Primerica, Inc.
Form DEF 14A
April 05, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

PRIMERICA, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 5, 2017

To our fellow stockholders:

Fiscal 2016 was a year of significant accomplishment for Primerica. Our Board of Directors continues to work to create stockholder value and achieve success through effective business strategies, performance-aligned compensation programs and thoughtful risk management. We remain committed to serving middle-income households throughout the United States and Canada and have created a culture that aligns the needs of our clients, our sales force and our employees. Although this letter highlights a few of our company s accomplishments, we strongly encourage you to review the entire proxy statement for a more comprehensive discussion of our achievements in fiscal 2016.

Financial Accomplishments

We are proud of the results that we delivered in fiscal 2016, including:

- Growth in diluted operating earnings per share of 21.7% compared to fiscal 2015;
- Net operating income return on adjusted stockholders equity (ROAE) of 19.0%;
- Return to stockholders in the form of $150 million in share repurchases; and
- Increase in annual stockholder dividends to $0.70 per share.

In addition, our total stockholder return, including dividends, for 2016 and the five-year period of 2011 through 2016 was 48.3% and 215.1%, respectively.

Distribution Accomplishments

We experienced our strongest year of distribution growth since becoming a public company in 2010. Highlights were that:

- Life-licensed sales representatives increased 9.5% to 116,827 at December 31, 2016 compared with 106,710 at December 31, 2015;
- Recruiting of new representatives increased 15.2% to 262,732 compared with 228,115 in fiscal 2015;
- New life insurance licenses increased 12.8% to 44,724 compared with 39,632 in fiscal 2015;

Issued term life insurance policies increased 14.7% to 298,244 compared with 260,059 in fiscal 2015;

Term life insurance claims paid to policy beneficiaries was $1.2 billion;

Record client asset values at December 31, 2016 of $52.3 billion;

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- Investment and Savings product sales in fiscal 2016 of $5.6 billion; and

- The number of mutual fund-licensed sales representatives increased to 23,750 at December 31, 2016.

Continued Alignment of Compensation and Performance

Our compensation philosophy includes a strong commitment to provide compensation programs that link executive pay to company and personal performance. The Compensation Committee of our Board of Directors spent significant time and resources in 2016 discussing and reviewing our executive compensation program with independent experts as part of our continuing effort to appropriately align compensation with performance. As part of this effort, the Compensation Committee is focused on ensuring that our key executives are incentivized to execute on the strategic priorities of our company. Please read a message from the Compensation Committee beginning on page 37.

Leading Corporate Governance Practices

Complementing our financial and distribution performance is our company s commitment to corporate governance, including:

- Implementation in early 2016 of majority voting for directors in uncontested elections;

- Annual election of directors;

- A significant percentage of diversity among our directors;

- An independent Lead Director complemented by a non-executive Chairman of the Board; and

- Annual outreach to stockholders that own in the aggregate in excess of 75% of our outstanding common stock.

We strongly encourage all of our stockholders to convey their views and vote promptly. We look forward to seeing you at the Annual Meeting. If you cannot attend in person, then you may listen to a live webcast of the Annual Meeting at our investor relations website, http://*investors.primerica.com*. On behalf of our management and directors, we want to thank you for your continued support of, and confidence in, our company.

Sincerely,

D. RICHARD WILLIAMS
Non-Executive Chairman of the Board

GLENN J. WILLIAMS
Chief Executive Officer

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Date and Time	May 17, 2017, at 10:00 a.m., local time
Place	The Primerica Theater located in Primerica s home office, One Primerica Parkway, Duluth, Georgia 30099
Items of Business	To elect the eleven directors nominated by our Board of Directors and named in the accompanying Proxy Statement (Proposal 1);
	To approve the Second Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan (Proposal 2);
	To consider an advisory vote on executive compensation (Say-on-Pay) (Proposal 3);
	To consider an advisory vote to determine stockholder preference on the frequency of the Say-on-Pay vote (Say-When-on-Pay) (Proposal 4);
	To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2017 (Proposal 5); and
	To transact such other business as may properly come before the Annual Meeting and any adjournments thereof.
Record Date	March 21, 2017. Only stockholders of record at the close of business on the record date are entitled to receive notice of, and to vote at, the Annual Meeting.
Proxy Voting	Please vote your shares at your earliest convenience. This will ensure the presence of a quorum at the Annual Meeting. Promptly voting your shares will save the expense and burden of additional solicitation.
E-Proxy Process	We are taking advantage of the Securities and Exchange Commission rules allowing companies to furnish proxy materials to stockholders over the Internet. We believe that this e-proxy process expedites your receipt of proxy materials, while also lowering the costs and reducing the environmental impact of the Annual Meeting.
	On or about April 5, 2017, we will mail a Notice of Internet Availability of Proxy Materials to stockholders of our common stock as of March 21, 2017, other than those stockholders who previously requested electronic or paper delivery of communications from us. Please refer to the Notice of Internet Availability of Proxy Materials, proxy materials e-mail or proxy card you received for information on how to vote your shares and to ensure that your shares will be represented and voted at the Annual Meeting even if you cannot attend in person.

Important Notice Regarding the Availability of Proxy Materials for the 2017 Annual Meeting of Stockholders to be Held on May 17, 2017. The Proxy Statement and the Annual Stockholders Report are available free of charge at *www.proxyvote.com*.

By Order of Our Board of Directors,

Stacey K. Geer

Chief Governance Officer and Corporate Secretary

Duluth, Georgia

April 5, 2017

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This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider, and you should read the entire Proxy Statement carefully before voting.

2017 Annual Meeting of Stockholders (including any adjournments or postponements thereof, the Annual Meeting)

Date and Time	May 17, 2017, at 10:00 a.m., local time
Place	The Primerica Theater located in Primerica s home office, One Primerica Parkway, Duluth, Georgia 30099
Record Date	March 21, 2017 (the record date)
Voting	Stockholders as of the record date are entitled to vote. Each share of our common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.
Admission	Attendance at the Annual Meeting will be limited to stockholders of Primerica as of the record date or their authorized representatives.

On or about April 5, 2017, we will mail a Notice of Internet Availability of Proxy Materials to stockholders of our common stock as of the record date, other than those stockholders who previously requested electronic or paper delivery of communications from us.

