

Primerica, Inc.  
Form DEF 14A  
March 21, 2019  
Table of Contents

**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)

# Edgar Filing: Primerica, Inc. - Form DEF 14A

(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:

(5) Total fee paid:

## Edgar Filing: Primerica, Inc. - Form DEF 14A

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:

## Table of Contents

April 5, 2019

To our fellow stockholders:

Primerica achieved many successes during fiscal 2018. 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, the sales force and our employees. This letter highlights a few of our company's accomplishments, and we strongly encourage you to review the entire Proxy Statement for a more comprehensive discussion of last year's achievements.

### Financial Accomplishments

We are proud of the results that we delivered in fiscal 2018, including:

Growth of 32.8% in diluted adjusted operating income per share compared with fiscal 2017;

Adjusted net operating income return on adjusted stockholders' equity (ROAE) of 22.8%;

Return to stockholders in the form of nearly \$210 million in share repurchases; and

Increase in annual stockholder dividends to \$1.00 per share.

In addition, our total stockholder return, including dividends, for fiscal 2018 and the five-year period of fiscal 2014 through fiscal 2018 was -2.9% and 140.6%, respectively. Although total stockholder return for fiscal 2018 was negative due to market declines in December 2018, it exceeded that of both the S&P 500 Insurance Index and the S&P MidCap 400.

### Distribution Results

Our investments business achieved new records in fiscal 2018 while our life insurance business saw slight declines, especially during the latter half of the year:

Life-licensed sales representatives increased 4% to 130,736 at December 31, 2018 compared with 126,121 at December 31, 2017;

Recruiting of new representatives decreased 4% to 290,886 compared with 303,867 in fiscal 2017;

New life insurance licenses decreased 1% to 48,041 compared with 48,535 in fiscal 2017;

Issued term life insurance policies decreased 4% to 301,589 compared with 312,799 in fiscal 2017, with over \$95 billion of face amount issued in fiscal 2018;

Term life insurance claims paid to policy beneficiaries was \$1.4 billion;

Value of client assets at December 31, 2018 was \$57.7 billion;

## Table of Contents

Investment and Savings product sales increased 14% to \$7.0 billion compared with \$6.2 billion in fiscal 2017; and

The number of mutual fund-licensed sales representatives increased to 25,370 at December 31, 2018.

### [Continued Alignment of Compensation and Performance](#)

Our compensation philosophy includes a strong commitment to provide compensation programs that link executive pay to company performance. The Compensation Committee of our Board of Directors continues to spend significant time reviewing our executive compensation program with independent experts as part of our ongoing 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 36.

### [Leading Corporate Governance Practices](#)

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

Proxy access;

Majority voting for directors in uncontested elections;

Annual election of directors;

Diversity among our directors;

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

A Corporate Responsibility Report that highlights our approach to the types of environmental, social and governance (ESG) topics in which public investors are expressing increased interest; and

Annual outreach to stockholders that own in the aggregate more than 75% of our outstanding common stock and disclosure of the actions taken as a result of those conversations.

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*

**Table of Contents**

|                             |  |
|-----------------------------|--|
| <b>Date and Time</b>        | May 16, 2019, at 10:00 a.m., local time  |
| <b>Place</b>                | The Primerica Theater located in Primerica's home office, One Primerica Parkway, Duluth, Georgia 30099   |
| <b>Items of Business</b>    | <p>To elect the ten directors nominated by our Board of Directors and named in the accompanying Proxy Statement (Proposal 1);</p> <p>To consider an advisory vote on executive compensation (Proposal 2);</p> <p>To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2019 (Proposal 3); and</p> <p>To transact such other business as may properly come before the Annual Meeting and any adjournments thereof.</p>  |
| <b>Record Date</b>          | March 20, 2019. 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.   |
| <b>Proxy Voting</b>         | 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.  |
| <b>E-Proxy Process</b>      | <p>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.</p> <p>On or about April 5, 2019, we will mail a Notice of Internet Availability of Proxy Materials to holders of our common stock as of March 20, 2019, other than those holders 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.</p> |
| <b>Live Meeting Webcast</b> | If you cannot attend in person, then you may listen to a live webcast of the Annual Meeting at our investor relations website, <a href="http://investors.primerica.com">http://investors.primerica.com</a>   |

**Important Notice Regarding the Availability of Proxy Materials for the 2019 Annual Meeting of Stockholders to be Held on May 16, 2019.** The Proxy Statement and the 2018 Annual Report to Stockholders are available free of charge at [www.proxyvote.com](http://www.proxyvote.com).



Edgar Filing: Primerica, Inc. - Form DEF 14A

By Order of Our Board of Directors,

STACEY K. GEER

*Chief Governance Officer and Corporate Secretary*

Duluth, Georgia

April 5, 2019

**Table of Contents**

On or about April 5, 2019, we will mail a Notice of Internet Availability of Proxy Materials to holders of our common stock as of the record date, other than those holders who previously requested electronic or paper delivery of communications from us.

