

Primerica, Inc.
Form 10-Q
November 07, 2013

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, 2013

OR

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

For the transition period from _____ to _____

Commission File Number: 001-34680

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

Delaware
(State or other jurisdiction of
incorporation or organization)

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

1 Primerica Parkway
Duluth, Georgia
(Address of principal executive offices)
(770) 381-1000
(Registrant's telephone number, including area code)

30099
(ZIP Code)

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

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

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

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

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

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

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

Class	As of October 31, 2013
Common Stock, \$0.01 Par Value	54,829,477 shares

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

PRIMERICA, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

	September 30, 2013 (unaudited) (In thousands)	December 31, 2012
Assets		
Investments:		
Fixed-maturity securities available for sale, at fair value (amortized cost: \$1,581,341 in 2013 and \$1,711,582 in 2012)	\$1,688,096	\$1,887,014
Equity securities available for sale, at fair value (cost: \$30,852 in 2013 and \$29,955 in 2012)	37,016	37,147
Trading securities, at fair value (cost: \$11,208 in 2013 and \$7,740 in 2012)	11,185	7,762
Policy loans	25,795	24,613
Total investments	1,762,092	1,956,536
Cash and cash equivalents	147,468	112,216
Accrued investment income	19,595	19,540
Due from reinsurers	4,033,138	4,005,194
Deferred policy acquisition costs, net	1,179,143	1,066,422
Premiums and other receivables	182,702	170,656
Intangible assets, net (accumulated amortization: \$64,173 in 2013 and \$61,621 in 2012)	69,432	69,816
Income taxes	31,999	17,256
Other assets	261,225	302,126
Separate account assets	2,512,886	2,618,115
Total assets	\$10,199,680	\$10,337,877
Liabilities and Stockholders' Equity		
Liabilities:		
Future policy benefits	\$5,022,048	\$4,850,488
Unearned premiums	4,501	6,056
Policy claims and other benefits payable	248,592	254,533
Other policyholders' funds	334,553	345,721
Notes payable	374,469	374,433
Income taxes	101,708	114,611
Other liabilities	329,566	358,577
Payable under securities lending	75,852	139,927
Separate account liabilities	2,512,886	2,618,115
Commitments and contingent liabilities (see Commitments and Contingent Liabilities note)		
Total liabilities	9,004,175	9,062,461
Stockholders' equity:		
Common stock (\$0.01 par value; authorized 500,000 in 2013 and 2012; and issued 54,687 shares in 2013 and 56,374 shares in 2012)	547	564
Paid-in capital	464,783	602,269
Retained earnings	609,778	503,173

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Accumulated other comprehensive income (loss), net of income tax:		
Unrealized foreign currency translation gains (losses)	48,671	55,487
Net unrealized investment gains (losses):		
Net unrealized investment gains not other-than-temporarily impaired	72,773	114,958
Net unrealized investment losses other-than-temporarily impaired	(1,047)	(1,035)
Total stockholders' equity	1,195,505	1,275,416
Total liabilities and stockholders' equity	\$10,199,680	\$10,337,877
See accompanying notes to condensed consolidated financial statements.		

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PRIMERICA, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Income - Unaudited

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	(In thousands, except per-share amounts)			
Revenues:				
Direct premiums	\$576,095	\$567,273	\$1,724,202	\$1,698,383
Ceded premiums	(407,488) (414,991) (1,235,543) (1,248,969
Net premiums	168,607	152,282	488,659	449,414
Commissions and fees	118,443	104,607	347,899	315,974
Net investment income	22,103	26,881	66,345	76,583
Realized investment gains (losses), including other-than-temporary impairment losses	(407) 3,872	5,347	10,324
Other, net	10,711	11,446	31,958	33,919
Total revenues	319,457	299,088	940,208	886,214
Benefits and expenses:				
Benefits and claims	81,912	70,738	225,927	207,596
Amortization of deferred policy acquisition costs	32,192	29,234	93,556	83,970
Sales commissions	58,388	49,370		