Voting Matters and Voting Recommendations

See Matters To Be Voted On beginning on page 1 for more information.

Proposal	Board Vote Recommendation
1. Election of eleven directors	FOR each director nominee
2. Approval of the Second Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan (the Amended Plan)	FOR
3. Advisory vote on executive compensation (Say-on-Pay)	FOR
4. Advisory vote on the frequency of the Say-on-Pay vote (Say-When-on-Pay)	FOR an annual Say-on-Pay vote
5. Ratification of the appointment of KPMG LLP (KPMG) as our independent registered public accounting firm for the year ending December 31, 2017 (fiscal 2017)	FOR

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PROXY SUMMARY

Executive Compensation Matters

See Executive Compensation beginning on page 37 for more information.

On April 1, 2015, Mr. Glenn Williams was promoted to Chief Executive Officer (Chief Executive Officer or CEO) and Mr. Peter Schneider was promoted to President. Also as of that date, former Co-Chief Executive Officer Mr. Rick Williams was appointed non-executive Chairman of the Board and former Co-Chief Executive Officer Mr. John Addison was appointed non-executive Chairman of Primerica Distribution, and both continued to serve as members of our Board of Directors (the Board or our Board of Directors). As described in this Proxy Statement, these actions impacted executive compensation for the year ended December 31, 2016 (fiscal 2016) and the year ended December 31, 2015 (fiscal 2015).

The Compensation Committee of our Board of Directors (the Compensation Committee) structured our executive compensation program to pay for performance and, over the long term, to provide compensation to our executive officers that is market competitive. Further, it is structured so that a meaningful percentage of compensation is tied to the achievement of challenging levels of corporate and personal performance objectives. The Compensation Committee was pleased with management s achievements and the Company s performance in fiscal 2016, particularly the following:

Operating revenues and net operating income in fiscal 2016 improved 7.8% and 13.5%, respectively, compared with fiscal 2015;

Net operating income return on adjusted stockholders equity (ROAE) improved to 19.0% for fiscal 2016 compared with 16.9% for fiscal 2015; and

The size of our life-licensed sales force increased 9.5% to 116,827 at December 31, 2016 compared with 106,710 at December 31, 2015.

Set forth below is a brief description of our executive compensation program.

Compensation for our executive officers includes base salary, annual cash incentive awards and long-term equity awards.

Each of our Executive Team members (identified in Executive Compensation Compensation Discussion and Analysis (CD&A)) has a maximum permissible award that is equal to a designated percentage of operating income before income taxes.

The Compensation Committee set cash award targets for each Executive Team member at the beginning of 2016.

Annual cash incentive awards were earned based on the Company s achievement of pre-determined performance goals related to operating revenues, net operating income, ROAE and size of life-licensed sales force at year end. As a result of these metrics, each of our Executive Team members received a corporate performance award equal to 131.8% of the target award.

Long-term equity awards granted to our Executive Team members in 2016 consisted of restricted stock units (RSUs), non-qualified stock options and, for the first time, performance stock units (PSUs). These awards were granted in February 2016 based on personal and team performance versus targets for fiscal 2015. The RSUs and stock options vest in equal installments over three years. The PSUs will be earned based on the Company s ROAE over a three year performance period of 2016 through 2018, and the executives will receive between 0% and 150% of the awarded shares in March 2019.

Based on the achievement of personal performance objectives in fiscal 2015, the Compensation Committee determined to pay each of our Executive Team members 120% of his or her target equity award in fiscal 2016. Mr. William A. Kelly received a payout equal to 120% based on his personal performance.

Beginning with the February 2017 grant, the dollar value of the equity grants to our Executive Team is fixed. These equity grants were awarded 50% in RSUs and 50% in PSUs. Further, the personal performance factor used to determine the value of equity awards was eliminated. Instead, the short-term incentive plan now includes a personal performance factor that can increase or decrease cash payouts by up to 20%. The core of the short-term incentive plan remains the same, with awards based on performance relative to a set of corporate performance metrics.

Each of our Executive Team members has an employment agreement that provides severance upon a termination of employment without cause or a resignation for good reason.

How to Cast Your Vote

See Information About Voting and the Annual Meeting How Do I Vote? beginning on page 81 for more information.

Stockholders of record can vote by any of the following methods:

Over the Internet at the web address noted in the Notice of Internet Availability of Proxy Materials, proxy materials e-mail or proxy card that you received;

By telephone through the number noted on your proxy card (if you received a proxy card);

By signing and dating your proxy card (if you received a proxy card) and mailing it in the prepaid and addressed envelope enclosed therewith; or

By attending the Annual Meeting and voting in person.

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Proposal 1:

Election of Eleven Directors

What am I voting on? Stockholders are being asked to elect each of the eleven director nominees named in this Proxy Statement to hold office until the annual meeting of stockholders in 2017 and until his or her successor is elected and qualified.

Voting Recommendation: FOR the election of the eleven director nominees.

Vote Required: A director will be elected if the number of shares voted FOR that director exceeds the number of votes AGAINST that director.

See Board of Directors beginning on page 21 for more information.

We ask that our stockholders elect the eleven director nominees named below to our Board of Directors to serve a one-year term commencing at the Annual Meeting. Our Board of Directors implemented majority voting in uncontested elections in early 2016. As a result, each director will be elected by a majority of the votes cast, meaning that each director nominee must receive a greater number of shares voted FOR such director than the shares voted AGAINST such director. If an incumbent director does not receive a greater number of shares voted FOR such director than shares voted AGAINST such director, then such director must tender his or her resignation to the Board. In that situation, the Corporate Governance Committee of our Board (the Corporate Governance Committee) would make a recommendation to the Board about whether to accept or reject the resignation, or whether to take other action. Within 90 days from the date the election results are certified, the Board will act on the Corporate Governance Committee s recommendation and will publicly disclose its decision and rationale behind it. In a contested election a circumstance we do not anticipate at the Annual Meeting director nominees are elected by a plurality vote. Any shares that are not voted (whether by abstention or otherwise) will have no impact on the outcome of the vote. The following table provides summary information about each director nominee, all of whom currently serve on our Board.