|  |     |
|--|-----|
| <b><u>PROXY SUMMARY</u></b>  | 2   |
| <b><u>MATTERS TO BE VOTED ON</u></b>   | 6   |
| <b><u>Proposal 1: Election of Directors</u></b>  | 6   |
| <b><u>Proposal 2: Advisory Vote on Executive Compensation (Say-on-Pay)</u></b>   | 7   |
| <b><u>Proposal 3: Ratification of the Appointment of KPMG LLP as Our Independent Registered Public Accounting Firm</u></b> | 8   |
| <b><u>GOVERNANCE</u></b>   | 9   |
| <u>Board Structure</u>   | 9   |
| <u>Director Independence</u>   | 10  |
| <u>Board Diversity</u>   | 12  |
| <u>Director Nomination Process</u>   | 12  |
| <u>Proxy Access</u>  | 13  |
| <u>Majority Voting Standard for Director Elections</u>   | 13  |
| <u>Board Evaluation Process</u>  | 14  |
| <u>Board's Role in Risk Oversight</u>  | 14  |
| <u>Communicating with our Board of Directors</u>   | 15  |
| <u>Stockholder Engagement</u>  | 15  |
| <u>Role of Compensation Consultant</u>   | 16  |
| <u>Code of Conduct</u>   | 17  |
| <u>Environmental, Social and Governance (ESG) Matters</u>  | 17  |
| <b><u>BOARD OF DIRECTORS</u></b>   | 19  |
| <u>Board Members</u>   | 19  |
| <u>Director Qualifications</u>   | 30  |
| <u>Board Meetings</u>  | 31  |
| <u>Board Committees</u>  | 31  |
| <u>Director Compensation</u>   | 33  |
| <u>Other Director Matters</u>  | 35  |
| <b><u>EXECUTIVE COMPENSATION</u></b>   | 36  |
| <u>Compensation Committee Message</u>  | 36  |
| <u>Compensation Discussion and Analysis (CD&amp;A)</u>   | 39  |
| <u>Compensation Committee Interlocks and Insider Participation</u>   | 60  |
| <u>Compensation Committee Report</u>   | 60  |
| <u>Compensation Tables</u>   | 61  |
| <u>Pay Ratio</u>   | 71  |
| <u>Employment Agreements</u>   | 73  |
| <b><u>AUDIT MATTERS</u></b>  | 77  |
| <u>Audit Committee Report</u>  | 77  |
| <u>Fees and Services of KPMG</u>   | 78  |
| <b><u>STOCK OWNERSHIP</u></b>  | 80  |
| <u>Ownership of Our Common Stock</u>   | 80  |
| <u>Section 16(a) Beneficial Ownership Reporting Compliance</u>   | 83  |
| <b><u>RELATED PARTY TRANSACTIONS</u></b>   | 84  |
| <u>Policies and Procedures Governing Related Party Transactions</u>  | 84  |
| <u>Transactions with Citigroup</u>   | 84  |
| <u>Other Transactions</u>  | 84  |
| <b><u>INFORMATION ABOUT VOTING AND THE ANNUAL MEETING</u></b>  | 85  |
| <b><u>OTHER STOCKHOLDER INFORMATION</u></b>  | 91  |
| <u>Other Information</u>   | 91  |
| <u>Proposals Pursuant to Rule 14a-8</u>  | 91  |
| <u>Proxy Access Director Nominees</u>  | 91  |
| <u>Other Proposals and Director Nominees</u>   | 91  |
| <b><u>Exhibit A RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL MEASURES</u></b>   | A-1 |

Edgar Filing: Primerica, Inc. - Form DEF 14A

Location for the 2019 Annual Meeting of Stockholders

Back Cover

Primerica 2019 Proxy Statement 1

**Table of Contents**

This summary highlights selected information contained in this Proxy Statement, but it does not contain all of the information you should consider. We urge you to read the entire Proxy Statement before you vote. You may also wish to review Primerica’s Annual Report on Form 10-K (the 2018 Annual Report ) for the fiscal year ended December 31, 2018 ( fiscal 2018 ).

**Meeting Agenda and Voting Recommendations**

*See Matters To Be Voted On beginning on page 6 for more information.*

| <b>Proposal</b>  | <b>Vote Recommendation</b> |
|--|----------------------------|
| 1. Election of directors   | FOR each director nominee  |
| 2. Advisory vote on executive compensation ( Say-on-Pay )        | FOR                        |
| 3. Ratification of independent registered public accounting firm | FOR                        |

**Annual Meeting of Stockholders**

You are entitled to vote at the annual meeting of stockholders (the Annual Meeting ) if you were a holder of record of our common stock at the close of business on March 20, 2019. Please see page 85 for instructions on how to vote your shares and other important information.

**Corporate Strategy**

Primerica, Inc. (the Company or Primerica ) is a leading provider of financial products to middle-income households in the United States and Canada with 130,736 licensed sales representatives at December 31, 2018. 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 insured approximately five million lives and had over two million client investment accounts at December 31, 2018. Our distribution model uniquely positions us to reach underserved middle-income consumers in a cost-effective manner and has proven itself in both favorable and challenging economic environments.

Our mission is to serve middle-income families by helping them make informed financial decisions and providing them with a strategy and means to gain financial independence. We believe there is significant opportunity to meet the increasing array of financial services needs of our clients. We intend to leverage the sales force to provide additional products and services that meet such client needs, which will drive long-term value for all of our stakeholders. Our strategy is organized across four primary areas:

Maximizing sales force growth, leadership and productivity;

Broadening and strengthening our protection product portfolio;

Providing offerings that enhance our Investment and Savings Products ( ISP ) business; and

Developing digital capabilities to deepen our client relationships.

## **Table of Contents**

PROXY SUMMARY

## **Corporate Performance**

The bar graphs below depict our performance over the past five fiscal years for the four metrics that we use to measure corporate performance under our incentive compensation program. These metrics do not reflect financial results prepared in accordance with United States generally accepted accounting principles ( GAAP ). See *Reconciliation of GAAP and Non-GAAP Financial Measures* in Exhibit A to this Proxy Statement for a reconciliation to 2018 GAAP results. Reconciliations for earlier years are available through the Financials section of our investor relations website at <http://investors.primerica.com>.

