

Primerica Files Comment Letter on Department of Labor Fiduciary Rulemaking

DULUTH, Ga.--(BUSINESS WIRE)-- Primerica, Inc. (NYSE: PRI), a leading distributor of financial products to middle-income households in North America, announced today that it filed a comment on the Department of Labor's (DOL) Conflicts of Interest Proposed Rule ("Proposed Rule"). The Proposed Rule would expand the definition of "fiduciary" under the Employee Retirement Income Security Act (ERISA). The Company's comment letter is available online at <http://www.primerica.com/DOL-Letter>.

Glenn Williams, Primerica CEO said, "Our investment products and principles fit hand-in-glove with the primary financial need of most middle-income families, which is the need to establish a long-term saving plan for retirement. We are committed to serving this often-overlooked market, and our goal is to always act in the best interest of our clients. Since the Proposed Rule was released, Primerica has thoroughly analyzed it to determine its impact on our clients and our operations. We have regrettably concluded that millions of middle-income families will be unintentionally harmed if the DOL's Proposal is enacted in its current form. We are hopeful that the DOL will amend the Proposal in a manner that allows Main Street families to continue to receive sound financial education along with a wide range of investment and savings options."

Primerica is uniquely qualified to recognize and comment on the potential impact the Proposed Rule could have on middle-income consumers. Since its founding in 1977, Primerica has served the middle-income market, and at the end of 2014, Primerica insured more than 4 million lives and had over 2 million client investment accounts, including more than 1.2 million IRAs. The Company's typical clients are middle-income families, defined by Primerica as households with an annual income of \$30,000 to \$100,000, which represents approximately 50% of all U.S. households.

As is widely known, most financial services companies focus on the more affluent markets and have abandoned middle-income families due to the relatively higher costs and lower profitability associated with servicing smaller investment accounts. However, Primerica's variable cost distribution model, which is structured for high volumes of low initial and subsequent investments, allows the Company to provide exceptional products and service to this critical market.

Proposed Rule Will Disrupt Retirement Savings for Middle-Income Americans

Primerica agrees with the DOL that firms and their representatives should act in their clients' best interests, and doing so is critical to our business's success. However, the Proposed Rule is overly broad, contains very narrow exceptions, and would have the unintended consequence of depriving middle-income consumers – the very people the rule purports to help – of desperately needed retirement guidance from regulated financial professionals. We anticipate that the Proposed Rule will have the effect of limiting access to investment advice

for the middle-market and decreasing tax-deferred savings options for these savers. Primerica's vast experience has shown that in the absence of face-to-face financial help for middle-income families, the country's retirement savings crisis will undoubtedly worsen.

The Proposed Definition of Fiduciary is Too Broad

The Proposed Rule greatly expands the scope of who is a fiduciary and when fiduciary status begins and ends. Primerica believes that the Proposed Rule is unnecessary and contains significant legal flaws, and recommends that the DOL withdraw the Proposal. But, if the DOL continues to advance the Proposed Rule, the Company believes that substantial revisions are necessary to preserve middle-income families' choices and access to financial and investment advice.

Specifically, the DOL should revise the proposed definition of fiduciary investment advice to (1) retain key elements of the current "five-factor" fiduciary definition including the mutual understanding element, which is critical to allowing clients and their representatives define their relationship, (2) provide for a meaningful "seller's exception" for retail investors, and (3) preserve investment education by broadening, not narrowing, the education exception.

Best Interest Contract Exemption is Unworkable as Proposed

With such an expansive definition of fiduciary investment advice, and without meaningful exceptions for sales and education activities directed to retail investors, the Proposed Rule makes prohibited transactions relief necessary to preserve commission-based brokerage services. As stated in Primerica's comment letter, the Company finds the Best Interest Contract Exemption ("BIC Exemption") drafted by the DOL to be completely unworkable. In fact, the requirements of the BIC Exemption are so complex and burdensome that it is not administratively or operationally feasible. Primerica believes the Proposed Rule will require broker-dealers to fundamentally restructure their IRA businesses to avoid a need to rely on the BIC Exemption, resulting in higher minimum account balances, reduced investor choice and ultimately, lost opportunity to accumulate meaningful retirement savings on a tax-deferred basis by millions of hard working Americans.

Should the DOL continue to advance the Proposed Rule, the Company believes it is critical that a manageable exemption be proposed. In its comment letter, Primerica provides extensive detail on what it believes would be necessary to make a BIC Exemption operational.

Primerica is Committed to Serving Middle-Income Families

Primerica's commitment to helping middle-income families achieve financial independence is unwavering, and the Company will work to find ways to continue to serve this market should the DOL's Proposed Rule be finalized as proposed. Primerica would most likely seek to offer investment solutions that fall outside of the BIC Exemption, such as moving clients with larger investment portfolios into managed accounts. Also, the Company could consider working with a small group of providers to offer a limited list of investment alternatives that are acceptable outside the framework of the BIC Exemption, which we believe would, over time, be economically consistent with current profitability levels. Absent other appropriate options, Primerica could potentially offer taxable accounts for smaller investors.

About Primerica, Inc.

Primerica, Inc., headquartered in Duluth, GA, is a leading distributor of financial products to middle-income households in North America. Primerica representatives educate their Main Street clients about how to better prepare for a more secure financial future by assessing their needs and providing appropriate solutions through term life insurance, which we underwrite, and mutual funds, annuities and other financial products, which we distribute primarily on behalf of third parties. In addition, Primerica provides an entrepreneurial full or part-time business opportunity for individuals seeking to earn income by distributing the Company's financial products. Primerica insured more than 4 million lives and had over 2 million client investment accounts at December 31, 2014. Primerica stock is included in the S&P MidCap 400 and the Russell 2000 stock indices and is traded on The New York Stock Exchange under the symbol "PRI".

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