Name	Age	Occupation	Independent	Date Joined Our Board
John A. Addison, Jr.	59	Non-Executive Chairman of Primerica Distribution	No	October 2009
Joel M. Babbit	63	Co-Founder and Chief Executive Officer, Narrative Content Group, LLC	Yes	August 2011
P. George Benson	70	Former President, The College of Charleston	Yes	April 2010
Gary L. Crittenden	63	Private Investor	Yes	July 2013
Cynthia N. Day	51	President and Chief Executive Officer, Citizens Bancshares Corporation	Yes	January 2014
Mark Mason	47	Chief Financial Officer, Institutional Clients Group, Citigroup Inc.	Yes	March 2010
Robert F. McCullough	74	Private Investor	Yes	March 2010
Beatriz R. Perez	47	Chief Sustainability Officer and SVP of Partnerships, Innovation, Licensing and Retail, The Coca-Cola Company	Yes	May 2014
D. Richard Williams	60	Non-Executive Chairman of the Board	No	October 2009
Glenn J. Williams	57	Chief Executive Officer	No	April 2015
Barbara A. Yastine	57	Private Investor and Independent Director	Yes	December 2010

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MATTERS TO BE VOTED ON

Each director nominee attended at least 80% of the aggregate of all meetings of our Board of Directors and each committee of which he or she was a member during fiscal 2016.

Effective April 1, 2015, our Board of Directors elected Mr. G. Williams to the Board and promoted him to Chief Executive Officer. The remaining ten directors have served at least since the 2014 Annual Meeting of Stockholders. Unless otherwise instructed, the members of the Proxy Committee (as defined in Information About Voting and the Annual Meeting) will vote the proxies held by them FOR the election to our Board of Directors of the nominees named above.

Proposal 2:

Approval of the Second Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan

What am I voting on? The Board is asking our stockholders to approve the Second Amended and Restated Primerica Inc. 2010 Omnibus Incentive Plan.

Voting Recommendation: FOR the proposal.

Vote Required: Approval requires a FOR vote by at least a majority of the shares present in person or represented by valid proxy and entitled to vote.

See Executive Compensation beginning on page 37 for more information.

Background

On March 31, 2010, our Board of Directors and our then sole stockholder adopted the original Primerica, Inc. 2010 Omnibus Incentive Plan, which was amended and restated by the Compensation Committee in March 2011 and approved by our stockholders in May 2011 (the Existing Plan). The Compensation Committee has adopted the Second Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan, subject to the approval of our stockholders, and we ask that the stockholders approve the Amended Plan at the Annual Meeting.

The Amended Plan provides for the following key changes to the Existing Plan, among other changes, along with the primary reason(s) for each such change:

Summary of Proposed Change	Reason for Proposed Change
Increases the shares of our common stock available for issuance to 12,200,000 from 10,800,000	The Compensation Committee is asking to expand the shares available for issuance under the Amended Plan such that the shares are expected to last for at least three years.
Adds a cap of $400,000 on annual equity awards permitted to be granted to each non-employee director and $200,000 on annual cash fees permitted to be paid to each non-employee director	The Compensation Committee believes it is a best practice for stockholders to approve a cap on director compensation.
Imposes a minimum vesting period of three years on equity awards to executive officers	It has become a best practice for equity awards to executives to include a minimum vesting period.
Clarifies clawback provisions applicable to employees and members of the sales force	The clawback provisions were clarified by separating the provisions that apply to employees from the provisions that apply to members of the sales force.
Permits taxes to be withheld based on the maximum statutory tax rate	

The Compensation Committee may decide not to implement this provision, but it is intended to align the Amended Plan with the Internal Revenue Code of 1986, as amended (the Code).

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MATTERS TO BE VOTED ON

The purposes of the Amended Plan are to align the long-term financial interests of employees, directors, members of our sales force and other service providers of Primerica with those of our stockholders, to attract and retain those individuals by providing compensation opportunities that are competitive with other companies, and to provide incentives to those individuals who contribute significantly to the long-term performance and growth of the Company.

The Amended Plan permits the grant of cash awards as well as stock options, stock units including RSUs, restricted stock, deferred stock, stock appreciation rights (SARs), performance awards and other stock-based awards (collectively, stock awards). Individuals eligible to receive awards under the Amended Plan include employees, directors, consultants and advisors of the Company and its subsidiaries as well as members of our independent contractor sales force. As of December 31, 2016, there were ten non-employee directors, five executive officers, approximately 300 employees (other than executive officers) and approximately 4,700 members of our sales force who were eligible to receive awards under the Existing Plan and who would have been eligible to receive awards under the Amended Plan if then in effect.

Plan Benefits

We expect to issue annual RSUs to our employees, including the executive officers named in this Proxy Statement (referred to as our named executive officers). In addition, members of our Executive Team are expected to receive annual PSU awards. Provided that the recipient of the awards remains employed by us, the RSUs typically vest in equal annual installments over three years, subject to accelerated vesting in the event of the participant s involuntary termination of employment other than due to disability or for cause. PSUs are paid out after the end of a three-year performance period.

We expect to continue to offer members of our sales force the opportunity to earn deferred stock awards through our quarterly incentive compensation program. Deferred stock awards generally vest immediately but are subject to sale restrictions that lapse over three years. All members of the sales force at the level of regional vice president or above are eligible to participate in the quarterly incentive compensation program.

Future equity grants under the Amended Plan (as well as any performance-based cash bonuses granted under the Amended Plan) will be made to eligible participants (including our named executive officers and other employees, directors, consultants, advisors and members of our sales force) at the discretion of the Compensation Committee and, accordingly, are not yet determinable. In addition, benefits under the Amended Plan will depend on a number of factors, including the fair market value of our common stock on future dates. Consequently, it is not possible to determine the benefits that might be received by participants receiving discretionary cash awards or equity grants under the Amended Plan. The Company is not obligated to make any future grants of awards under the Amended Plan.

Performance Criteria

Awards granted under the Amended Plan may be subject to specified performance criteria (the Performance Criteria), which are based on the attainment by the Company, or any subsidiary or business unit of the Company, of performance measures pre-established by the Compensation Committee in its sole discretion, based on one or more of the following:

- Return on total stockholder equity;
- Earnings per share of our common stock;
- Net income (before or after taxes);
- Earnings before any or all of interest, taxes, minority interest, depreciation and amortization;

Sales or revenues;

Return on assets, capital or investment;

Market share;

Cost reduction goals;

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MATTERS TO BE VOTED ON

Implementation or completion of critical projects or processes;

Cash flow;

Gross or net profit margin;

Achievement of strategic goals;

Growth and/or performance of the Company s sales force;

Operating service levels; and

Any combination of, or a specified increase in, any of the foregoing.

The Performance Criteria may be based upon the attainment of specified levels of performance under one or more of the measures described above relative to the performance of other entities. To the extent permitted under Section 162(m) of the Code (including, without limitation, compliance with any requirements for stockholder approval) or to the extent that an award is not intended to qualify as performance-based compensation under Section 162(m) of the Code, the Compensation Committee in its sole discretion may designate additional business criteria on which the Performance Criteria may be based or adjust, modify or amend the aforementioned business criteria. Performance Criteria may include a threshold level of performance below which no award will be earned, a level of performance at which the target amount of an award will be earned and a level of performance at which the maximum amount of the award will be earned. The Compensation Committee, in its sole discretion, shall make equitable adjustments to the Performance Criteria in recognition of unusual or non-recurring events affecting the Company, any subsidiary of the Company or the financial statements of the Company or any such subsidiary, in response to changes in applicable laws or regulations, including changes in U.S. generally accepted accounting principles (GAAP), or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles, as applicable.

A summary of the principal features of the Amended Plan is provided below, but is qualified in its entirety by reference to the full text of the Amended Plan that is included as Exhibit A to this Proxy Statement. Exhibit A has been marked to show changes from the Existing Plan.

Shares Available for Issuance

Under the Existing Plan, the aggregate number of shares of our common stock that may be issued may not exceed 10,800,000 shares. As of February 28, 2017, 748,972 shares were available for future grant under the Existing Plan. Under the Amended Plan, the maximum aggregate number of shares that may be issued would be 12,200,000, and 2,148,972 of those shares would be available for future grant as of February 28, 2017 if the Amended Plan were then in effect. If any stock award granted under the Amended Plan expires or is cancelled, forfeited or otherwise terminated, without having been delivered in full, or if any stock award is reacquired or repurchased by the Company prior to vesting, the shares covered by such stock award would again be available for use under the Amended Plan.

Administration and Eligibility

The Amended Plan is administered by the Compensation Committee. To the extent required for employees subject to Section 162(m) of the Code, the plan administrator consists of an independent committee of the Board that complies with the applicable requirements of Section 162(m) of the Code and Section 16 of the Securities Exchange Act of 1934, as amended (the Exchange Act).

The Compensation Committee determines which employees, directors, consultants, advisors, and members of our sales force are eligible to receive awards under the Amended Plan. In addition, the Compensation Committee interprets the Amended Plan and may adopt any administrative rules, regulations, procedures and guidelines governing the Amended Plan or any awards granted under the Amended Plan as it deems appropriate.

Award Limits

In any calendar year, no more than one million shares may be granted in stock awards to any one participant. In addition, the Amended Plan establishes a cap of $400,000 on annual equity awards permitted to be granted to each non-employee director and $200,000 on annual cash fees permitted to be paid to each non-employee director.

Types of Awards

All of the awards described below are subject to the conditions, limitations, restrictions, vesting and forfeiture provisions determined by the Compensation Committee, in its sole discretion, subject to such limitations as provided in the Amended Plan. The following types of awards may be made under the Amended Plan:

Restricted Stock. A restricted stock award is an award of outstanding shares of our common stock that does not vest until after a specified period of time, or satisfaction of other vesting conditions as determined by the Compensation Committee, and which may be forfeited if conditions to vesting are not met. Participants generally receive dividend payments on the shares subject to their award during the vesting period (unless the awards are subject to performance-vesting criteria) and are also generally entitled to indicate a voting preference with respect to the shares underlying their awards.

Deferred Stock. A deferred stock award is an unfunded, unsecured promise to deliver shares of our common stock to the participant in the future, if the participant satisfies the conditions to vesting, as determined by the Compensation Committee. Participants do not have voting rights, but generally receive dividend equivalent payments during the vesting period (unless the awards are subject to performance-vesting criteria).

Stock Units. A stock unit is an award denominated in shares of our common stock that may be settled either in shares or cash, subject to terms and conditions determined by the Compensation Committee.

Nonqualified Stock Options. A nonqualified stock option is a stock option that does not meet the requirements of Section 422 of the Code as described below or with respect to which the grant agreement provides that the stock option is not to be treated as an incentive stock option. A stock option grants a participant the right to purchase, upon satisfaction of the applicable conditions relating to vesting and exercisability determined by the Compensation Committee, a specified number of shares of our common stock at a stated exercise price for a specified period of time.

Incentive Stock Options. An incentive stock option is a stock option that meets the requirements of Section 422 of the Code, which include (among other requirements) an exercise price of no less than 100% of fair market value of our common stock on the grant date, a term of no more than ten years, and that the grant is from a plan that has been approved by stockholders. A stock option will not constitute an incentive stock option if its terms provide that it will not be treated as an incentive stock option.

Stock Appreciation Rights. A SAR entitles the participant to receive an amount equal to the difference between the fair market value of a share of our common stock on the exercise date and the exercise price of the SAR (which may not be less than 100% of the fair market value of a share of our common stock on the grant date), multiplied by the number of shares subject to the SAR. A SAR may be granted in substitution for a previously granted option, and if so, the exercise price of any such SAR may not be less than 100% of the fair market value of a share of our common stock as determined at the time the option for which it is being substituted was granted. Payment to a participant upon the exercise of a SAR may be in cash or shares of our common stock.

Stock Payments. Subject to limits in the Amended Plan, the Compensation Committee may issue unrestricted shares of our common stock, alone or in tandem with other awards, in such amounts and subject to such terms and conditions as the Compensation Committee determines. A stock payment may be granted as, or in payment of, a bonus (including, without limitation, any compensation that is intended to qualify as performance-based compensation for

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purposes of Section 162(m) of the Code), or to provide incentives or recognize special achievements or contributions.

Cash Awards. The Compensation Committee may issue awards that are payable in cash, as deemed by the Compensation Committee to be consistent with the purposes of the Amended Plan. These cash awards will be subject to the terms, conditions, restrictions and limitations determined by the Compensation Committee from time to time. The payment of cash awards may be subject to the achievement of specified performance criteria. The Amended Plan provides that the maximum amount of a cash award that may be granted during any annual performance period to any employee subject to Section 162(m) of the Code may not exceed $10 million.

Reimbursement or Cancellation of Certain Awards

Awards granted under the Amended Plan may be subject to forfeiture if, after termination of employment or service, the participant engages in certain activities that are materially injurious to or in competition with Primerica. Certain awards may be subject to forfeiture or repayment if they were based on: (i) performance metrics that are later determined to be materially inaccurate; or (ii) error, fraud or misconduct by a member of the sales force or his or her sales organization. In addition, the Compensation Committee may require the reimbursement of cash or forfeiture of equity awards if it determines that an award that was granted, vested or paid based on the achievement of performance criteria would have not been granted, vested or paid absent fraud or misconduct, an event giving rise to a restatement of the Company s financial statements or a significant write-off not in the ordinary course affecting the Company s financial statements.

Deferrals

The Compensation Committee may postpone the exercise of awards, or the issuance or delivery of shares or cash pursuant to any award for such periods and upon such terms and conditions as such Committee determines in its sole discretion. In addition, the Compensation Committee may determine that all or a portion of a payment to a participant, whether in cash and/or shares, will be deferred in order to prevent Primerica or any subsidiary from being denied a federal income tax deduction with respect to an award granted under the Amended Plan. Notwithstanding this authority, the Compensation Committee will not postpone the exercise or delivery of shares or cash payable in respect of awards constituting deferred compensation under Section 409A of the Code, where such postponement would cause the imposition of additional taxes under Section 409A of the Code. Section 409A of the Code provides rules that govern the manner in which various types of compensation may be deferred and imposes taxes upon compensation that is improperly deferred or accelerated.

Adjustments

The Amended Plan provides that the Compensation Committee will make appropriate equitable adjustments to the maximum number of shares available for issuance under the Amended Plan and other limits stated in the Amended Plan, the number of shares covered by outstanding awards, and the exercise prices and performance measures applicable to outstanding awards. These changes will be made to reflect changes in our capital structure (including a change in the number of shares of the outstanding common stock) on account of any stock dividend, stock split, reverse stock split or any similar equity restructuring, or any combination or exchange of equity securities, merger, consolidation, recapitalization, reorganization or similar event, or to the extent necessary to prevent the enlargement or diminution of participants rights by reason of any such transaction or event or any extraordinary dividend, divestiture or other distribution (other than ordinary cash dividends) of assets to stockholders. These adjustments will be made only to the extent they conform to the requirements of applicable provisions of the Code and other applicable laws and regulations.

The Compensation Committee, in its sole discretion, may decline to adjust an award if it determines that the adjustment would violate applicable law or result in adverse tax consequences to the participant or Primerica.

Change of Control

The Amended Plan provides that, unless otherwise set forth in a participant s award agreement or employment agreement, all awards that are assumed or substituted in connection with a Change of Control transaction (as defined in the Amended Plan) will become fully vested, exercisable and free of restrictions, and any performance conditions on those awards will be deemed to be achieved if the participant s employment or service is terminated by the Company without Cause (as defined in the Amended Plan) within 24 months following the Change of Control. In addition, the Amended Plan provides that, unless otherwise set forth in a participant s award agreement, all awards that are not assumed or substituted in connection with the Change of Control transaction will become fully vested, exercisable and free of restrictions and any performance conditions on those awards will be deemed to be achieved immediately upon the occurrence of the Change of Control transaction.

In addition, in the event of a Change of Control transaction, the Compensation Committee may, in its sole discretion so long as doing so would not result in adverse tax consequences under Section 409A of the Code, provide that each award will, immediately upon the occurrence of the Change of Control, be cancelled in exchange for a payment in an amount equal to the excess of the consideration paid per share of our common stock in the Change of Control over the exercise or purchase price (if any) per share of our common stock subject to the award, multiplied by the number of shares of the our common stock subject to the award.

Amendment and Termination

The Amended Plan may be further amended or terminated by the Board at any time, but no amendment may be made without stockholder approval if it would materially increase the number of shares available under the Amended Plan, materially expand the types of awards available under the Amended Plan or the class of persons eligible to participate in the Amended Plan, materially extend the term of the Amended Plan, materially change the method of determining the exercise price of an option or SAR granted under the Amended Plan, delete or limit the prohibition against repricing, or otherwise require approval by stockholders in order to comply with applicable law or the rules of the New York Stock Exchange (NYSE). Notwithstanding the foregoing, with respect to awards subject to Section 409A of the Code, any termination, suspension or amendment of the Amended Plan must conform to the requirements of Section 409A. Except as may be required to comply with applicable tax law, no termination, suspension or amendment of the Amended Plan may adversely affect the right of any participant with respect to a previously granted award without the participant s written consent.

United States Federal Income Tax Consequences of Plan Awards

The following is a brief summary of the principal United States federal income tax consequences of transactions under the Amended Plan based on current United States federal income tax laws. This summary is not intended to be exhaustive, does not constitute tax advice and, among other things, does not describe state, local or foreign tax consequences, which may be substantially different.

Restricted Stock. A participant generally will not be taxed at the time of the grant of the restricted stock award but will recognize taxable income when the award vests or otherwise is no longer subject to a substantial risk of forfeiture. The amount of taxable income will be the fair market value of the shares at that time.

Employees may elect to be taxed at the time of grant by making an election under Section 83(b) of the Code within 30 days of the award date. If a restricted stock award subject to the Section 83(b) election is subsequently canceled, no deduction will be allowed for the amount previously recognized as income, and no tax previously paid will be refunded. Unless a participant makes a Section 83(b) election, dividends paid to a participant on shares of an unvested restricted stock award will be taxable to the participant as ordinary income. If the participant made a Section 83(b) election, the dividends will be taxable to the participant as dividend income.

Primerica will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant. Unless a participant has made a Section 83(b) election, Primerica will also be entitled to a deduction, for federal income tax purposes, for dividends paid on unvested restricted stock awards.

Deferred Stock. A participant will generally not recognize taxable income on a deferred stock award until shares subject to the award are distributed. Upon distribution, the fair market value of the shares of our common stock will be recognized as ordinary income. Any dividend equivalents paid on unvested deferred stock awards are taxable as ordinary income when paid to the participant.

Primerica will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant, including any dividend equivalent payments made to the participant.

Stock Units. Awards of stock units are treated, for federal income tax purposes, in substantially the same manner as deferred stock awards.

Nonqualified Stock Options. Generally, a participant will not recognize taxable income on the grant or vesting of a nonqualified stock option. Upon the exercise of a nonqualified stock option, a participant will recognize ordinary income in an amount equal to the difference between the fair market value of our common stock received on the date of exercise and the option cost (number of shares exercised multiplied by the exercise price per share). Primerica will ordinarily be entitled to a deduction on the exercise date equal to the ordinary income recognized by the participant upon exercise.

Incentive Stock Options. No taxable income is recognized by a participant on the grant or vesting of an incentive stock option. If a participant exercises an incentive stock option in accordance with its terms and does not dispose of the shares acquired within two years after the date of the grant of the incentive stock option or within one year after the date of exercise, the participant will be entitled to treat any gain related to the exercise of the incentive stock option as capital gain (instead of ordinary income). In this case, Primerica will not be entitled to a deduction by reason of the grant or exercise of the incentive stock option. However, the excess of the fair market value over the exercise price of the shares acquired is an item of adjustment in computing alternative minimum tax of the participant. If a participant holds the shares acquired for at least one year from the exercise date and does not sell or otherwise dispose of the shares for at least two years from the grant date, the participant s gain or loss upon a subsequent sale will be long-term capital gain or loss equal to the difference between the amount realized on the sale and the participant s basis in the shares acquired.

If a participant sells or otherwise disposes of the shares acquired without satisfying the required minimum holding period, such disqualifying disposition will give rise to ordinary income equal to the excess of the fair market value of the shares acquired on the exercise date (or, if less, the amount realized upon disqualifying disposition) over the participant s tax basis in the shares acquired. Primerica will ordinarily be entitled to a deduction equal to the amount of the ordinary income resulting from a disqualifying disposition.

Stock Appreciation Rights. Generally, a participant will not recognize taxable income upon the grant or vesting of a SAR, but will recognize ordinary income upon the exercise of a SAR in an amount equal to the cash amount received upon exercise (if the SAR is cash -settled) or the difference between the fair market value of our common stock received from the exercise of the SAR and the amount, if any, paid by the participant in connection with the exercise of the SAR. The participant will

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recognize ordinary income upon the exercise of a SAR regardless of whether the shares of our common stock acquired upon the exercise of the SAR are subject to further restrictions on sale or transferability. The participant s basis in the shares will be equal to the ordinary income attributable to the exercise and the amount, if any, paid in connection with the exercise of the SAR. The participant s holding period for shares acquired pursuant to the exercise of a SAR begins on the exercise date. Upon the exercise of a SAR, Primerica will ordinarily be entitled to a deduction in the amount of the ordinary income recognized by the participant.

Stock Payments. A participant will generally recognize taxable income on the grant of unrestricted stock in an amount equal to the fair market value of the shares on the grant date. Primerica will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant.

Cash Awards. A participant will generally recognize taxable income upon the payment of a cash award in an amount equal to the amount of the cash received. Primerica will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant.

Withholding. To the extent required by law, Primerica will withhold from any amount paid in settlement of an award amounts of withholding and other taxes due or take other action as Primerica deems advisable to enable Primerica and the participant to satisfy withholding and tax obligations related to any awards. Under the Amended Plan, Primerica may withhold taxes related to awards based on the maximum statutory tax rate.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth certain information relating to our equity compensation plans at December 31, 2016.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
Equity compensation plans approved by stockholders:			
Primerica, Inc. Amended and Restated 2010 Omnibus Incentive Plan	601,669(1)	$ 44.75(2)	901,122(3)
Primerica, Inc. Stock Purchase Plan for Agents and Employees			1,986,291(4)
Total	601,669	$ 44.75	2,887,413
Equity compensation plans not approved by stockholders	n/a	n/a	n/a

(1) Consists of 438,265 and 145,019 shares to be issued in connection with unvested RSUs and outstanding stock options, respectively. Also includes 18,385 PSUs of which between zero and 27,577 shares will be earned based on the Company s ROAE over a three year performance period that commenced on January 1, 2016. Refer to footnotes 12 and 14 in the Company s audited financial statements for fiscal 2016 included in the Company s Annual Report on Form 10-K for fiscal 2016 for additional information regarding the Company s outstanding equity awards.

(2) Represents the weighted average exercise price of 145,019 stock options outstanding.

(3) The number of shares of our common stock available for future issuance under the Existing Plan is 10,800,000 less the cumulative number of awards granted under the plan plus the cumulative number of awards canceled under the plan. If the Amended Plan had been in effect at December 31, 2016, the number of shares available for future issuance under the Amended Plan would have been 2,301,122.

(4) Represents shares of our common stock, which have already been issued and are outstanding, available to be purchased by employees and agents under the plan. The number of outstanding shares available to be purchased is 2,500,000 less the cumulative number of shares purchased to date under the plan.

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MATTERS TO BE VOTED ON

Proposal 3:

Advisory Vote on Executive Compensation (Say-on-Pay)

What am I voting on? The Board is asking our stockholders to approve, on an advisory basis, the compensation of the named executive officers in this Proxy Statement.

Voting Recommendation: FOR the proposal.

Vote Required: Approval requires a FOR vote by at least a majority of the shares present in person or represented by valid proxy and entitled to vote.

See Executive Compensation beginning on page 37 for more information.

In 2011, our stockholders recommended that we hold a Say-on-Pay vote every three years and our Board of Directors agreed to that recommendation. As a result, we most recently sought stockholder approval of our executive compensation program in conjunction with our 2014 Annual Meeting of Stockholders. At such meeting, approximately 99.5% of votes were cast in favor of our executive compensation program.

This year, we are again providing our stockholders with the opportunity to cast an advisory Say-on-Pay vote. The Say-on-Pay vote is required by Section 14A of the Exchange Act, which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), and the related rules of the Securities and Exchange Commission (the SEC). The Say-on-Pay vote is not binding on the Company, our Board of Directors or the Compensation Committee. Our Board and the Compensation Committee value the opinions of our stockholders and, to the extent there is any significant vote against our executive compensation program as disclosed in this Proxy Statement, we will consider our stockholders concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

As described in detail under the heading Executive Compensation Compensation Discussion and Analysis (CD&A) , our executive compensation program is designed to attract, motivate, and retain our named executive officers, each of whom is critical to our success. Under this program, our named executive officers are rewarded for the achievement of specific annual, long-term, strategic and corporate goals, and the realization of increased stockholder value. The Compensation Committee continually reviews and modifies the compensation program for our named executive officers to ensure that it achieves the desired goals of aligning our executive compensation structure with our stockholders interests and current market practices. Please read the CD&A section for additional details about our executive compensation program, including information about the compensation of our named executive officers for fiscal 2016.

The advisory vote on this resolution is not intended to address any specific element of compensation; rather, it relates to the overall compensation of our named executive officers, as well as the philosophy, policies and practices described in this Proxy Statement. Our stockholders have the opportunity to vote for or against, or to abstain from voting on, the following resolution:

RESOLVED, that the Company s stockholders approve, on an advisory basis, the compensation of the Company s named executive officers, as disclosed in the Company s Proxy Statement for the 2017 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and any related material disclosed in such proxy statement.

Proposal 4:

Advisory Vote on the Frequency of the Say-on-Pay Vote (Say-When-on-Pay)

What am I voting on? The Board is asking our stockholders to approve, on an advisory basis, the frequency of future advisory votes on executive compensation.

Voting Recommendation: FOR the option of annually.

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MATTERS TO BE VOTED ON

Vote Required: The option of every one year, two years or three years that receives the highest number of affirmative votes by those shares present in person or represented by proxy and entitled to vote will be the recommendation of the stockholders.

We are providing our stockholders with the opportunity to cast an advisory Say-When-on- Pay vote. Under Section 14A of the Exchange Act, the provisions of the Dodd-Frank Act and related SEC rules, this vote was required to be held at our 2011 Annual Meeting of Stockholders and not less frequently than once every six years thereafter. We are required to give our stockholders the opportunity to express a preference among three options: whether the Say-on-Pay vote will occur every one year, every two years, or every three years. Stockholders may also choose to abstain from voting on the matter. The Say-When-on-Pay vote is not binding on the Company, our Board of Directors or the Compensation Committee.

After careful consideration of this proposal, our Board of Directors has determined that an advisory vote on executive compensation that occurs every year is the most appropriate alternative for Primerica and, therefore, our Board recommends that you vote in favor of an annual advisory vote on executive compensation. In formulating its recommendation, our Board considered the importance of receiving regular input from our stockholders on important issues, such as our compensation policies and procedures. In addition, our executive compensation program has become more sophisticated since we became an independent public company in April 2010; therefore, we believe it would be most useful to enhance transparency for stockholders and to provide them with the opportunity to provide more direct annual feedback on the program to the Compensation Committee. Further, an annual Say-on-Pay vote has become viewed as the best practice in corporate governance.

The proxy card and voting instruction form give you four options: you can choose whether the Say-on-Pay vote should be conducted every year, every other year, or every three years, or you can abstain. Stockholders will not be voting to approve or disapprove the recommendation of the Board of Directors.

Although the Say-When-on-Pay vote is non-binding, the Board and the Compensation Committee will consider the results of the Say-When-on-Pay vote, as well as other communications from stockholders in determining the frequency of future Say-on-Pay votes. The Board may decide that it is in the best interests of our stockholders and the Company to hold an advisory vote on executive compensation more or less frequently than the non-binding option recommended by our stockholders. Unless otherwise instructed, the Proxy Committee will vote proxies held by them in favor of an annual Say-on-Pay vote as described above.

In accordance with SEC rules, our stockholders may vote, on an advisory basis, on how frequently they would like to cast an advisory vote on the compensation of our named executive officers. The Board believes conducting an advisory vote on executive compensation on an annual basis is currently appropriate for us and our stockholders.

Our stockholders may cast a vote on the preferred voting frequency by selecting the option of one year, two years or three years, or they may abstain from voting in response to the following resolution:

RESOLVED, that the Company s stockholders wish the Company to include an advisory vote on the compensation of the Company s named executive officers pursuant to Section 14A of the Exchange Act every:

one year

two years or

three years.

Proposal 5:

Ratification of the Appointment of KPMG LLP as Our Independent Registered Public Accounting Firm

What am I voting on? The Board is asking our stockholders to ratify the selection by the Audit Committee of our Board (the Audit Committee) of KPMG as our independent registered public accounting firm for fiscal 2017.

Voting Recommendation: FOR the ratification of our independent registered public accounting firm.

Vote Required: Approval requires a FOR vote by at least a majority of the shares present in person or represented by valid proxy and entitled to vote.

See Audit Matters beginning on page 71 for more information.

We ask that our stockholders ratify the selection of KPMG as our independent registered public accounting firm for fiscal 2017.

The Audit Committee has authority to retain and terminate the Company s independent registered public accounting firm. The Audit Committee has appointed KPMG as our independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for fiscal 2017, as well as the Company s internal control over financial reporting. Although stockholder ratification of the appointment of KPMG is not required, our Board of Directors believes that submitting the appointment to our stockholders for ratification is a matter of good corporate governance. If our stockholders do not ratify the appointment of KPMG, then the Audit Committee will reconsider the appointment. We paid KPMG an aggregate of $2.7 million in fiscal 2016 and $2.6 million in fiscal 2015.

One or more representatives of KPMG are expected to be present at the Annual Meeting. The representatives will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate stockholder questions.

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Our Board oversees the business and affairs of the Company, and our directors believe that good corporate governance is a critical factor in our continued success and also aligns management and stockholder interests. Through the corporate governance page of our investor relations website at *http://investors.primerica.com*, our stockholders have access to key governing documents such as our Code of Conduct, Corporate Governance Guidelines and charters of each committee of the Board.

The highlights of our corporate governance program are set forth below:

Board Structure

72.7% of the Board Consists of Independent Directors

Independent Lead Director of the Board

Separate Non-Executive Chairman of the Board and CEO roles

Independent Audit, Compensation and Corporate Governance Committees

Regular Executive Sessions of Independent Directors

Annual Board and Committee Self-Assessments

Periodic Director Peer Reviews

Significant Number of Directors that Demonstrate Racial and Gender Diversity

Stockholder Rights

Annual Election of Directors

Majority Voting for Directors in Uncontested Elections

No Poison Pill in Effect

Annual Stockholder Engagement to Discuss Corporate Governance and Executive Compensation

Multiple Avenues for Stockholders to Communicate with the Board

Other Highlights

Stock Ownership Guidelines

Pay for Performance Philosophy

Broad Clawback Provisions in the Existing Plan and the Amended Plan

Policies Prohibiting Hedging, Pledging and Short Sales

No Excise Tax Gross-Ups

Board Structure

Our Board currently consists of eleven directors. The Company s governance documents provide our Board with flexibility to select the appropriate leadership structure for the Company. Currently, the Company has a non-executive Chairman of the Board and a Lead Director. Our Board believes that this structure is the most appropriate leadership structure for the Company at this time and is in the best interests of our stockholders because it provides decisive and effective leadership and, when combined with the Company s other governance policies and procedures, provides appropriate opportunities for oversight, discussion and evaluation of decisions and direction by our Board.

Mr. R. Williams has served as non-executive Chairman of the Board since April 2015. He previously served as Chairman of the Board and

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GOVERNANCE

Co-Chief Executive Officer. Mr. G. Williams has served as Chief Executive Officer since April 2015. He previously served as President since 2005. Mr. Benson, one of our independent directors and Chairman of the Corporate Governance Committee, has served as the Lead Director of our Board since February 2014 and joined our Board in April 2010. As the primary interface between management and our independent directors, the Lead Director provides a valuable supplement to the non-executive Chairman and the Chief Executive Officer roles and serves as a key contact for the non-employee directors, thereby enhancing our Board s independence from management. The responsibilities of our Chairman of the Board and our Lead Director are set forth below.

Duties and Responsibilities of Chairman of the Board	**Duties and Responsibilities of Lead Director**
Preside over Board meetings and meetings of non-employee directors	Preside at all Board meetings at which the Chairman of the Board is not present
Call special meetings of our Board	Call meetings of independent directors and set the agenda for such meetings
Approve agendas for Board meetings	Preside at all meetings of independent directors and at all executive sessions of independent directors
Review advance copies of Board meeting materials	Review Board meeting agendas and provide input to the Chairman of the Board
Preside over stockholder meetings	Communicate with management on behalf of the independent directors when appropriate
Facilitate and participate in formal and informal communications with and among directors	Act as liaison between the Chairman of the Board, the CEO and members of the Board on sensitive issues
Review interested party communications directed to our Board and take appropriate action	Lead the annual Board self-assessment periodic peer review
	Lead the annual CEO evaluation
	Lead the CEO succession process

All directors play an active role in overseeing the Company s business both at our Board and committee levels. In addition, directors have full and free access to members of management, and our Board and each committee has authority to retain independent financial, legal or other advisors as they deem necessary without consulting, or obtaining the approval of, any member of management. Our Board holds separate executive sessions of its non-employee directors and of its independent directors at least annually.

Director Independence

Independence Determinations

Mr. R. Williams, Chairman of the Board, and Mr. Addison, Chairman of Primerica Distribution, are not independent because they were employed by the Company within the past three years. Mr. G. Williams, Chief Executive Officer, is not independent because he is a member of management and an employee of the Company.

Our Board annually assesses the outside affiliations of each director to determine if any of these affiliations could cause a potential conflict

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of interest or could interfere with the independence of the director. Based on information furnished by all directors regarding their relationships with Primerica and its subsidiaries and research conducted by management and discussed with our Board with respect to outside affiliations, our Board has determined that none of the outside directors who served on our Board during fiscal 2016 has or had a material relationship with Primerica other than through his or her role as director, and, except as set forth above, each is independent because he or she satisfies:

- The categorical standards set forth below;
- The independence standards set forth in Rule 10A-3 of the Exchange Act; and
- The criteria for independence set forth in Section 303A.02(b) of the NYSE Listed Company Manual.

A determination of independence under these standards does not mean that a director is disinterested under Section 144 of the Delaware General Corporation Law. Each director, relevant committee and our full Board may also consider whether any director is interested in any transaction brought before our Board or any of its committees for consideration.

Independence of Committee Members

Throughout fiscal 2016, the Audit, Compensation and Corporate Governance Committees have been fully independent in accordance with the NYSE Listed Company Manual and our Board s director independence standards described above. In fiscal 2016, no member of these committees received any compensation from Primerica other than directors fees, and no member of the Audit Committee was or is an affiliated person of Primerica (other than by virtue of his or her directorship). Members of the Audit Committee meet the additional standards of audit committee members of publicly traded companies required by the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act). Members of the Compensation Committee meet the additional standards applicable to outside directors under Section 162(m) of the Code, and qualify as non-employee directors as defined in Rule 16b-3 under the Exchange Act.

Categorical Standards of Independence

The Company has established categorical standards of independence for our Board, which are described in our Corporate Governance Guidelines. To be considered independent for purposes of the director qualification standards, (i) the director must meet independence standards under the NYSE Listed Company Manual and (ii) our Board must affirmatively determine that the director otherwise has no material relationship with the Company, directly or as an officer, shareowner or partner of an organization that has a relationship with the Company.

To assist it in determining each director s independence in accordance with the NYSE s rules, our Board has established guidelines, which provide that a director will be deemed independent unless:

(a) (1) the director is an employee, or an immediate family member of the director is an executive officer, of the Company or any of its affiliates, or (2) the director was an employee, or the director s immediate family member was an executive officer, of the Company or any of its affiliates during the immediately preceding three years;

(b) (1) the director presently receives during any consecutive 12-month period more than $120,000 in direct compensation from the Company or any of its affiliates, or an immediate family member of the director presently receives during any consecutive 12-month period more than $120,000 in direct compensation for services as an executive officer of the Company or any of its affiliates, excluding director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), or (2) the director or the director s immediate family member had received such compensation during any consecutive 12-month period within the immediately preceding three years;

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(c) (1) the director is a current partner or