## **Corporate Governance Highlights**

*See Governance beginning on page 9 for more information.*

Our Board of Directors (the Board or our Board of Directors ) consists of eleven members. With the retirement of Mr. Mark Mason at the Annual Meeting, the size of the Board will remain unchanged but there will be a vacancy that the Board is seeking to fill. We are pleased that our Board reflects the diversity of the communities that we serve, with female directors comprising 30% of our director nominees and directors with racial or ethnic diversity comprising 20% of our director nominees.

**Table of Contents**

PROXY SUMMARY

In fiscal 2018, the Board of Directors approved a new Equal Employment Opportunity and Anti-Harassment Policy. This new policy documents certain aspects of the Company's Code of Conduct and employee handbook, and includes information about complaint and investigation procedures relating to alleged discrimination incidents.

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

**Board Structure**

63.6% of the Board Members are Independent

Independent Lead Director of the Board

Separate Non-Executive Chairman of the Board and Chief Executive Officer roles

Independent Audit, Compensation and Corporate Governance Committees of the Board

Regular Executive Sessions of Independent Directors

Annual Board and Committee Self-Assessments

Periodic Director Peer Reviews

Significant Number of Directors that Demonstrate Gender, Racial and Ethnic Diversity

Limit on the Number of Boards on Which our Directors Serve

**Stockholder Rights**

Proxy Access

Annual Election of Directors

Regular Director Refreshment

Majority Voting for Directors in Uncontested Elections

## Edgar Filing: Primerica, Inc. - Form DEF 14A

No Poison Pill in Effect

Annual Stockholder Engagement to Discuss Corporate Governance, Executive Compensation and Environmental, Social and Governance ( ESG ) Matters

Multiple Avenues for Stockholders to Communicate with the Board

### **Other Highlights**

Stock Ownership Guidelines for Directors and Senior Executives

Pay for Performance Philosophy

Broad Clawback Provisions in the Company's Second Amended and Restated Primerica, Inc. 2010 Omnibus Incentive Plan

Policies Prohibiting Hedging, Pledging and Short Sales

No Tax Gross-Ups

Strong Ethics Program

Publication of an Annual Corporate Responsibility Report

### **Executive Compensation Highlights**

*See Executive Compensation beginning on page 36 for more information.*

The Compensation Committee (the Compensation Committee) of our Board of Directors has 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, a meaningful percentage of compensation is tied to the achievement of challenging corporate performance objectives. Set forth below is a brief description of our executive compensation program for fiscal 2018.

Components include base salary, annual cash incentive awards and long-term equity awards.

4 Freedom Lives Here

**Table of Contents**

PROXY SUMMARY

The Compensation Committee set cash award targets for each of the four members of our executive team (the Executive Team ) at the beginning of 2018.

Cash incentive awards are based on the Company s achievement of pre-determined performance goals related to operating revenues, net operating income, adjusted net operating income return on adjusted stockholders equity ( ROAE ) and size of life-licensed sales force at year end and can be increased or decreased by the Compensation Committee by up to 20% for personal performance.

The corporate performance award was equal to 105.9% of the target award.

The Compensation Committee elected not to make any personal performance adjustments.

The grant values of long-term equity awards granted to our Executive Team members in February 2019 were fixed at the beginning of fiscal 2018.

Equity award value is split equally between time-based restricted stock units ( RSUs ) and performance stock units ( PSUs ).

The RSUs 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 2019 through 2021, and the executives will receive between 0% and 150% of the awarded shares in March 2022.

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

Although the Company provides only limited perquisites, during fiscal 2018 the Compensation Committee adopted an Executive and Director Perquisites Policy. The new policy provides that all perquisites paid to directors and senior executives must be approved by the Compensation Committee and it lists certain categories of perquisites that have been pre-approved.

The table below highlights the fiscal 2018 compensation for our Chief Executive Officer (also referred to as our CEO ) and, on average, for the other named executive officers as disclosed in the summary compensation table on page 61.

**Summary Compensation Table Elements**

|              | Salary     | Equity Awards | Short-Term Cash Bonus | Other Compensation | Total        |
|--------------|------------|---------------|-----------------------|--------------------|--------------|
| <b>CEO</b>   |            |               |                       |                    |              |
| Compensation | \$ 750,000 | \$ 2,749,841  | \$ 1,588,500          | \$ 53,848          | \$ 5,145,317 |
| % of Total   | 15%        | 53%           | 24%                   | 1%                 | 100%         |



Edgar Filing: Primerica, Inc. - Form DEF 14A

**Average NEO**

|              |            |            |            |           |              |
|--------------|------------|------------|------------|-----------|--------------|
| Compensation | \$ 506,272 | \$ 951,254 | \$ 590,262 | \$ 36,509 | \$ 2,085,261 |
| % of Total   | 24%        | 46%        | 28%        | 2%        | 100%         |

Primerica 2019 Proxy Statement 5

**Table of Contents****Proposal 1:****Election of Directors**

**What am I voting on?** The Board is asking our stockholders to elect each of the ten director nominees named in this Proxy Statement to hold office until the annual meeting of stockholders in 2020 (the 2020 Annual Meeting) and until his or her successor is elected and qualified.

**Voting Recommendation:** FOR the election of the ten 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 19 for more information.

We ask that our stockholders elect the ten director nominees named below to our Board of Directors to serve a one-year term commencing at the Annual Meeting. Our Board of Directors has adopted majority voting for directors in

uncontested elections. 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. | 61                | CEO, Addison Leadership Group and Former Co-Chief Executive Officer, Primerica                                   | No          | October 2009          |
| Joel M. Babbit       | 65                | Co-Founder and Chief Executive Officer, Narrative Content Group, LLC   | Yes         | August 2011           |
| P. George Benson     | 72                | Former President, The College of Charleston  | Yes         | April 2010            |
| C. Saxby Chambliss   | 75 <sup>(1)</sup> | Partner, DLA Piper   | No          | June 2017             |
| Gary L. Crittenden   | 65                | Private Investor   | Yes         | July 2013             |
| Cynthia N. Day       | 53                | President and Chief Executive Officer, Citizens Bancshares Corporation   | Yes         | January 2014          |
| Beatriz R. Perez     | 49                | SVP and Chief Communications, Public Affairs, Sustainability and Marketing Assets Officer, The Coca-Cola Company | Yes         | May 2014              |
| D. Richard Williams  | 62                | Non-Executive Chairman of the Board and Former Co-Chief Executive Officer, Primerica                             | No          | October 2009          |
| Glenn J. Williams    | 59                | Chief Executive Officer  | No          | April 2015            |

## Edgar Filing: Primerica, Inc. - Form DEF 14A

Barbara A. Yastine      59      Former Chairman and CEO, Ally Bank      Yes      December 2010

(1) For a description of the factors that caused the Board of Directors to waive the Corporation's director retirement age for Senator Chambliss, see Board of Directors Board Members C. Saxby Chambliss.

6      Freedom Lives Here

---

## **Table of Contents**

### MATTERS TO BE VOTED ON

Each director nominee attended more than 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 2018.

Senator C. Saxby Chambliss was elected to our Board in June 2017. Mr. G. Williams was elected to the Board and promoted to Chief Executive Officer as of April 1, 2015. The remaining eight director nominees 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:**

#### **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 as described 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 36 for more information.*

We most recently sought stockholder approval of our executive compensation program in conjunction with our 2018 Annual Meeting of Stockholders. At such meeting, approximately 93.4% of votes were cast in favor of our executive compensation program. In addition, in May 2017 our stockholders supported the Board's recommendation to hold an annual Say-on-Pay vote. As a result, the next Say-on-Pay vote (after that taken at the Annual Meeting) will take place at the 2020 Annual Meeting. 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 as well as 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 2018.

The advisory vote in 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 may vote for or against, or 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 2019 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.

**Table of Contents**

MATTERS TO BE VOTED ON

**Proposal 3:**

**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 LLP (KPMG) as our independent registered public accounting firm for the fiscal year ended December 31, 2019 (fiscal 2019).

**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 77 for more information.*

We ask that our stockholders ratify the selection of KPMG as our independent registered public accounting firm for fiscal 2019.

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 2019, 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 \$2.9 million in fiscal 2018 and \$2.8 million in the year ended December 31, 2017 (fiscal 2017).

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.

**Table of Contents**

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 Governance section 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.

**Board Structure**

Our Board currently consists of eleven directors. After the Annual Meeting, our Board will consist of eleven directors but there will be a vacancy that the Board is seeking to fill. 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 an independent 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 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 he 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**

Preside over Board meetings and meetings of non-employee directors

Call special meetings of our Board

Approve agendas for Board meetings

Review advance copies of Board meeting materials

Preside over stockholder meetings

**Duties and Responsibilities of Lead Director**

Preside at all Board meetings at which the Chairman of the Board is not present

Call meetings of independent directors and set the agenda for such meetings

Preside at all meetings of independent directors and at all executive sessions of independent directors

Review Board meeting agendas and provide input to the Chairman of the Board

## Edgar Filing: Primerica, Inc. - Form DEF 14A

Facilitate and participate in formal and informal communications with and among directors

Communicate with management on behalf of the independent directors when appropriate

Review interested party communications directed to our Board and take appropriate action

Act as liaison between the Chairman of the Board, the CEO and members of the Board

Lead the annual Board self-assessment

Lead the annual CEO evaluation

Lead the CEO succession process



---

## **Table of Contents**

### GOVERNANCE

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 and Mr. Addison are not independent because they previously served as the Company's Co-Chief Executive Officers. Mr. G. Williams, our Chief Executive Officer, is not independent because he is a member of management and an employee of the Company. Senator Chambliss is not independent because he is a partner of a law firm that the Company uses for legal work that arises from time to time in connection with certain specialized legal matters. Senator Chambliss does not perform this work and the underlying transactions were completed prior to both the date that he joined the Board and the date that he affiliated with the law firm.

Our Board annually assesses the outside affiliations of each director to determine if any of these affiliations could cause a potential conflict 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 remaining directors who served on our Board during fiscal 2018 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 Securities Exchange Act of 1934, as amended (the Exchange Act); and

The criteria for independence set forth in Section 303A.02(b) of the New York Stock Exchange (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 2018, 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, except that Senator Chambliss served as a member of the Corporate Governance Committee until April 2018. He resigned from such committee immediately after Institutional Shareholder Services notified the Company that it believed that Senator Chambliss would not be considered independent, notwithstanding the procedural safeguards that had been implemented in connection with the law firm's work for the Company. In fiscal 2018, 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). Throughout fiscal 2018, members of the Compensation Committee qualified as non-employee directors as defined in Rule 16b-3 under the Exchange Act.

**Table of Contents**

## GOVERNANCE

***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 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;
- (c) (1) the director is a current partner or employee of a firm that is the Company's internal or independent auditor, (2) an immediate family member of the director is a current partner of such a firm, (3) an immediate family member of the director is a current employee of such a firm and personally works on the Company's audit, or (4) the director or an immediate family member of the director was, within the last three years, a partner or employee of such a firm and personally worked on the Company's audit within that time period;
- (d) (1) an executive officer of the Company serves on the board of directors of a company that, at the same time, employs the director, or an immediate family member of the director, as an executive officer, or (2) Primerica and the company of which the director or his or her immediate family member is an executive officer had such relationship within the immediately preceding three years;
- (e) (1) the director is a current executive officer or employee, or an immediate family member of the director is a current executive officer, of another company that makes payments to or receives payments from the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, or (2) Primerica and the company of which the director is an executive officer or employee or his or her immediate family member is an executive officer had such relationship within the immediately preceding three years;
- (f) the director serves as an executive officer, director or trustee, or his or her immediate family member who shares the director's household serves as an executive officer, director or trustee, of a charitable organization, and within the last three years, discretionary charitable contributions by the Company to such organization, in the aggregate in any one year, exceed the greater of \$1 million or 2% of that organization's total annual charitable receipts;

## **Table of Contents**

### GOVERNANCE

- (g) the director has any interest in an investment that the director jointly acquired in conjunction with the Company;
- (h) the director has, or his or her immediate family member has, a personal services contract with the Company; or
- (i) the director is affiliated with, or his or her immediate family member is affiliated with, a paid advisor or consultant to the Company.

### **Board Diversity**

Diversity is very important to us. We strive to offer an inclusive business environment that offers and benefits from diversity of people, thought and experience. This also holds true for our Board. Pursuant to our Corporate Governance Guidelines, our Board annually reviews the appropriate skills and characteristics of its members in light of the current composition of our Board, and diversity is one of the factors used in this review. In addition, in identifying a director candidate, the Corporate Governance Committee and our Board consider and discuss diversity, among the other factors discussed under Director Nomination Process, with a view toward the role and needs of our Board as a whole. The Corporate Governance Committee and our Board generally view diversity expansively to include, without limitation, concepts such as race, gender, national origin, differences of viewpoint and perspective, professional experience, education, skill and other qualities or attributes that together contribute to the successful functioning of our Board.

### **Director Nomination Process**

Our Board maintains a robust process in which the members focus on identifying, considering and evaluating potential board candidates. Our Corporate Governance Committee leads this process, considering the Company's current needs and long-term and strategic plans to determine the skills, experience and characteristics needed by our Board. The Corporate Governance Committee seeks input

from other Board members and senior management, and also considers and evaluates any candidates recommended by our stockholders.

Our Board has determined that its members should bring to the Company a broad range of experience, knowledge and judgment. A successful board candidate must be prepared to represent the interests of the Company and all of its stockholders. The factors considered by the Corporate Governance Committee and our Board in their review of potential candidates include whether:

The candidate has exhibited behavior that indicates he or she is committed to the highest ethical standards;

The candidate has had business, governmental, non-profit or professional experience at the Chairman, Chief Executive Officer, Chief Operating Officer or equivalent policy-making and operational level of a large organization that indicates that the candidate will be able to make a meaningful and immediate contribution to our Board;

The candidate has special skills, expertise and background that would complement the attributes of the existing directors, taking into consideration the diverse communities and geographies in which the Company operates;

The candidate has financial expertise;

The candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of all of our stockholders and our other stakeholders in reaching decisions, rather than advancing the interests of a particular constituency;

## Edgar Filing: Primerica, Inc. - Form DEF 14A

The candidate possesses a willingness to challenge management while working constructively as part of a team in an environment of collegiality and trust; and

The candidate will be able to devote sufficient time and energy to the performance of his or her duties as a director.

12 Freedom Lives Here

---

## **Table of Contents**

### GOVERNANCE

The Corporate Governance Committee carefully reviews all current directors and director candidates in light of these factors based on the context of the current and anticipated composition of our Board, the current and anticipated operating requirements of the Company and the long-term interests of our stockholders. In reviewing a candidate, the Corporate Governance Committee considers the integrity of the candidate and whether the candidate would be independent as defined in our Corporate Governance Guidelines and the NYSE Listed Company Manual. The Corporate Governance Committee expects a high level of involvement from our directors and, if applicable, reviews a candidate's service on other boards to assess whether the candidate has sufficient time to devote to Board duties.

The Corporate Governance Committee decides whether to further evaluate each candidate, which would include a thorough reference check, interviews, and discussions about the candidate's qualifications, availability and commitment. Upon the completion of such evaluation, the Corporate Governance Committee makes a recommendation to our Board with respect to the election of a potential candidate to our Board. Our Board expects that all candidates recommended to our Board will have received the approval of all members of the Corporate Governance Committee.

Any stockholder who wishes to have the Corporate Governance Committee consider a candidate for election to our Board is required to give written notice of his or her intention to make such a nomination. For a description of the procedures required to be followed for a stockholder to nominate a director, see [Other Stockholder Information Proxy Access Director Nominees](#) and [Other Stockholder Information Other Proposals and Director Nominees](#). A proposed nomination that does not comply with these requirements will not be considered by the Corporate Governance Committee. There are no differences in the manner in which the Corporate Governance Committee considers or evaluates director candidates it identifies and director candidates who are recommended by our stockholders.

### **Proxy Access**

A stockholder or group of no more than 20 stockholders that has owned at least 3% of our common stock for at least three years may nominate directors to our Board and have the nominees included in our proxy materials to be voted on at our Annual Meeting of Stockholders. The maximum number of stockholder nominees that will be included in our proxy materials with respect to any such annual meeting is the greater of (i) two or (ii) 20% of directors to be elected. A stockholder who seeks to nominate a director or directors to our Board must provide proper notice to the Company's Corporate Secretary under our by-laws. See [Other Stockholder Information Proxy Access Director Nominees](#).

### **Majority Voting Standard for Director Elections**

In an uncontested election, directors are elected by a majority of FOR votes cast by stockholders. (An uncontested election is an election where the number of nominees is the same as the number of directors to be elected.) 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 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, director nominees are elected by a plurality vote. Under the plurality standard, the number of persons equal to the number of vacancies to be filled who receive more votes than other nominees are elected to the Board, regardless of whether they receive a majority of votes cast. An election is considered contested under our by-laws if, outside of the proxy access process, a stockholder has submitted notice of a director nomination to the Company's Corporate Secretary.

## **Table of Contents**

### GOVERNANCE

#### **Board Evaluation Process**

The Company's Corporate Governance Guidelines require that the Corporate Governance Committee conduct an annual review of Board performance and further requires that each standing committee conduct an annual evaluation of its own performance. To facilitate those evaluations, each independent committee prepares a written self-assessment questionnaire that is completed by the members of the committee. In addition, the Corporate Governance Committee prepares a written Board assessment questionnaire that is completed by all members of the Board. The questions are designed to gather suggestions to improve Board and committee effectiveness and solicit additional feedback. The Board self-assessment is conducted at a different time during the year than the committee self-assessments, so that the directors have adequate time to reflect on the functioning of the Board as a whole. The Company's Corporate Secretary compiles the results of each self-assessment and shares those results with all directors. The committee chairs lead discussions during their committee meetings of the results of the self-assessments, highlighting areas that require additional attention. The Corporate Governance Committee discusses the Board self-assessment and the Lead Director leads a discussion of the self-assessment among the full Board. Management then discusses with the Lead Director any specific items that require additional attention and a plan is developed to address such action items.

In fiscal 2019, the Corporate Governance Committee expects to retain a third party to facilitate in-depth Board and Committee assessments, consistent with the process it followed during fiscal 2017. The third party will meet in person with each director and solicit feedback on Board function and meetings, composition, leadership, as well as other matters. The facilitator will then compile results from the interviews and provide an in-person oral report to each of the Corporate Governance Committee and the Board of Directors with recommendations for improvement.

#### **Board's Role in Risk Oversight**

Our Board is ultimately responsible for overseeing the Executive Team's management of the various risks facing the Company as well as the Company's compliance culture and overall risk tolerance. The Board has delegated to the Audit Committee responsibility for regularly monitoring the oversight of our enterprise risk management (ERM) program. The Board and each Board committee actively oversee and monitor the management of risks that could impact the Company's operations in connection with their respective subject matter areas:

| <b>Board/Board Committee</b>   | <b>Risk Management Oversight</b>  |
|--------------------------------|---|
| Board of Directors             | Responsible for the oversight of risks associated with legal, regulatory, information technology (including cybersecurity), products and distribution, strategic and reputational matters |
| Audit Committee                | Responsible for the oversight of our accounting and financial reporting processes, the integrity of our financial statements, and potential conflicts of interest                         |
| Compensation Committee         | Responsible for the oversight of risks associated with our executive and employee compensation practices  |
| Corporate Governance Committee | Responsible for the oversight of our corporate governance risks, including director independence, succession planning and talent development  |

---

## **Table of Contents**

### GOVERNANCE

Management identifies, assesses and assigns responsibility for risk management through our enterprise risk assessment process and internal control environment. In fiscal 2018, management's Business Risk and Control Committee regularly monitored the major risks facing the Company and our Chief Risk Officer presented a risk profile and quarterly status updates to the Board and each Board committee that has oversight responsibility for one or more key risks. Management re-evaluates and ranks the Company's risks annually, and the rankings are shared with the Audit Committee and the Board of Directors. In addition, at the Board's request, a cross-functional group of management-level employees provides a quarterly update on significant risk areas, which includes an assessment of cybersecurity risks and an overview of legal and regulatory matters. At least annually, this presentation also includes information on system readiness and protection, our incident response plan, recent internal training exercises and recovery plans.

Further, our Chief Internal Auditor reports directly to the Audit Committee. Our Chief Internal Auditor presents quarterly to the Audit Committee with respect to Internal Audit findings and recommendations and meets in executive session with the Audit Committee at least quarterly. The Audit Committee uses the results of its discussions with our Chief Internal Auditor to monitor the Company's internal audit plan.

### **Communicating With Our Board of Directors**

Our stockholders and other interested persons may communicate with our directors, or any specified individual director, by addressing such communications to them in care of the Company's Corporate Secretary, at the Company's principal executive office located at One Primerica Parkway, Duluth, Georgia 30099. Our stockholders and other interested persons may also communicate with our directors by sending an e-mail message as follows:

With our Board, to [boardofdirectors@primerica.com](mailto:boardofdirectors@primerica.com);  
With the Audit Committee, to [auditcommittee@primerica.com](mailto:auditcommittee@primerica.com);

With the non-employee directors, to [nonemployeedirectors@primerica.com](mailto:nonemployeedirectors@primerica.com); or

With the Chairman of the Board, to [chairman@primerica.com](mailto:chairman@primerica.com).

In accordance with a policy approved by the Audit Committee, the Company's Corporate Secretary (or, solely with respect to matters that are not reasonably likely to have legal implications for the Company, the Company's Chief Compliance and Risk Officer) is required to:

Report communications of concerns relating to accounting, finance, internal controls or auditing matters to the Audit Committee;

Investigate communications of concerns relating to conduct of employees, including concerns related to internal policies;

Report communications of concerns relating to non-compliant behavior, such as allegations of violations of the Company's Code of Conduct or antitrust violations, to the Audit Committee; and

Determine whether to maintain or discard certain communications received.

If the correspondence is specifically marked as a private communication to our Board (or a specific member or members of our Board), then the Company's Corporate Secretary will not open or read the correspondence, and will forward it to the addressee. These procedures may change from time to time, and you are encouraged to visit our investor relations website at <http://investors.primerica.com> for the most current means of communicating with our directors.

## Stockholder Engagement

In late fiscal 2018, we invited the Company's largest stockholders, which together represented over 75% of our outstanding shares, to speak with management and, if requested, the Lead Director about topics important to them. Specific topics covered during these conversations



**Table of Contents**

GOVERNANCE

included Board diversity, ESG matters, proxy access and other governance matters and executive compensation. We were pleased with the stockholder feedback, which indicated that our stockholders are generally satisfied with the Company’s corporate governance and executive compensation practices as well as the format and content of the proxy statement and ESG

disclosure generally. To enable the Board, the Compensation Committee and the Corporate Governance Committee to consider direct stockholder feedback, information about these investor conversations is shared with the Board. The table below describes requests received during these conversations and our responses to those suggestions.

**What We Heard**

- Use the waiver of director age limits sparingly
- Prefer to see multiple metrics for the PSU plan
- Consider incorporating a Total Stockholder Return metric into the long-term compensation plan
- Focus on materiality with respect to the discussion of ESG matters
- Consider having an investor day with senior management
- Add a right for stockholders to call a special meeting
- Remove the supermajority vote requirement currently set forth in the Charter

**What We Did**

- The age limit was waived for Senator Chambliss in 2019. It has not previously been waived.
- The Compensation Committee continues to consider which metrics are appropriate for the PSU plan.
- The Compensation Committee continues to consider which metrics are appropriate for the incentive compensation program.
- See expanded disclosure of relevant ESG factors in this Proxy Statement as well as in the updated Corporate Responsibility Report, which was released on our investor relations website in October 2018. In addition, oversight over social, environmental and sustainability initiatives has been added to the Charter of the Corporate Governance Committee.
- Management and the Board continue to assess whether an investor day would be useful to investors.
- The Board will consider this provision when the Company’s Charter is next amended.
- The Board will consider this provision when the Company’s Charter is next amended.

**Role of Compensation Consultant**

The Compensation Committee retained Pearl Meyer & Partners ( Pearl Meyer ) as its independent consultant for fiscal 2018 and determined that the Company would not retain Pearl Meyer for any projects without the prior consideration and consent of the Compensation Committee. Pearl Meyer’s responsibilities included:

Reviewing drafts of Compensation Committee meeting agendas, materials, and minutes, as requested;

Reviewing major management proposals;  
 Bringing any concerns or issues to the attention of the Compensation Committee Chair;

Evaluating the competitiveness of executive and director pay;

Preparing materials for the Compensation Committee in advance of meetings;

Attending Compensation Committee meetings;

Reviewing and commenting on compensation-related proxy disclosures;

Reviewing the Compensation Committee Charter;

16 Freedom Lives Here

**Table of Contents**

GOVERNANCE

Reviewing executive compensation tally sheets;

Being available for additional consultation to the Compensation Committee Chair; and

Undertaking special projects at the request of the Compensation Committee Chair.

See Executive Compensation Compensation Discussion and Analysis ( CD&A ) Fiscal 2018 Executive Compensation The Compensation Setting Process Compensation Consultant.

**Code of Conduct**

The Company's Code of Conduct applies to all employees, directors, and officers of the Company and its subsidiaries. The Code of Conduct is posted on the Governance section of our investor relations website at <http://investors.primerica.co>

|                                    |        |
|------------------------------------|--------|
| Iroquois Master Fund Ltd.(24)      | 85,000 |
|                                    | *      |
|                                    | 85,000 |
|                                    | 0      |
| Andres Iseman & Shelly Iseman JTEN | 22,750 |
|                                    | *      |
|                                    | 22,750 |
|                                    | 0      |
| Alan Jacobs(23)                    | 200    |
|                                    | *      |
|                                    | 200    |
|                                    | 0      |
| Michael Jacobs(25)                 | 200    |
|                                    | *      |
|                                    | 200    |
|                                    | 0      |
| Sara Jaro                          | 37,917 |
|                                    | *      |
|                                    | 37,917 |
|                                    | 0      |
| Jerry A. Watson Trust, No. 1 (26)  | 16,125 |
|                                    | *      |
|                                    | 10,625 |
|                                    | 5,500  |
| Julie Ann Johnson                  | 17,225 |
|                                    | *      |
|                                    | 10,625 |
|                                    | 6,600  |
| Arthur Jones                       | 21,250 |

Edgar Filing: Primerica, Inc. - Form DEF 14A

|  |         |
|--|---------|
|  | *       |
|  | 21,250  |
|  | 0       |
| Rhonda Jordan and Kerry Anderson JTEN        | 21,250  |
|  | *       |
|  | 21,250  |
|  | 0       |
| Sheldon Kahn and Sarah Liron JTEN            | 42,500  |
|  | *       |
|  | 42,500  |
|  | 0       |
| Leonard Samuels & Leah Kaplan-Samuels JTWROS | 37,917  |
|  | *       |
|  | 37,917  |
|  | 0       |
| NFS/FMTC FBO Max Kaplan IRA                  | 10,625  |
|  | *       |
|  | 10,625  |
|  | 0       |
| Kensington Partners, LP(4)                   | 80,750  |
|  | *       |
|  | 80,750  |
|  | 0       |
| Steven R. Kleen                              | 10,625  |
|  | *       |
|  | 10,625  |
|  | 0       |
| Carole Kolbe & Bill Kolbe JTEN               | 5,625   |
|  | *       |
|  | 5,625   |
|  | 0       |
| Ursula Lamberson                             | 37,750  |
|  | *       |
|  | 21,250  |
|  | 16,500  |
| Dianne Lathrop and Deborah A. Lathrop JTEN   | 45,500  |
|  | *       |
|  | 45,500  |
|  | 0       |
| Jerome Phillip Lauffenburger (27)            | 270,584 |
|  | 2.3%    |
|  | 257,917 |
|  | 12,667  |
| Timothy C. and Joyce L. Lawrence JTEN        | 10,625  |
|  | *       |
|  | 10,625  |
|  | 0       |
| Lazarus Investment Partners, LLLP (28)       | 318,750 |
|  | 2.7%    |
|  | 318,750 |



Table of Contents

|   |        |   |        |        |
|---|--------|---|--------|--------|
| Leonthina Group(29)   | 21,250 | * | 21,250 | 0      |
| Paul W. Lewis   | 10,625 | * | 10,625 | 0      |
| Robert J. Magulick & Tina Schindall Magulick<br>JTEN                          | 10,625 | * | 10,625 | 0      |
| Robert Maloney(10)  | 9,860  | * | 9,860  | 0      |
| Dave Manovich   | 35,834 | * | 35,834 | 0      |
| Yolanda Manske  | 21,322 | * | 21,322 | 0      |
| MB Partnership(30)  | 10,625 | * | 10,625 | 0      |
| H. Reed Madison   | 5,375  | * | 5,375  | 0      |
| Jeffrey McCarty & Carole McCarty JTEN   | 10,625 | * | 10,625 | 0      |
| Christopher McCarty & Jennifer McCarty<br>JTEN                                | 21,250 | * | 21,250 | 0      |
| Scott McCaig  | 10,625 | * | 10,625 | 0      |
| McGinnis Group International LLC Retirement<br>Trust (31)                     | 42,500 | * | 42,500 | 0      |
| Diana Lynn McNeil   | 10,625 | * | 10,625 | 0      |
| Michael H. McNeill  | 10,625 | * | 10,625 | 0      |
| A.C. Barnes McNevin(10)   | 145    | * | 145    | 0      |
| James McWethy Trust #174(32)  | 21,250 | * | 21,250 | 0      |
| John Micek, III   | 11,250 | * | 11,250 | 0      |
| Jordan Micek  | 5,625  | * | 5,625  | 0      |
| Peter Micek   | 5,625  | * | 5,625  | 0      |
| John J. Micek, Jr. Revocable Trust (33)                                       | 10,625 | * | 10,625 | 0      |
| Maurice Micek & Jennifer Micek JTEN   | 21,250 | * | 21,250 | 0      |
| Nancy Micklatcher & Christopher Micklatcher<br>JTEN                           | 10,625 | * | 10,625 | 0      |
| Andrew Scott Miller   | 10,625 | * | 10,625 | 0      |
| Brian and Jacquelyn Miller Trustees UTD<br>11/27/1990 Community Property (34) | 21,250 | * | 21,250 | 0      |
| David Charles Moline  | 21,250 | * | 21,250 | 0      |
| Curt W. Morgan  | 91,306 | * | 49,750 | 41,556 |
| Brian Murphy  | 11,250 | * | 11,250 | 0      |
| Charles Musson  | 10,625 | * | 10,625 | 0      |
| Newbridge Securities(35)  | 2,750  | * | 2,750  | 0      |
| Robert D Nonamaker & Rhonda B Nonamaker<br>JTEN                               | 10,625 | * | 10,625 | 0      |
| Steven A. Noraian   | 21,250 | * | 21,250 | 0      |
| Michael J. OHalloran  | 21,250 | * | 21,250 | 0      |
| Louis Olore & Margaret B Olore JTEN   | 10,625 | * | 10,625 | 0      |
| Stephen B. Olore & Laura B. Olore JTEN  | 31,875 | * | 31,875 | 0      |
| Stephen A. Olore & Tawny H. Olore JTEN  | 10,625 | * | 10,625 | 0      |
| Steven Olore(10)  | 725    | * | 725    | 0      |
| Stephen K. Onody  | 10,625 | * | 10,625 | 0      |
| Delaware Charter FBO Guy J. Ossello IRA                                       | 10,625 | * | 10,625 | 0      |
| Judith Orloff   | 23,367 | * | 15,167 | 8,200  |
| Delaware Charter FBO Steve Ossello IRA  | 10,375 | * | 10,375 | 0      |
| John Ostrander  | 60,667 | * | 60,667 | 0      |
| Richard A. Paine  | 21,250 | * | 21,250 | 0      |

Edgar Filing: Primerica, Inc. - Form DEF 14A

|                              |        |   |        |       |
|------------------------------|--------|---|--------|-------|
| Pavek Investments(15)        | 5,300  | * | 5,300  | 0     |
| Doug Pavek(15)               | 50     | * | 50     | 0     |
| David Peng                   | 21,250 | * | 21,250 | 0     |
| Charles R. Percy             | 23,674 | * | 21,250 | 2,424 |
| