annum. Under the Revolving Credit Facility, we incur a commitment fee that is payable quarterly in arrears and is determined by our debt rating. This commitment fee ranges from 0.100% to 0.225% per annum of the aggregate amount of the \$200.0 million

commitment of the lenders under the Revolving Credit Facility that remains undrawn. During the three and nine months ended September 30, 2024, no amounts were outstanding under the Revolving Credit Facility and we were in compliance with its covenants. Furthermore, no events of default occurred under the Revolving Credit Facility during the three and nine months ended September 30, 2024.

(17) Revenue from Contracts with Customers

Our revenues from contracts with customers primarily include:

- Commissions and fees earned for the marketing and distribution of investment and savings products underwritten by mutual fund companies and annuity providers. For purposes of revenue recognition, mutual fund companies and annuity providers are considered the customers in marketing and distribution arrangements;
- Fees earned for investment advisory and administrative services within our managed investments program and shareholder service fees earned in Canada for mutual funds for which we serve as principal distributor;
- Account-based fees for transfer agent recordkeeping functions and non-bank custodial services;
- Fees associated with mortgage distribution and the distribution of other third-party financial products; and
- Other revenue from the sale of miscellaneous products and services including monthly subscription fees from the independent sales representatives for access to Primerica Online, our primary sales force support tool.

Premiums from insurance contracts we underwrite, fees received from segregated funds insurance contracts, and income earned on our invested assets are excluded from the definition of revenues from contracts with customers in accordance with U.S. GAAP.

Further discussion on the Company's revenues from contracts with customers and revenue recognition policies are included in Note 19 (Revenue from Contracts with Customers) to our consolidated financial statements within our 2023 Annual Report.

The disaggregation of our revenues from contracts with customers were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<i>(In thousands)</i>				
Term Life Insurance segment revenues:				
Other, net	\$ 14,206	\$ 11,908	\$ 39,479	\$ 36,421
Total segment revenues from contracts with customers	14,206	11,908	39,479	36,421
Revenues from sources other than contracts with customers	436,100	416,864	1,278,182	1,225,294
Total Term Life Insurance segment revenues	<u>\$ 450,306</u>	<u>\$ 428,772</u>	<u>\$ 1,317,661</u>	<u>\$ 1,261,715</u>
Investment and Savings Products segment revenues:				
Commissions and fees				
Sales-based revenues	\$ 96,269	\$ 72,996	\$ 286,192	\$ 220,343
Asset-based revenues	128,296	105,681	362,406	303,306
Account-based revenues	24,107	23,344	71,027	69,229
Other, net	3,646	3,145	10,128	9,385
Total segment revenues from contracts with customers	252,318	205,166	729,753	602,263
Revenues from sources other than contracts with customers (segregated funds)	13,755	13,732	40,942	41,346
Total Investment and Savings Products segment revenues	<u>\$ 266,073</u>	<u>\$ 218,898</u>	<u>\$ 770,695</u>	<u>\$ 643,609</u>
Corporate and Other Distributed Products segment revenues:				
Commissions and fees	\$ 9,474	\$ 11,761	\$ 28,472	\$ 30,841
Other, net	1,251	1,328	2,719	3,763
Total segment revenues from contracts with customers	10,725	13,089	31,191	34,604
Revenues from sources other than contracts with customers	47,025	36,737	181,486	102,389
Total Corporate and Other Distributed Products segment revenues	<u>\$ 57,750</u>	<u>\$ 49,826</u>	<u>\$ 212,677</u>	<u>\$ 136,993</u>

Renewal Commissions Receivable. For revenue associated with ongoing renewal commissions in the Corporate and Other Distributed Products segment, we record a renewal commission receivable contract asset for the amount of ongoing renewal commissions we anticipate collecting in reporting periods subsequent to the satisfaction of the performance obligation, less amounts that are constrained, in Other assets in the accompanying unaudited condensed consolidated balance sheets. The renewal commissions receivable is reduced for commissions that are billed and become due receivables from product providers during the reporting period.

Activity in the renewal commissions receivable account was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<i>(In thousands)</i>				
Corporate and Other Distributed Products segment:				
Balance, beginning of period	\$ 59,880	\$ 60,406	\$ 61,372	\$ 60,644
Commissions revenue	4,988	7,877	15,890	19,652
Less: collections	(6,263)	(6,141)	(18,657)	(18,154)
Balance, at the end of period	<u>\$ 58,605</u>	<u>\$ 62,142</u>	<u>\$ 58,605</u>	<u>\$ 62,142</u>

Incremental costs to obtain or fulfill contracts, most notably sales commissions to the sales representatives, are not incurred prior to the recognition of the related revenue. Therefore, we have no assets recognized for incremental costs to obtain or fulfill contracts.

(18) Income Taxes

Effective tax rate reconciliation. Total income tax expense from continuing operations is different from the amount determined by multiplying income from continuing operations before income taxes by the U.S. statutory federal tax rate of 21% for the three and nine months ended September 30, 2024 and 2023. The reconciliation for such difference follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
U.S. Federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %
Valuation allowance against state net operating losses ⁽¹⁾	— %	— %	1.5 %	— %
Gain on insurance proceeds	— %	— %	(1.5)%	— %
Other permanent items	2.5 %	2.7 %	2.3 %	2.5 %
Effective tax rate	<u>23.5 %</u>	<u>23.7 %</u>	<u>23.3 %</u>	<u>23.5 %</u>

⁽¹⁾U.S. GAAP requires a change in a valuation allowance resulting from the change in judgment about the realizability of a deferred tax asset to be presented in income tax expense from continuing operations. In the second quarter of 2024, the Company recorded a valuation allowance of \$11.1 million related to e-TeleQuote state net operating losses because management determined as of June 30, 2024 that it was more-likely-than-not that those deferred tax assets would not be realized.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to inform the reader about matters affecting the financial condition and results of operations of Primerica, Inc. (the "Parent Company") and its subsidiaries (collectively, "we", "us" or the "Company") for the period from December 31, 2023 to September 30, 2024. As a result, the following discussion should be read in conjunction with MD&A and the consolidated financial statements and notes thereto that are included in our Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Annual Report"). This discussion contains forward-looking statements that constitute our plans, estimates and beliefs. These forward-looking statements involve numerous risks and uncertainties, including, but not limited to, those discussed under the heading "Risk Factors" in the 2023 Annual Report and in Item 1A of this Report. Actual results may differ materially from those contained in any forward-looking statements.

This MD&A is divided into the following sections:

- Business Overview
- Business Trends and Conditions
- Factors Affecting Our Results
- Critical Accounting Estimates
- Results of Operations
- Financial Condition
- Liquidity and Capital Resources

Business Overview

We are a leading provider of financial products and services to middle-income households in the United States and Canada primarily through a network of independent contractor sales representatives ("independent sales representatives" or "independent sales force"). We assist our clients in meeting their needs for term life insurance, which we underwrite, and mutual funds, annuities, managed investments, and other financial products, which we distribute primarily on behalf of third parties. We have two primary operating segments, Term Life Insurance and Investment and Savings Products, and a third segment, Corporate and Other Distributed Products.

The Company previously reported a Senior Health segment, which consisted of e-TeleQuote Insurance, Inc. and subsidiaries, a marketer of Medicare-related insurance products underwritten by third-party health insurance carriers to eligible Medicare beneficiaries (the "Senior Health business") that was disposed of as of September 30, 2024, and is now reported in discontinued operations for all periods presented. Refer to Note 2 (Discontinued Operations) to our unaudited condensed consolidated financial statements included elsewhere in this report for further details.

Term Life Insurance. We distribute the term life insurance products that we underwrite through our three issuing life insurance company subsidiaries: Primerica Life Insurance Company ("Primerica Life"), National Benefit Life Insurance Company ("NBLIC"), and Primerica Life Insurance Company of Canada ("Primerica Life Canada"). Policies remain in-force until the expiration of the coverage period or until the policyholder ceases to make premium payments. Our in-force term life insurance policies have level premiums for the stated term period. As such, the policyholder pays the same amount each year. Initial policy term periods are between 10 and 35 years. While premiums typically remain level during the initial term period, our claim obligations generally increase as our policyholders age. In addition, we incur significant up-front costs in acquiring new insurance business.

Investment and Savings Products. In the United States, we distribute mutual funds, managed investments, variable annuity, and fixed annuity products of several third-party companies. We provide investment advisory and administrative services for client assets invested in our managed investments program. We also perform distinct transfer agent recordkeeping services and non-bank custodial services for investors purchasing certain mutual funds we distribute. In Canada, we offer mutual funds of other companies and segregated funds, which are underwritten by Primerica Life Canada.

Corporate and Other Distributed Products. The Corporate and Other Distributed Products segment consists primarily of revenues and expenses related to other distributed products, including closed blocks of various insurance products underwritten by NBLIC, prepaid legal services, mortgage originations, and other financial products. These products, except for closed blocks of various insurance products underwritten by NBLIC, are distributed pursuant to distribution arrangements with third-party companies through the independent sales force. Net investment income earned on cash, cash equivalents, and our invested asset portfolio is recorded in the Corporate and Other Distributed Products segment. Interest expense incurred by the Company is attributed to the Corporate and Other Distributed Products segment.

Business Trends and Conditions

The relative strength and stability of the financial markets and economies in the United States and Canada affect our growth and profitability. Our business is, and we expect will continue to be, influenced by a number of industry-wide and product-specific trends

and conditions. Economic conditions, including unemployment levels and consumer confidence, influence investment and spending decisions by middle-income consumers, who are generally our primary clients. These conditions and factors also impact prospective recruits' perceptions of the business opportunity that becoming an independent sales representative offers, which can drive or dampen recruiting. Consumer spending and borrowing levels affect how consumers evaluate their savings and debt management plans. In addition, equity market returns and interest rates impact consumer demand for the investment and savings products we distribute. Our customers' perception of the strength of the capital markets may also influence their decisions to invest in the investment and savings products we distribute.

The financial and distribution results of our operations in Canada, as reported in U.S. dollars, are affected by changes in the currency exchange rate. As a result, changes in the Canadian dollar exchange rate may significantly affect the results of our business for all amounts translated and reported in U.S. dollars.

Volatility in capital markets in recent periods has continued to impact our business. Strong equity market performance has influenced product sales and client asset values that drive revenue in the Investment and Savings Products segment. In addition, the sharp rise in market interest rates during 2022 has largely driven the unrealized losses that have accumulated in our investment portfolio. We have not recognized losses caused by interest rate volatility in the income statement for securities where we have no present intention to dispose of them and we have the ability to hold these investments until maturity or a market price recovery. Elevated interest rates have also led to increases in net investment income as we are able to earn higher returns on our new debt securities purchases and cash balances.

Significant inflation that followed the peak of the COVID-19 pandemic has led to an elevated cost of living for middle-income families. We believe that the higher cost of living has adversely impacted persistency for term life insurance policies. While the rate of inflation has been normalizing from its peak in 2022, lapses of term life insurance policies have remained above long-term historical levels. The continuation of the elevated cost of living could adversely impact demand for our products.

The effects of these trends and conditions on our quarterly results are discussed below in the Results of Operations and Financial Condition sections.

Size of the Independent Sales Force.

Our ability to increase the size of the independent sales force ("independent sales representatives" or "independent sales force") is largely based on the success of the independent sales force's recruiting efforts as well as training and motivating recruits to get licensed to sell life insurance. We believe that recruitment and licensing levels are important to independent sales force trends, and growth in recruiting and licensing is usually indicative of future growth in the overall size of the independent sales force. Recruiting changes do not always result in commensurate changes in the size of the licensed independent sales force because new recruits may obtain the requisite licenses at rates above or below historical levels.

Details on recruiting and life-licensed independent sales representative activity were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
New recruits	142,655	92,269	349,928	271,933
New life-licensed independent sales representatives	14,349	12,311	41,700	36,067

The number of new recruits increased during the three and nine months ended September 30, 2024 compared to the same periods in 2023. The year-over-year increase was primarily driven by the momentum following our biennial convention held in July 2024 and special recruiting incentives that were offered in connection with the convention. Approximately 81,000 individuals were recruited while the special incentives were in place. In addition, positive sentiment regarding interest in our business opportunity along with the demand for supplemental income likely contributed to the increase in recruiting.

New life-licensed independent sales representatives increased during the three and nine months ended September 30, 2024 compared to the same periods in 2023 as the pipeline of recruits has increased year-over-year.

The size of the life-licensed independent sales force was as follows:

	September 30, 2024	September 30, 2023
Life-licensed independent sales representatives, at period end	148,890	139,053

The increased number of life-licensed independent sales representatives as of September 30, 2024 reflects the strong recruiting and licensing activity discussed above.

Term Life Insurance Product Sales and Face Amount In-Force.

The average number of life-licensed independent sales representatives and the number of term life insurance policies issued, as well as the average monthly rate of new policies issued per life-licensed independent sales representative (historically between 0.20 and 0.24), were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Average number of life-licensed independent sales representatives	147,128	138,388	144,455	136,912
Number of new policies issued	93,377	88,589	280,732	270,103
Average monthly rate of new policies issued per life-licensed independent sales representative	0.21	0.21	0.22	0.22

The average number of life-licensed independent sales representatives increased for the three and nine months ended September 30, 2024 from the same periods in 2023 as a result of strong recruiting and licensing activity that drove growth in the size of the independent sales force as discussed above.

New policies issued during the three and nine months ended September 30, 2024 increased compared to the same periods in 2023 primarily due to year-over-year growth in the number of life-licensed independent sales representatives.

Productivity in the three and nine months ended September 30, 2024 and 2023, measured by the average monthly rate of new policies issued per life-licensed independent sales representative, was in line with our historical range.

The changes in the face amount of our in-force book of term life insurance policies were as follows:

	Three months ended September 30,				Nine months ended September 30,			
	2024	% of beginning balance	2023	% of beginning balance	2024	% of beginning balance	2023	% of beginning balance
	<i>(Dollars in millions)</i>							
Face amount in-force, beginning of period	\$ 950,880		\$ 934,867		\$ 944,609		\$ 916,808	
Net change in face amount:								
Issued face amount	30,793	3 %	29,452	3 %	92,673	10 %	89,779	10 %
Terminations	(25,264)	(3)%	(24,143)	(3)%	(76,827)	(8)%	(68,936)	(8)%
Foreign currency	1,402	*	(2,320)	*	(2,644)	*	205	*
Net change in face amount	6,931	*	2,989	*	13,202	1 %	21,048	2 %
Face amount in-force, end of period	<u>\$ 957,811</u>		<u>\$ 937,856</u>		<u>\$ 957,811</u>		<u>\$ 937,856</u>	

* Less than 1%.

The face amount of term life insurance policies in-force increased for the three and nine months ended September 30, 2024 as the face amount issued continued to exceed the face amount terminated. Issued face amount during the three and nine months ended September 30, 2024 increased due to the increase in the number of new policies issued as discussed above. Policy terminations increased year-over-year but were consistent when measured as a percentage of beginning face amount in-force. Policy terminations were elevated in all periods with the high cost of living a likely key contributing factor.

Investment and Savings Product Sales, Asset Values and Accounts/Positions.

Investment and savings product sales were as follows:

	Three months ended September 30,		Change		Nine months ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
	<i>(Dollars in millions)</i>							
Product sales:								
U.S. retail mutual funds	\$ 1,163	\$ 957	\$ 206	21 %	\$ 3,553	\$ 2,928	\$ 625	21 %
Canada retail mutual funds - with up-front sales commissions	146	110	36	33 %	473	366	107	29 %
Annuities and other	981	702	279	40 %	2,857	2,077	780	38 %
Total sales-based revenue generating product sales	2,290	1,769	521	29 %	6,883	5,371	1,512	28 %
Managed investments	412	236	176	75 %	1,239	859	380	44 %
Canada retail mutual funds - no up-front sales commissions	189	152	37	25 %	584	529	55	10 %
Segregated funds	14	17	(3)	(18)%	52	97	(45)	(47)%
Total product sales	<u>\$ 2,905</u>	<u>\$ 2,174</u>	<u>\$ 731</u>	34 %	<u>\$ 8,758</u>	<u>\$ 6,856</u>	<u>\$ 1,902</u>	28 %

The rollforward of asset values in client accounts were as follows:

	Three months ended September 30,				Nine months ended September 30,			
	2024	% of beginning balance	2023	% of beginning balance	2024	% of beginning balance	2023	% of beginning balance
Asset values, beginning of period	\$ 105,112		\$ 91,646		\$ 96,735		\$ 83,949	
Net change in asset values:								
Inflows	2,905	3 %	2,174	2 %	8,758	9 %	6,856	8 %
Redemptions	(2,461)	(2)%	(1,982)	(2)%	(7,617)	(8)%	(5,479)	(7)%
Net flows	444	*	192	*	1,141	1%	1,377	2%
Change in fair value, net	5,488	5%	(3,094)	(3)%	13,723	14%	3,088	4%
Foreign currency, net	203	*	(303)	*	(352)	*	27	*
Net change in asset values	6,135	6%	(3,205)	(3)%	14,512	15%	4,492	5%
Asset values, end of period	<u>\$ 111,247</u>		<u>\$ 88,441</u>		<u>\$ 111,247</u>		<u>\$ 88,441</u>	

* Less than 1%.

Average client asset values were as follows:

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	Change \$	Change %	2024	2023	Change \$	Change %
Average client asset values:								
U.S. retail mutual funds	\$ 52,721	\$ 44,748	\$ 7,973	18 %	\$ 50,765	\$ 43,357	\$ 7,408	17 %
Canada retail mutual funds	13,959	11,817	2,142	18 %	13,356	\$ 11,576	1,780	15 %
Annuities and other	28,921	24,792	4,129	17 %	27,647	24,116	3,531	15 %
Managed investments	10,216	7,850	2,366	30 %	9,466	7,600	1,866	25 %
Segregated funds	2,334	2,298	36	2 %	2,315	2,317	(2)	*
Total average client asset values	<u>\$ 108,151</u>	<u>\$ 91,505</u>	<u>\$ 16,646</u>	<u>18 %</u>	<u>\$ 103,549</u>	<u>\$ 88,966</u>	<u>\$ 14,583</u>	<u>16 %</u>

* Less than 1%.

Average number of fee-generating positions were as follows:

	Three months ended September 30,		Change		Nine months ended September 30,		Change	
	2024	2023	Positions	%	2024	2023	Positions	%
Average number of fee-generating positions ⁽¹⁾								
Recordkeeping and custodial	2,393	2,342	51	2 %	2,377	2,330	47	2 %
Recordkeeping only	865	839	26	3 %	857	834	23	3 %
Total average number of fee-generating positions	<u>3,258</u>	<u>3,181</u>	<u>77</u>	<u>2 %</u>	<u>3,234</u>	<u>3,164</u>	<u>70</u>	<u>2 %</u>

(1) We receive transfer agent recordkeeping fees by mutual fund positions. An individual client account may include multiple mutual fund positions. We may also receive fees, which are earned on a per account basis, for custodial services that we provide to clients with retirement plan accounts that hold positions in these mutual funds.

Changes in Investment and Savings Product Sales, Asset Values and Accounts/Positions During the Three Months Ended September 30, 2024

Product sales. Investment and savings product sales increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily due to our ability to leverage increased demand across all product lines except for Canadian segregated funds. The increase in demand was driven by strong equity market performance in the period leading up to and including the first nine months of 2024. In particular, variable annuity product sales continued to lead the growth in sales as the guarantees offered by these products have become more appealing to investors given strong equity market performance and elevated interest rates. The increase in product sales for managed investments was also impacted by a favorable comparison to the prior year. Sales during the third quarter of 2023 were temporarily disrupted by the transition of our managed accounts platform to a different third-party clearing broker. Marginally offsetting the increase in product sales were lower year-over-year sales of Canadian segregated funds as sales of investments in new Canadian segregated funds accounts have effectively been discontinued after May 2023 due to new regulations in Canada. Refer to the MD&A section of the 2023 Annual Report for more information on regulations impacting Canadian segregated funds.

Rollforward of client asset values. Ending client asset values increased during the three months ended September 30, 2024 and decreased during the three months ended September 30, 2023 primarily due to the difference in market performance during each respective period.

Average client asset values. Average client asset values were higher for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 driven by the cumulative effect of market increases and net client inflows.

Average number of fee-generating positions. The average number of fee-generating positions was higher during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily due to the cumulative effect of retail mutual fund sales in recent periods that led to an increase in the number of retail mutual fund positions serviced on our transfer agent recordkeeping platform.

Changes in Investment and Savings Product Sales, Asset Values and Accounts/Positions During the Nine Months Ended September 30, 2024

Product sales. Investment and savings product sales increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 primarily due to the same factors as described in the three month comparison.

Rollforward of client asset values. Ending client asset values increased during the nine months ended September 30, 2024 and the nine months ended September 30, 2023 primarily due to market performance during each respective period.

Average client asset values. Average client asset values was higher for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. The increase was due to the same factors as described in the three month comparison.

Average number of fee-generating positions. The average number of fee-generating positions was higher during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 primarily due to the same factors as described in the three month comparison.

Regulatory Changes.

Fiduciary standards for investment recommendations. In April 2024, the DOL issued a fiduciary rule package (“DOL Fiduciary Package”) that revises the fiduciary definition and amends certain prohibited transaction exemptions relied on by fiduciaries subject to the Employee Retirement Income Security Act of 1974 for the receipt of compensation. Since its release, multiple litigants have challenged the DOL Fiduciary Package and its effective date has been stayed by the courts pending final resolution of the litigation. We will not make substantial adjustments to our Investment and Savings Products business operations in response to this rule.

Restrictions on compensation models in Canada. In response to regulatory changes in Canada by the Canadian Securities Administrators (“CSA,” the provincial and territorial securities commissions), we developed a set of mutual fund products with two third-party mutual fund companies that are sold exclusively by our independent sales representatives (the “Principal Distributor funds”). The revenue we receive is primarily in the form of asset-based distribution fees from the mutual fund companies and asset-based service fees that are charged to investors. In turn, the primary compensation we offer independent sales representatives is the option of an up-front sales commission or higher asset-based commissions over time. Although we received the requisite approval, the CSA, as they indicated to us at the outset, is closely examining the model, and we expect there will be a public consultation on related sales practices, and may require undertakings or consider future amendments that would require modifications to the model, including with respect to its up-front commission features. At this time, we cannot quantify the financial impact, if any, of future changes to our business that may be necessary if our Principal Distributor funds model is required to be modified or discontinued.

Factors Affecting Our Results

Term Life Insurance Segment. The Term Life Insurance segment results are primarily driven by sales volumes, how closely actual experience matches our pricing assumptions, terms and use of reinsurance, and expenses.

Sales and policies in-force. Sales of term policies and the size and characteristics of our in-force book of policies are vital to our results over the long term. Premium revenue is recognized as it is earned over the term of the policy. However, because we incur significant cash outflows at or about the time policies are issued, including the payment of sales commissions and underwriting costs, changes in life insurance sales volume in a period will have a more immediate impact on our cash flows than on revenue.

Historically, we have found that while sales volume of term life insurance products between fiscal periods may vary based on a variety of factors, the productivity of sales representatives generally remains within a range (i.e., an average monthly rate of new policies issued per life-licensed independent sales representative between 0.20 and 0.24). The volume of term life insurance products sales will fluctuate in the short term, but over the longer term, our sales volume generally correlates to the size of the independent sales force.

Actuarial assumptions. The actuarial assumptions that underlie our reserves are based upon our best estimates of mortality, persistency, disability, and interest rates. Our results will be affected to the extent there is a variance between our actuarial assumptions and actual experience. These variances will be reflected in our financial results by unlocking assumptions and cash flows underlying the liability for future policy benefits (“LFPB”) and ceded reserves that are part of the reinsurance recoverables. See Note 10 (Future Policy Benefits) to our unaudited condensed consolidated financial statements included elsewhere in this report for more

information on LFPB. The variances are also reflected in the projection of future face amount that is the basis for amortizing deferred policy acquisition costs (“DAC”).

- **Persistency.** Persistency is a measure of how long our insurance policies stay in-force. As a general matter, persistency that is lower than our actuarial assumptions adversely affects our results over the long term because we lose the recurring revenue stream associated with the policies that lapse. In general, persistency differences have a minimal impact on our financial results from period to period since DAC is generally amortized on a straight-line basis and the unlocking of the LFPB adjusts both expected net premiums and expected future policy benefits and spreads any variances over the remaining contract period.
- **Mortality.** Our profitability will fluctuate to the extent actual mortality rates differ from actuarial assumptions. We mitigate a significant portion of our mortality exposure through reinsurance. Long term mortality variances that result in an assumption change may have a significant impact on our financial results.
- **Disability.** Our profitability will fluctuate to the extent actual disability rates underlying our waiver of premium benefits, including recovery rates for individuals currently disabled, differ from actuarial assumptions. The waiver of premium benefit is secondary to the death benefit coverage provided. However, the waiver of premium benefit is not reinsured on a yearly renewable term (“YRT”) basis and material changes in assumptions compared to expectations can have a disproportionate impact on our financial results.
- **Interest Rates.** We use a locked-in assumption for future interest rates for reserves underlying our segment results. Policies issued prior to the January 1, 2021 transition date of the Company's adoption of Accounting Standards Update No. 2018-12, *Financial Services—Insurance (Topic 944) — Targeted Improvements to the Accounting for Long-Duration Contracts* (the “Transition Date”) use an interest rate that reflects the portfolio’s current reinvestment rate while policies issued on or after the Transition Date use an upper-medium grade fixed income instrument yield during the period of issue.

Reinsurance. We use reinsurance extensively, which has a significant effect on our results of operations. We have generally reinsured between 80% and 90% of the mortality risk on term life insurance (excluding coverage under certain riders) on a quota share YRT basis. To the extent actual mortality experience is more or less favorable than the contractual rate, the reinsurer will earn incremental profits or bear the incremental cost, as applicable. In contrast to coinsurance, which is intended to eliminate all risks (other than counterparty risk of the reinsurer) and rewards associated with a specified percentage of the block of policies subject to the reinsurance arrangement, the YRT reinsurance arrangements we enter into are intended only to reduce volatility associated with variances between estimated and actual mortality rates.

In 2010, as part of our corporate reorganization and the initial public offering of our common stock, we entered into significant coinsurance transactions (the “IPO coinsurance transactions”) with entities then affiliated with Citigroup, Inc. (collectively, the “IPO coinsurers”) and ceded between 80% and 90% of the risks and rewards of term life insurance policies that were in-force at year-end 2009. We administer all such policies subject to these coinsurance agreements. Policies reaching the end of their initial level term period are no longer ceded under the IPO coinsurance transactions.

The effect of our reinsurance arrangements on ceded premiums and benefits and expenses on our statements of income follows:

- **Ceded premiums.** Ceded premiums are the premiums we pay to reinsurers. These amounts are deducted from the direct premiums we earn to calculate our net premium revenues. Similar to direct premium revenues, ceded coinsurance premiums remain level over the initial term of the insurance policy. Ceded YRT premiums increase over the period that the policy has been in-force. Accordingly, ceded YRT premiums generally constitute an increasing percentage of direct premiums over the policy term.
- **Benefits and claims.** Benefits and claims include incurred claim amounts and changes in future policy benefit reserves. Reinsurance reduces incurred claims in direct proportion to the percentage ceded and reinsurance cash flows are reflected in the ceded reserves included in reinsurance recoverables. Changes in ceded reserves offset changes in future policy benefit reserves.
- **Insurance expenses.** Insurance expenses are reduced by the allowances received from coinsurance. There is no impact on insurance expenses associated with our YRT contracts.

We may alter our reinsurance practices at any time due to the unavailability of YRT reinsurance at attractive rates or the availability of alternatives to reduce our risk exposure. We intend to continue ceding approximately 90% of our U.S. and Canadian mortality risk on new business.

Expenses. Results are also affected by variances in client acquisition, maintenance and administration expense levels.

Investment and Savings Products Segment. The Investment and Savings Products segment results are primarily driven by sales, the value of assets in client accounts for which we earn ongoing management, marketing and support, and distribution fees, and the number of transfer agent recordkeeping positions and non-bank custodial fee-generating accounts we administer.

Sales. We earn commissions and fees, such as dealer re-allowances and marketing and distribution fees, based on sales of mutual fund products and annuities in the United States and sales of certain mutual fund products in Canada. Sales of investment and savings products are influenced by the overall demand for investment products in the United States and Canada, as well as by the size and productivity of the independent sales force. We generally experience seasonality in the Investment and Savings Products segment results due to our high concentration of sales of retirement account products. These accounts are typically funded in February through April, coincident with our clients' tax return preparation season. While we believe the size of the independent sales force is a factor in driving sales volume in this segment, there are a number of other variables, such as economic and market conditions, which may have a significantly greater effect on sales volume in any given fiscal period.

Asset values in client accounts. We earn marketing and distribution fees (trail commissions or, with respect to U.S. mutual funds, 12b-1 fees) on mutual fund and annuity assets in the United States and Canada. In the United States, we also earn investment advisory and administrative fees on assets in managed investments. In Canada, we earn marketing, distribution, and shareholder services fees on mutual fund assets for which we serve as the principal distributor and management fees on the segregated funds for which we serve as investment manager. Asset values are influenced by new product sales, ongoing contributions to existing accounts, redemptions and the change in market values in existing accounts. While we offer a wide variety of asset classes and investment styles, our clients' accounts are primarily invested in equity funds. Volatility in equity markets will impact the value of assets in client accounts and, as a result, the revenue we earn on those assets.

Positions. We earn transfer agent recordkeeping fees for administrative functions we perform on behalf of several of our mutual fund providers. An individual client account may include multiple fund positions for which we earn transfer agent recordkeeping fees. We may also receive fees earned for non-bank custodial services that we provide to clients with retirement plan accounts.

Sales mix. While our investment and savings products all provide similar long-term economic returns to the Company, our results in a given fiscal period will be affected by changes in the overall mix of products within these categories. Examples of changes in the sales mix that influence our results include the following:

- sales of annuity products in the United States will generate higher revenues in the period such sales occur than sales of other investment products that either generate lower up-front revenues or, in the case of managed investments and segregated funds, no up-front revenues;
- sales of a higher proportion of managed investments, Canadian mutual funds, and segregated funds products will spread the revenues generated over time because we earn higher revenues based on assets under management for these accounts each period as opposed to earning up-front revenues based on product sales; and
- sales of a higher proportion of mutual fund products sold in the United States will impact the timing and amount of revenue we earn given the distinct transfer agent recordkeeping and non-bank custodial services we provide for certain mutual fund products we distribute.

Corporate and Other Distributed Products Segment. We earn revenues and pay commissions and referral fees within the Corporate and Other Distributed Products segment for mortgage loan originations, prepaid legal services, auto and homeowners' insurance referrals, and other financial products, all of which are originated by third parties. The Corporate and Other Distributed Products segment also includes in-force policies from several discontinued lines of insurance underwritten by NBLIC.

The Corporate and Other Distributed Products segment includes net investment income recognized by the Company. Net investment income is impacted by the size and performance of our invested asset portfolio, which can be influenced by interest rates, credit spreads, and the mix of invested assets. Net investment income also is influenced by short-term interest rates and the amount of cash and cash equivalents on hand.

The Corporate and Other Distributed Products segment also includes corporate income and expenses not allocated to our other segments, general and administrative expenses (other than expenses that are allocated to the Term Life Insurance and Investment and Savings Products segments), interest expense on notes payable, a redundant reserve financing transaction and our revolving credit facility ("Revolving Credit Facility"), as well as realized gains and losses on our invested asset portfolio.

Capital Structure. Our financial results are affected by our capital structure, which includes our senior unsecured notes (the "Senior Notes"), a redundant reserve financing transaction, our Revolving Credit Facility, and our common stock. See Note 11 (Stockholders' Equity), Note 14 (Commitments and Contingent Liabilities), and Note 16 (Debt) to our unaudited condensed consolidated financial statements included elsewhere in this report for more information on changes in our capital structure.

Foreign Currency. The Canadian dollar is the functional currency for our Canadian subsidiaries and our consolidated financial results, reported in U.S. dollars, are affected by changes in the currency exchange rate. As such, the translated amount of revenues, expenses, assets and liabilities attributable to our Canadian subsidiaries will be higher or lower in periods where the Canadian dollar appreciates or weakens relative to the U.S. dollar, respectively. See Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Canadian Currency Risk included in our 2023 Annual Report and Note 3 (Segment and Geographical Information) to our

unaudited condensed consolidated financial statements included elsewhere in this report for more information on our Canadian subsidiaries and the impact of foreign currency on our financial results.

Critical Accounting Estimates

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). These principles are established primarily by the Financial Accounting Standards Board. The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions based on currently available information when recording transactions resulting from business operations. Our significant accounting policies are described in Note 1 (Description of Business, Basis of Presentation, and Summary of Significant Accounting Policies) to our consolidated financial statements included in our 2023 Annual Report. The most significant items in our unaudited condensed consolidated balance sheets are based on fair value determinations, accounting estimates and actuarial determinations, which are susceptible to changes in future periods and could affect our results of operations and financial position.

The estimates that we deem to be most critical to an understanding of our results of operations and financial position are those related to DAC, future policy benefit reserves and corresponding amounts recoverable from reinsurers, income taxes, and the valuation of investments. The preparation and evaluation of these critical accounting estimates involve the use of various assumptions developed from management’s analyses and judgments. Subsequent experience or use of other assumptions could produce significantly different results.

Results of Operations

Primerica, Inc. and Subsidiaries Results. Our results of operations were as follows:

	Three months ended September 30,		Change		Nine months ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
<i>(Dollars in thousands)</i>								
Revenues:								
Direct premiums	\$ 852,452	\$ 831,681	\$ 20,771	2 %	\$ 2,538,856	\$ 2,477,850	\$ 61,006	2 %
Ceded premiums	(412,645)	(411,015)	1,630	*	(1,249,970)	(1,241,629)	8,341	*
Net premiums	439,807	420,666	19,141	5 %	1,288,886	1,236,221	52,665	4 %
Commissions and fees	271,901	227,514	44,387	20 %	789,039	665,065	123,974	19 %
Investment income net of investment expenses	57,017	51,036	5,981	12 %	164,719	147,540	17,179	12 %
Interest expense on surplus note	(15,908)	(16,306)	(398)	(2) %	(47,352)	(49,348)	(1,996)	(4) %
Net investment income	41,109	34,730	6,379	18 %	117,367	98,192	19,175	20 %
Realized investment gains (losses)	311	(3)	314	*	882	(650)	1,532	*
Other investment gains (losses)	1,898	(1,792)	3,690	*	2,533	(6,080)	8,613	*
Investment gains (losses)	2,209	(1,795)	4,004	*	3,415	(6,730)	10,145	*
Other, net	19,103	16,381	2,722	17 %	102,326	49,569	52,757	106 %
Total revenues	774,129	697,496	76,633	11 %	2,301,033	2,042,317	258,716	13 %
Benefits and expenses:								
Benefits and claims	164,363	162,062	2,301	1 %	480,714	474,240	6,474	1 %
Future policy benefits remeasurement (gain) loss	(23,019)	179	(23,198)	*	(27,294)	(1,129)	(26,165)	*
Amortization of DAC	75,539	69,405	6,134	9 %	221,231	205,438	15,793	8 %
Sales commissions	142,254	116,200	26,054	22 %	415,546	340,697	74,849	22 %
Insurance expenses	63,529	57,821	5,708	10 %	189,363	178,039	11,324	6 %
Insurance commissions	7,180	7,911	(731)	(9) %	24,213	25,192	(979)	(4) %
Interest expense	6,093	6,632	(539)	(8) %	18,964	20,008	(1,044)	(5) %
Other operating expenses	83,612	70,902	12,710	18 %	257,561	227,816	29,745	13 %
Total benefits and expenses	519,551	491,112	28,439	6 %	1,580,298	1,470,301	109,997	7 %
Income from continuing operations before income taxes	254,578	206,384	48,194	23 %	720,735	572,016	148,719	26 %
Income taxes	59,841	48,930	10,911	22 %	168,283	134,603	33,680	25 %
Income from continuing operations	194,737	157,454	37,283	24 %	552,452	437,413	115,039	26 %
Loss from discontinued operations, net of income taxes	(30,364)	(5,391)	24,973	*	(249,005)	(12,747)	236,258	*
Net income	\$ 164,373	\$ 152,063	\$ 12,310	8 %	\$ 303,447	\$ 424,666	\$ (121,219)	(29) %

* Less than 1% or not meaningful.

Results for the Three Months Ended September 30, 2024

Total revenues. Total revenues increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily due to increases in commissions and fees earned in our Investment and Savings Products segment, net

premiums earned in our Term Life Insurance segment, and net investment income and investment gains earned in our Corporate and Other Distributed Products segment. These movements are further discussed in detail in the Segment Results sections below.

Total benefits and expenses. Total benefits and expenses increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 largely due to higher sales commissions in our Investment and Savings Products segment, and higher insurance expenses and other operating expenses. Insurance expenses and other operating expenses were higher in the three months ended September 30, 2024 due to higher variable growth-related costs, infrastructure technology investments, and employee-related costs, which includes higher incentive compensation given current year results. Also contributing to the year-over-year increase are higher benefits and claims and amortization of DAC in our Term Life Insurance segment. Partially offsetting these increases was a future policy benefits remeasurement gain compared to a small remeasurement loss in the comparative period. These movements are discussed in further detail in the Segment Results section below.

Income taxes. Our effective income tax rate from continuing operations of 23.5% for the three months ended September 30, 2024 was largely consistent compared to 23.7% for the three months ended September 30, 2023. Refer to Note 18 (Income Taxes) to our unaudited condensed consolidated financial statements included elsewhere in this report for a comparison of the year-over-year effective income tax rate.

Loss from discontinued operations, net of income taxes. Loss from discontinued operations, net of income taxes relates to the Senior Health business, which was disposed of as of September 30, 2024 and is reported in discontinued operations for all periods presented. Refer to Note 2 (Discontinued Operations) to our unaudited condensed consolidated financial statements included elsewhere in this report for further details.

For additional information, see the Segment Results discussions below.

Results for the Nine Months Ended September 30, 2024

Total revenues. Total revenues increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 primarily due to the same factors as described in the three month comparison as well as a \$50.0 million gain recognized within other, net revenue in our Corporate and Other Distributed Products segment related to payments received under a Representation and Warranty insurance policy in the second quarter of 2024.

Total benefits and expenses. Total benefits and expenses increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 primarily due to the same factors as described in the three month comparison.

Income taxes. Our effective income tax rate from continuing operations of 23.3% for the nine months ended September 30, 2024 was largely consistent compared to 23.5% for the nine months ended September 30, 2023. Refer to Note 18 (Income Taxes) to our unaudited condensed consolidated financial statements included elsewhere in this report for a comparison of the year-over-year effective income tax rate.

Loss from discontinued operations, net of income taxes. Loss from discontinued operations, net of income taxes relates to the Senior Health business, which was disposed of as of September 30, 2024 and is reported in discontinued operations for all periods presented. Refer to Note 2 (Discontinued Operations) to our unaudited condensed consolidated financial statements included elsewhere in this report for further details.

For additional information, see the Segment Results discussions below.

Segment Results

Term Life Insurance Segment. Our results for the Term Life Insurance segment were as follows:

	Three months ended September 30,		Change		Nine months ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
<i>(Dollars in thousands)</i>								
Revenues:								
Direct premiums	\$ 847,626	\$ 826,665	\$ 20,961	3 %	\$ 2,524,615	\$ 2,462,842	\$ 61,773	3 %
Ceded premiums	(411,526)	(409,801)	1,725	*	(1,246,433)	(1,237,548)	8,885	*
Net premiums	436,100	416,864	19,236	5 %	1,278,182	1,225,294	52,888	4 %
Other, net	14,206	11,908	2,298	19 %	39,479	36,421	3,058	8 %
Total revenues	450,306	428,772	21,534	5 %	1,317,661	1,261,715	55,946	4 %
Benefits and expenses:								
Benefits and claims	160,652	158,508	2,144	1 %	470,766	461,303	9,463	2 %
Future policy benefits remeasurement (gain) loss	(28,203)	251	(28,454)	*	(32,802)	(26)	(32,776)	*
Amortization of DAC	73,698	67,720	5,978	9 %	216,105	199,792	16,313	8 %
Insurance expenses	62,395	56,698	5,697	10 %	185,849	174,310	11,539	7 %
Insurance commissions	3,410	4,373	(963)	(22)%	13,242	14,459	(1,217)	(8)%
Total benefits and expenses	271,952	287,550	(15,598)	(5)%	853,160	849,838	3,322	*
Income from continuing operations before income taxes	\$ 178,354	\$ 141,222	\$ 37,132	26 %	\$ 464,501	\$ 411,877	\$ 52,624	13 %

* Less than 1% or not meaningful.

Results for the Three Months Ended September 30, 2024

Net premiums. Direct premiums increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 largely due to the layering effect of new policy sales that contributed to growth in the in-force book of business. This increase was partially offset by an increase in ceded premiums, which includes \$6.2 million in higher non-level YRT reinsurance ceded premiums as business not subject to the IPO coinsurance transactions ages, reduced by \$4.5 million in lower coinsurance ceded premiums due to the run-off of business subject to the IPO coinsurance transactions.

Benefits and claims. Benefits and claims increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023. Direct benefits and claims increased with the growth in the business. Year-over-year claims incurred during the three month period in 2024 were higher compared to the three month period in 2023 and in line with the growth in the in-force book of business.

Future policy benefits remeasurement (gain) loss. Future policy benefits remeasurement gain increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 and represents the impact of long-term assumption changes made during the third quarter in connection with the annual assumption review as well as differences in experience variances that occurred in each period. The gain recognized in the 2024 period is primarily due to an assumption change related to the reduction of the expected cost of waiver of premium benefits. Refer to Note 10 (Future Policy Benefits) to our unaudited condensed consolidated financial statements included elsewhere in this report for further details.

Amortization of DAC. The amortization of DAC increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily due to continued growth in the in-force book of business.

Insurance expenses. Insurance expenses increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 due to higher costs resulting from growth in the business, employee-related costs, and higher variable expenses to support recruiting and licensing.

Results for the Nine Months Ended September 30, 2024

Net premiums. Direct premiums increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 largely due to the layering effect of new policy sales that contributed to growth in the in-force book of business. This increase was partially offset by an increase in ceded premiums, which includes \$26.9 million in higher non-level YRT reinsurance ceded premiums as business not subject to the IPO coinsurance transactions ages, reduced by \$18.0 million in lower coinsurance ceded premiums due to the run-off of business subject to the IPO coinsurance transactions.

Benefits and claims. Benefits and claims increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 due to the same factors as described in the three month comparison.

Future policy benefits remeasurement (gain) loss. Future policy benefits remeasurement gain increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 due to the same factors as described in the three month comparison.

Amortization of DAC. The amortization of DAC increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 due to the same factors as described in the three month comparison.

Insurance expenses. Insurance expenses increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 due to the same factors as described in the three month comparison.

Investment and Savings Products Segment. Investment and Savings Products segment results were as follows:

	Three months ended September 30,		Change		Nine months ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
<i>(Dollars in thousands)</i>								
Revenues:								
Commissions and fees:								
Sales-based revenues	\$ 96,269	\$ 72,996	\$ 23,273	32 %	\$ 286,192	\$ 220,343	\$ 65,849	30 %
Asset-based revenues	142,051	119,413	22,638	19 %	403,348	344,652	58,696	17 %
Account-based revenues	24,107	23,344	763	3 %	71,027	69,229	1,798	3 %
Other, net	3,646	3,145	501	16 %	10,128	9,385	743	8 %
Total revenues	266,073	218,898	47,175	22 %	770,695	643,609	127,086	20 %
Expenses:								
Amortization of DAC	1,540	1,311	229	17 %	4,219	4,212	7	*
Insurance commissions	3,499	3,321	178	5 %	10,242	9,902	340	3 %
Sales commissions:								
Sales-based	66,333	52,343	13,990	27 %	199,655	158,425	41,230	26 %
Asset-based	71,012	58,793	12,219	21 %	201,745	168,154	33,591	20 %
			5,021					
Other operating expenses	43,778	38,757		13 %	134,577	122,852	11,725	10 %
Total expenses	186,162	154,525	31,637	20 %	550,438	463,545	86,893	19 %
Income from continuing operations before income taxes	\$ 79,911	\$ 64,373	\$ 15,538	24 %	\$ 220,257	\$ 180,064	\$ 40,193	22 %

* Less than 1% or not meaningful.

Results for the Three Months Ended September 30, 2024

Commissions and fees. Commissions and fees increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily driven by higher sales-based and asset-based revenues. The increase in sales-based revenue was largely the result of higher product sales for variable annuities and U.S. mutual fund product sales. Higher asset-based revenues were driven by an increase in average client assets in the 2024 period versus the prior year period.

Sales commissions. The increase in sales-based commissions for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 was generally in line with the increases in sales-based revenues although modestly lower due to a mix shift towards higher margin variable annuity sales. Asset-based commissions were up for the three months ended September 30, 2024 and were consistent with the movement in asset-based revenues when excluding Canadian segregated funds revenue. Asset-based expenses for our Canadian segregated funds are reflected within insurance commissions and amortization of DAC.

Other operating expenses. Other operating expenses for the three months ended September 30, 2024 increased compared to the three months ended September 30, 2023 primarily due to higher growth-related costs and employee-related costs.

Results for the Nine Months Ended September 30, 2024

Commissions and fees. Commissions and fees increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 due to the same factors as described in the three month comparison.

Sales commissions. Sales commissions increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 due to the same factors as described in the three month comparison.

Other operating expenses. Other operating expenses for the nine months ended September 30, 2024 increased compared to the nine months ended September 30, 2023 due to the same factors as described in the three month comparison.

Corporate and Other Distributed Products Segment. Corporate and Other Distributed Products segment results were as follows:

	Three months ended September 30,		Change		Nine months ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
<i>(Dollars in thousands)</i>								
Revenues:								
Direct premiums	\$ 4,826	\$ 5,016	\$ (190)	(4)%	\$ 14,241	\$ 15,008	\$ (767)	(5)%
Ceded premiums	(1,119)	(1,214)	(95)	(8)%	(3,537)	(4,081)	(544)	(13)%
Net premiums	3,707	3,802	(95)	(2)%	10,704	10,927	(223)	(2)%
Commissions and fees	9,474	11,761	(2,287)	(19)%	28,472	30,841	(2,369)	(8)%
Investment income net of investment expenses	57,017	51,036	5,981	12%	164,719	147,540	17,179	12%
Interest expense on surplus note	(15,908)	(16,306)	(398)	(2)%	(47,352)	(49,348)	(1,996)	(4)%
Net investment income	41,109	34,730	6,379	18%	117,367	98,192	19,175	20%
Realized investment gains (losses)	311	(3)	314	*	882	(650)	1,532	*
Other investment gains (losses)	1,898	(1,792)	3,690	*	2,533	(6,080)	8,613	*
Investment gains (losses)	2,209	(1,795)	4,004	*	3,415	(6,730)	10,145	*
Other, net	1,251	1,328	(77)	(6)%	52,719	3,763	48,956	*
Total revenues	57,750	49,826	7,924	16%	212,677	136,993	75,684	55%
Benefits and expenses:								
Benefits and claims	3,711	3,554	157	4%	9,948	12,937	(2,989)	(23)%
Future policy benefits remeasurement (gain) loss	5,184	(72)	5,256	*	5,508	(1,103)	6,611	*
Amortization of DAC	301	374	(73)	(20)%	907	1,434	(527)	(37)%
Insurance expenses	1,134	1,123	11	*	3,514	3,729	(215)	(6)%
Insurance commissions	271	217	54	25%	729	831	(102)	(12)%
Sales commissions	4,909	5,064	(155)	(3)%	14,146	14,118	28	*
Interest expense	6,093	6,632	(539)	(8)%	18,964	20,008	(1,044)	(5)%
Other operating expenses	39,834	32,145	7,689	24%	122,984	104,964	18,020	17%
Total benefits and expenses	61,437	49,037	12,400	25%	176,700	156,918	19,782	13%
Income (loss) from continuing operations before income taxes	<u>\$ (3,687)</u>	<u>\$ 789</u>	<u>\$ (4,476)</u>	*	<u>\$ 35,977</u>	<u>\$ (19,925)</u>	<u>\$ 55,902</u>	*

* Less than 1% or not meaningful.

Results for the Three Months Ended September 30, 2024

Total revenues. Total revenues increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily due to higher net investment income and investment gains. Net investment income increased \$2.2 million from higher yields in the invested asset portfolio, \$2.0 million from a larger invested asset portfolio, and a \$1.9 million higher total return on the deposit asset backing our 10% coinsurance agreement compared to the same period in the prior year. Investment income net of investment expenses includes interest earned on our held-to-maturity asset, which is offset by interest expense on the surplus note ("Surplus Note"), thereby eliminating any impact on net investment income. Amounts recognized for each line item will remain offsetting and will fluctuate from period to period along with the principal amounts of the held-to-maturity asset and the Surplus Note based on the balance of reserves being contractually supported under a redundant reserve financing transaction used by Vidalia Re, Inc. ("Vidalia Re"). For more information on the Surplus Note, see Note 4 (Investments) and Note 16 (Debt) to our unaudited condensed consolidated financial statements included elsewhere in this report.

The Company recorded investment gains during the three months ended September 30, 2024 compared to investment losses during the three months ended September 30, 2023 primarily due to a \$2.3 million positive mark-to-market adjustment on equity securities held within our investment portfolio during the 2024 period compared to a \$1.8 million negative mark-to-market adjustment during the 2023 period. Partially offsetting these changes was lower commission revenue from other distributed products.

Total benefits and expenses. Total benefits and expenses increased during the three months ended September 30, 2024 compared to the three months ended September 30, 2023 due to a future policy benefits remeasurement loss in the third quarter of 2024 recorded in connection with the refinement of assumptions on a closed block of non-term life insurance as well as higher employee-related costs, infrastructure technology investments, legal expenses and corporate restructuring charges associated with the decision to exit the Senior Health business.

Results for the Nine Months Ended September 30, 2024

Total revenues. Total revenues increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 also due to higher net investment income, higher investment gains, and the \$50.0 million gain within other, net revenue related to payments received under a Representation and Warranty insurance policy. Net investment income increased \$8.4 million from higher yields in the invested asset portfolio, \$6.0 million from a larger invested asset portfolio, and \$2.8 million from higher total returns on the deposit asset backing our 10% coinsurance agreement compared to the prior year period. For more

information on the gain related to payments received under the Representation and Warranty insurance policy, refer to Note 3 (Segment and Geographical Information) to our unaudited condensed consolidated financial statements included elsewhere in this report.

The Company recorded investment gains during the nine months ended September 30, 2024 compared to investment losses during the nine months ended September 30, 2023 primarily due to a \$3.0 million positive mark-to-market adjustment on equity securities held within our investment portfolio during the 2024 period compared to a \$3.9 million negative mark-to-market adjustment during the 2023 period. Partially offsetting these changes was lower commission revenue from other distributed products.

Total benefits and expenses. Total benefits and expenses increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 due to the same factors as described in the three month comparison. These increases were partially offset by a decrease in benefits and claims as a result of a credit loss recognized during the nine months ended September 30, 2023 for the remaining ceded reserves on a closed block of non-term life insurance business from an insolvent reinsurer that was ordered into liquidation.

Financial Condition

Investments. Our insurance business is primarily focused on selling term life insurance, which does not include an investment component for the policyholder. The invested asset portfolio funded by premiums from our term life insurance business does not involve the substantial asset accumulations and spread requirements that exist with other non-term life insurance products. As a result, the profitability of our term life insurance business is not as sensitive to the impact that interest rates have on our invested asset portfolio and investment income as the profitability of other companies that distribute non-term life insurance products.

We follow a conservative investment strategy designed to emphasize the preservation of our invested assets and provide adequate liquidity for the prompt payment of claims. To meet business needs and mitigate risks, our investment guidelines provide restrictions on our portfolio's composition, including limits on asset type, per issuer limits, credit quality limits, portfolio duration, limits on the amount of investments in approved countries and permissible security types. We also manage and monitor our allocation of investments to limit the accumulation of any disproportionate concentrations of risk among industry sectors or issuer countries outside of the U.S. and Canada. In addition, as of September 30, 2024, we did not hold any country of issuer concentrations outside of the U.S. or Canada that represented more than 5% of the fair value of our available-for-sale invested asset portfolio or any industry concentrations of corporate bonds that represented more than 10% of the fair value of our available-for-sale invested asset portfolio.

We invest a portion of our portfolio in assets denominated in Canadian dollars to support our Canadian operations. Additionally, to ensure adequate liquidity for payment of claims, we take into account the maturity and duration of our invested asset portfolio and our general liability profile.

We also hold within our invested asset portfolio a credit enhanced note ("LLC Note") issued by a limited liability company owned by a third-party service provider which is classified as a held-to-maturity security. The LLC Note, which is scheduled to mature on December 31, 2030, was obtained in exchange for the Surplus Note of equal principal amount issued by Vidalia Re, a special purpose financial captive insurance company and wholly owned subsidiary of Primerica Life. For more information on the LLC Note, see Note 4 (Investments) to our unaudited condensed consolidated financial statements included elsewhere in this report.

We have an investment committee composed of members of our senior management team that is responsible for establishing and maintaining our investment guidelines and supervising our investment activity. Our investment committee regularly monitors our overall investment results and our compliance with our investment objectives and guidelines. We use a third-party investment advisor to assist us in the management of our investing activities. Our investment advisor reports to our investment committee.

Our invested asset portfolio is subject to a variety of risks, including risks related to general economic conditions, market volatility, interest rate fluctuations, liquidity risk and credit and default risk. Investment guideline restrictions have been established to minimize the effect of these risks but may not always be effective due to factors beyond our control. Interest rates and credit spreads are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control. A significant increase in interest rates or credit spreads could result in significant losses in the value of our invested asset portfolio. We believe that fluctuations caused by movement in interest rates and credit spreads generally have little bearing on the recoverability of our investments as we have the ability to hold these investments until maturity or a market price recovery and we have no present intention to dispose of them.

Details on asset mix (excluding our held-to-maturity security) were as follows:

	September 30, 2024	December 31, 2023
Average rating of our fixed-maturity portfolio	A	A
Average duration of our fixed-maturity portfolio	5.2 years	4.7 years
Average book yield of our fixed-maturity portfolio	4.09%	3.83%

The distribution of fixed-maturity securities in our investment portfolio (excluding our held-to-maturity security) by rating, including those classified as trading securities, were as follows:

	September 30, 2024		December 31, 2023	
	Amortized cost ⁽¹⁾	%	Amortized cost ⁽¹⁾	%
	<i>(Dollars in thousands)</i>			
AAA	\$ 606,188	19 %	\$ 556,936	19 %
AA	413,685	13 %	439,814	15 %
A	761,891	24 %	735,647	25 %
BBB	1,308,306	42 %	1,162,279	39 %
Below investment grade	38,707	2 %	58,221	2 %
Not rated	697	*	698	*
Total	<u>\$ 3,129,474</u>	100 %	<u>\$ 2,953,595</u>	100 %

⁽¹⁾Includes trading securities at carrying value and available-for-sale securities (excluding short-term investments) at amortized cost.

* Less than 1%.

The ten largest holdings within our fixed-maturity securities invested asset portfolio (excluding our held-to-maturity security and short-term investments) were as follows:

Issuer	September 30, 2024				Credit rating
	Fair value	Amortized cost ⁽¹⁾	Unrealized gain (loss)		
	<i>(Dollars in thousands)</i>				
Province of Ontario Canada	\$ 15,837	\$ 15,790	\$ 47		A+
Government of Canada	15,615	16,013	(398)		AAA
Province of Alberta Canada	15,443	15,835	(392)		AA-
Province of Quebec Canada	14,547	14,610	(63)		AA-
ONEOK Inc.	14,410	14,392	18		BBB
Ontario Teachers' Pension Plan	13,623	14,354	(731)		AA+
Realty Income Corp	13,546	14,017	(471)		A-
Berkshire Hathaway Inc	12,971	12,608	363		AA
Government of Newfoundland and Labrador	12,194	12,670	(476)		A
Boeing Co	12,034	11,849	185		BBB-
Total – ten largest holdings	<u>\$ 140,220</u>	<u>\$ 142,138</u>	<u>\$ (1,918)</u>		
Total – fixed-maturity securities	<u>\$ 2,998,190</u>	<u>\$ 3,129,474</u>			
Percent of total fixed-maturity securities	<u>5 %</u>	<u>5 %</u>			

⁽¹⁾Includes trading securities at carrying value and available-for-sale securities at amortized cost.

For additional information on our invested asset portfolio, see Note 4 (Investments) to our unaudited condensed consolidated financial statements included elsewhere in this report.

Liquidity and Capital Resources

Dividends and other payments to the Parent Company from its subsidiaries are our principal sources of cash. The amount of dividends paid by the subsidiaries is dependent on their capital needs to fund future growth and applicable regulatory restrictions. The primary uses of funds by the Parent Company include the payments of stockholder dividends, interest on notes payable, general operating expenses, and income taxes, as well as repurchases of shares of our common stock outstanding. As of September 30, 2024, the Parent Company had cash and invested assets of \$382.5 million.

The Parent Company's subsidiaries generate operating cash flows primarily from term life insurance premiums (net of premiums ceded to reinsurers), income from invested assets, commissions and fees collected from the distribution of investment and savings products, as well as other financial products. The subsidiaries' principal operating cash outflows include the payment of insurance claims and benefits (net of ceded claims recovered from reinsurers), commissions to the sales force, insurance and other operating expenses, interest expense for future policy benefit reserves financing transactions, and income taxes.

The distribution and underwriting of term life insurance requires up-front cash outlays at the time the policy is issued as we pay a substantial majority of the sales commission during the first year following the sale of a policy and incur costs for underwriting activities at the inception of a policy's term. During the early years of a policy's term, we generally receive level term premiums in excess of claims paid. We invest the excess cash generated during earlier policy years in fixed-maturity and equity securities held in support of future policy benefit reserves. In later policy years, cash received from the maturity or sale of invested assets is used to pay claims in excess of level term premiums received.

Historically, cash flows generated by our businesses, primarily from our existing block of term life insurance policies and our investment and savings products, have provided us with sufficient liquidity to meet our operating requirements. We anticipate that cash flows from our businesses will continue to provide sufficient operating liquidity over the next 12 months.

If necessary, we could seek to enhance our liquidity position or capital structure through sales of our available-for-sale investment portfolio, changes in the timing or amount of share repurchases, borrowings against our Revolving Credit Facility, or some combination of these sources. Additionally, we believe that cash flows from our businesses and potential sources of funding will sufficiently support our long-term liquidity needs.

Cash Flows. The components of the changes in cash and cash equivalents were as follows:

	Nine months ended September 30,		Change \$
	2024	2023 (In thousands)	
Net cash provided by (used in) operating activities	\$ 591,448	\$ 451,459	\$ 139,989
Net cash provided by (used in) investing activities	(181,570)	(87,805)	(93,765)
Net cash provided by (used in) financing activities	(471,776)	(383,799)	(87,977)
Effect of foreign exchange rate changes on cash	(1,108)	(333)	(775)
Change in cash and cash equivalents	<u>\$ (63,006)</u>	<u>\$ (20,478)</u>	<u>\$ (42,528)</u>

Operating Activities. The increase in cash provided by operating activities during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 was primarily driven by the increase in net income excluding non-cash impairments recognized in discontinued operations and the gain recognized from insurance proceeds received under a Representation and Warranty insurance policy in 2024. In addition, timing differences of purchases and maturities of trading securities contributed to the year-over-year increase in cash provided by operating activities.

Investing Activities. Cash flows used in investing activities increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 primarily due to fluctuations in the timing of maturities and reinvestments of debt securities held in our available-for-sale investment portfolio as well as an overall increase in the size of the portfolio given the increase in our Term Life insurance in force. In addition, \$18.6 million of cash was included in the disposal of the Senior Health business. The \$50.0 million received under a Representation and Warranty insurance policy partially offset the increase in cash used in investing activities in the 2024 period.

Financing Activities. Cash flows used in financing activities increased during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. Contributing to the increase in cash flows used in financing activities was primarily due to the increase in the size of the share repurchase program in 2024 as well as differences in the timing of share repurchases during each period. In addition, the increase in the per share dividend paid by the Company in the first nine months of 2024 contributed to the increase in cash used in financing activities.

Risk-Based Capital (“RBC”). The National Association of Insurance Commissioners (“NAIC”) has established RBC standards for U.S. life insurers, as well as a risk-based capital model act (the “RBC Model Act”) that has been adopted by the insurance regulatory authorities. The RBC Model Act requires that life insurers annually submit a report to state regulators regarding their RBC based upon four categories of risk: asset risk; insurance risk; interest rate risk and business risk. The capital requirement for each is determined by applying factors that vary based upon the degree of risk to various asset, premiums and policy benefit reserve items. The formula is an early warning tool to identify possible weakly capitalized companies for purposes of initiating further regulatory action. As of September 30, 2024, our U.S. life insurance subsidiaries maintained statutory capital and surplus substantially in excess of the applicable regulatory requirements and remain well positioned to support existing operations and fund future growth.

In Canada, an insurer’s minimum capital requirement is overseen by the Office of the Superintendent of Financial Institutions (“OSFI”) and determined as the sum of the capital requirements for six categories of risk: asset default risk; mortality/morbidity/lapse/expense risks; changes in interest rate environment risk; operational risk; segregated funds risk; and foreign exchange risk. As of September 30, 2024, Primerica Life Canada was in compliance with Canada’s minimum capital requirements as defined by OSFI.

Redundant Reserve Financing. The Model Regulation entitled Valuation of Life Insurance Policies, commonly known as Regulation XXX, requires insurers to carry statutory policy benefit reserves for term life insurance policies with long-term premium guarantees which are often significantly in excess of the future policy benefit reserves that insurers deem necessary to satisfy claim obligations (“redundant policy benefit reserves”). Accordingly, many insurance companies have sought ways to reduce their capital needs by financing redundant policy benefit reserves through bank financing, reinsurance arrangements and other financing transactions.

We have established Vidalia Re as a special purpose financial captive insurance company and wholly owned subsidiary of Primerica Life. Primerica Life has ceded certain term life insurance policies issued in 2011 through 2017 to Vidalia Re as part of a Regulation XXX redundant reserve financing transaction (the “Vidalia Re Redundant Reserve Financing Transaction”). This redundant reserve financing transaction allows us to more efficiently manage and deploy our capital.

The NAIC has adopted a model regulation for determining reserves using a principle-based approach (“principle-based reserves” or “PBR”), which is designed to reflect each insurer’s own experience in calculating reserves and move away from a single prescriptive

reserving formula. Primerica Life adopted PBR as of January 1, 2018 and NBLIC adopted the New York amended version of PBR effective January 1, 2021. PBR significantly reduced the redundant statutory policy benefit reserve requirements while still ensuring adequate liabilities are held. The regulation only applies for business issued after the effective dates. See Note 4 (Investments), Note 11 (Debt) and Note 17 (Commitments and Contingent Liabilities) to our consolidated financial statements within our 2023 Annual Report for more information on the Vidalia Re Redundant Reserve Financing Transaction.

Notes Payable. The Company has \$600.0 million of publicly-traded Senior Notes outstanding issued at a price of 99.55% with an annual interest rate of 2.80%, payable semi-annually in arrears on May 19 and November 19. The Senior Notes are scheduled to mature on November 19, 2031. We were in compliance with the covenants of the Senior Notes as of September 30, 2024. No events of default occurred during the three and nine months ended September 30, 2024.

Rating Agencies. There have been no changes to Primerica, Inc.'s Senior Notes ratings or Primerica Life's financial strength ratings since December 31, 2023.

Surplus Note. Vidalia Re issued a Surplus Note in exchange for the LLC Note as a part of the Vidalia Re Redundant Reserve Financing Transaction. The Surplus Note has a principal amount equal to the LLC Note and is scheduled to mature on December 31, 2030. For more information on the Surplus Note, see Note 16 (Debt) to our unaudited condensed consolidated financial statements included elsewhere in this report.

Off-Balance Sheet Arrangements. We have no transactions, agreements or other contractual arrangements to which an entity unconsolidated with the Company is a party, under which the Company maintains any off-balance sheet obligations or guarantees as of September 30, 2024.

Credit Facility Agreement. We maintain an unsecured \$200.0 million Revolving Credit Facility with a syndicate of commercial banks that has a scheduled termination date of June 22, 2026. Amounts outstanding under the Revolving Credit Facility bear interest at a periodic rate equal to the Secured Overnight Financing Rate ("SOFR") rate loan or the base rate, plus in either case an applicable margin. The Revolving Credit Facility contains language that allows for the Company and the lenders to agree on a comparable or successor reference rate in the event SOFR is no longer available. The Revolving Credit Facility also permits the issuance of letters of credit. The applicable margins are based on our debt rating with such margins for SOFR rate loans and letters of credit ranging from 1.000% to 1.625% per annum and for base rate loans ranging from 0.000% to 0.625% per annum. Under the Revolving Credit Facility, we incur a commitment fee that is payable quarterly in arrears and is determined by our debt rating. This commitment fee ranges from 0.100% to 0.225% per annum of the aggregate \$200.0 million commitment of the lenders under the Revolving Credit Facility. As of September 30, 2024, no amounts were outstanding under the Revolving Credit Facility and we were in compliance with its covenants. Furthermore, no events of default occurred under the Revolving Credit Facility during the three and nine months ended September 30, 2024.

Contractual Obligations Update. There have been no material changes in contractual obligations from those disclosed in the 2023 Annual Report.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Investors are cautioned that certain statements contained in this report as well as some statements in periodic press releases and some oral statements made by our officials during our presentations are “forward-looking” statements. Forward-looking statements include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, and may contain the words “expect”, “intend”, “plan”, “anticipate”, “estimate”, “believe”, “will be”, “will continue”, “will likely result”, and similar expressions, or future conditional verbs such as “may”, “will”, “should”, “would”, and “could”. In addition, any statement concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible actions taken by us or our subsidiaries are also forward-looking statements. These forward-looking statements involve external risks and uncertainties, including, but not limited to, those described under the section entitled “Risk Factors” included herein.

Forward-looking statements are based on current expectations and projections about future events and are inherently subject to a variety of risks and uncertainties, many of which are beyond the control of our management team. All forward-looking statements in this report and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by these risks and uncertainties. These risks and uncertainties include, among others:

Risks Related to Our Distribution Structure

- Our failure to continue to attract new recruits, retain independent sales representatives or license or maintain the licensing of independent sales representatives would materially adversely affect our business.
- Certain laws and regulations could apply to our independent contractor distribution model, which could require us to modify our distribution structure.
- There may be adverse consequences if the classification of our independent contractor sales representatives is changed.
- Violation of, or non-compliance with, laws and regulations and related claims and proceedings could expose us to material liabilities.

Risks Related to Our Insurance Business and Reinsurance

- Our life insurance business may face significant losses or volatility if our actual experience differs from our expectations regarding mortality, persistency, disability or reinsurance.
- Our life insurance business is highly regulated, and statutory and regulatory changes may materially adversely affect our business.
- A decline in the regulatory capital ratios of our insurance subsidiaries could result in increased scrutiny by insurance regulators and ratings agencies and have a material adverse effect on our business.
- A significant ratings downgrade by a ratings organization could materially adversely affect our business.
- The failure by any of our reinsurers or reserve financing counterparties to perform its obligations to us could have a material adverse effect on our business.

Risks Related to Our Investment and Savings Products Business

- Our Investment and Savings Products segment is heavily dependent on a limited platform of mutual fund and annuity products offered by a relatively small number of companies and managers. If these products fail to remain competitive with other investment options, our business could be materially adversely affected.
- If our relationship with one or more of our funds, annuities or managers is significantly altered or terminated or there is a shift in the business mix, our business could be materially adversely affected.
- Violations of, or non-compliance with, laws and regulations of the securities business could expose us to material liabilities.
- If heightened standards of conduct or more stringent licensing requirements (such as those adopted by the Securities and Exchange Commission and the Department of Labor, state legislatures or regulators or Canadian securities and insurance regulators), are imposed on us or the independent sales representatives, or selling compensation is reduced as a result of new legislation or regulations, it could have a material adverse effect on our business.
- If our suitability policies and procedures, or our policies and procedures for compliance with federal, state or provincial regulations governing standards of care, were deemed inadequate, it could have a material adverse effect on our business.
- Non-compliance with applicable regulations could lead to revocation of our subsidiary's status as a non-bank custodian, which could have a material adverse effect on our business.

Risks Related to Our Mortgage Distribution Business

- Licensing requirements will impact the size of the mortgage loan sales force, which could adversely affect our mortgage distribution business.
- Our mortgage distribution business is highly regulated and subject to various laws and regulations in the U.S. and Canada. Changes in, non-compliance with, or violations of, such laws and regulations could affect the cost or our ability to distribute our products and could adversely affect our business.

- In the U.S., we distribute mortgage loans based on contractual agreements with a very limited number of mortgage lenders. A significant change to or disruption in the mortgage lenders' mortgage businesses or an inability of the mortgage lenders to satisfy their contractual obligations to us could adversely affect our business.

Risks Related to Economic Downturns, Public Health Crises or Catastrophes, and Disasters

- The effects of economic downturns, issues affecting the national and/or global economy or global geopolitical event(s) could materially adversely affect our business.
- Major public health pandemics, epidemics or outbreaks (such as the COVID-19 pandemic) or other catastrophic events, have impacted and could again materially adversely impact our business.
- In the event of a disaster, our business continuity plan may not be sufficient, which could have a material adverse effect on our business.

Risks Related to Information Technology and Cybersecurity

- If one of our, or a third-party partner's, significant information technology systems fails, if its security is compromised, or if the Internet becomes disabled or unavailable, our business may be materially adversely affected.
- Any failure to protect the confidentiality of client information could adversely affect our reputation and have a material adverse effect on our business.
- The current legislative and regulatory climate with regard to privacy and cybersecurity could adversely affect our business.

Financial Risks Affecting Our Business

- Credit deterioration in, and the effects of interest rate fluctuations on our invested asset portfolio and other assets that are subject to changes in credit quality and interest rates could materially adversely affect our business.
- Valuation of our investments and the determination of expected credit losses when the fair value of our available-for-sale invested assets is below amortized cost are both based on estimates that may prove to be incorrect, which could adversely affect our financial condition.
- Changes in accounting standards can be difficult to predict and could adversely impact how we record and report our financial condition and results of operations.
- The inability of our subsidiaries to pay dividends or make distributions or other payments to us in sufficient amounts would impede our ability to meet our obligations and return capital to our stockholders.

Risks Related to Legislative and Regulatory Changes

- We are subject to various federal, state and provincial laws and regulations in the U.S. and Canada, changes in which may require us to alter our business practices and could materially adversely affect our business.
- The current legislative and regulatory climate with regard to financial services could adversely affect our business.
- The current regulatory climate with regard to climate change may adversely affect our business.

General Risk Factors

- Litigation and regulatory investigations and actions may result in financial losses and harm our reputation.
- A significant change in the competitive environment in which we operate could negatively affect our ability to maintain or increase our market share and profitability.
- Our continued success requires a high-performing and stable team of employees across all levels, and the loss of key employees could negatively affect our financial results and impair our ability to implement our business strategy.
- We regularly undertake business initiatives to enhance our technology, products, and services. The efficiency and success of these initiatives may vary significantly and may cause unanticipated costs, errors, or disruptions which could have a material adverse effect on our business.
- We may be materially adversely affected by currency fluctuations.
- Any acquisition of or investment in businesses that we may undertake that does not perform as we expect or that is difficult for us to integrate could materially adversely impact our business.
- The market price of our common stock may fluctuate.

Developments in any of these areas could cause actual results to differ materially from those anticipated or projected or cause a significant reduction in the market price of our common stock.

The foregoing list of risks and uncertainties may not contain all of the risks and uncertainties that could affect us. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report may not in fact occur. Accordingly, undue reliance should not be placed on these statements. We undertake no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, except as otherwise required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There have been no material changes in our exposures to market risk since December 31, 2023. For details on the Company's interest rate, foreign currency exchange, and credit risks, see "Item 7A. Quantitative and Qualitative Information About Market Risks" in our 2023 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report (the "Evaluation Date"). Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are involved from time to time in legal disputes, regulatory inquiries and arbitration proceedings in the normal course of business. Additional information regarding certain legal proceedings to which we are a party is described under "Contingent Liabilities" in Note 14 (Commitments and Contingent Liabilities) to our unaudited condensed consolidated financial statements included elsewhere in this report, and such information is incorporated herein by reference. As of the date of this report, we do not believe any pending legal proceeding to which Primerica, Inc. or any of its subsidiaries is a party is required to be disclosed pursuant to this item.

ITEM 1A. RISK FACTORS.

The following risk factors are no longer applicable: (i) the risk factors contained in our 2023 Annual Report under the heading "Risks Related to e-TeleQuote's Senior Health Insurance Distribution Business", as modified by Part II, Item 1A Risk Factors, in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024; and (ii) the risk factors pertaining to e-TeleQuote Insurance, Inc. contained in our 2023 Annual Report under the headings "Risks Related to Information Technology and Cybersecurity" and "Risks Related to Legislative and Regulatory Changes". All other risk factors contained in our 2023 Annual Report are incorporated herein by reference.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

During the quarter ended September 30, 2024, we repurchased shares of our common stock as follows:

Period	Total number of shares purchased ⁽¹⁾	Average price paid per share ⁽¹⁾	Total number of shares purchased as part of publicly announced plans or programs ⁽²⁾	Approximate dollar value of shares that may yet be purchased under the plans or programs ⁽²⁾
July 1 - 31, 2024	184,117	\$ 244.12	183,613	\$ 128,379,843
August 1 - 31, 2024	172,705	254.75	172,705	84,383,722
September 1 - 30, 2024	157,342	258.79	154,593	44,387,112
Total	<u>514,164</u>	<u>\$ 252.18</u>	<u>510,911</u>	<u>\$ 44,387,112</u>

(1) Consists of repurchases of (a) 3,253 shares of common stock at an average price of \$258.71 arising from share-based compensation tax withholdings and (b) open market repurchases of shares of common stock under the share repurchase program approved by our Board of Directors.

(2) On November 16, 2023, our Board of Directors authorized, and the Company announced, a share repurchase program for purchases of up to \$425.0 million of our outstanding common stock from November 16, 2023 through December 31, 2024.

For information regarding year-to-date share repurchases, refer to Note 11 (Stockholders' Equity) to our unaudited condensed consolidated financial statements included elsewhere in this report.

ITEM 5. OTHER INFORMATION.

Trading Plans

During the quarter ended September 30, 2024, none of our directors or executive officers adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS.

The agreements included as exhibits to this report are included to provide you with information regarding the terms of these agreements and are not intended to provide any other factual or disclosure information about the Company or its subsidiaries, our business or the other parties to these agreements. These agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to our investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time, and should not be relied upon by investors.

Exhibit Number	Description	Reference
31.1	Rule 13a-14(a)/15d-14(a) Certification, executed by Glenn J. Williams, Chief Executive Officer.	Filed with the Securities and Exchange Commission as part of this Quarterly Report.
31.2	Rule 13a-14(a)/15d-14(a) Certification, executed by Tracy X. Tan, Executive Vice President and Chief Financial Officer.	Filed with the Securities and Exchange Commission as part of this Quarterly Report.
32.1	Certifications required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), executed by Glenn J. Williams, Chief Executive Officer, and Tracy X. Tan, Executive Vice President and Chief Financial Officer.	Filed with the Securities and Exchange Commission as part of this Quarterly Report.
101.INS	Inline XBRL Instance Document.	The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.	
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101).	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

November 7, 2024

Primerica, Inc.

/s/ Tracy X. Tan

Tracy X. Tan

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Certification of Chief Executive Officer

I, Glenn J. Williams, Chief Executive Officer of Primerica, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Primerica, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 7, 2024

/s/ Glenn J. Williams

Glenn J. Williams

Chief Executive Officer

Certification of Chief Financial Officer

I, Tracy X. Tan, Executive Vice President and Chief Financial Officer of Primerica, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Primerica, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

/s/ Tracy X. Tan

Tracy X. Tan
Executive Vice President and
Chief Financial Officer

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report on Form 10-Q of Primerica, Inc. (the "Company") for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Glenn J. Williams, as Chief Executive Officer of the Company, and I, Tracy X. Tan, as Executive Vice President and Chief Financial Officer of the Company, each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) To my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Glenn J. Williams

Name: Glenn J. Williams
Title: Chief Executive Officer
Date: November 7, 2024

/s/ Tracy X. Tan

Name: Tracy X. Tan
Title: Executive Vice President and Chief Financial Officer
Date: November 7, 2024
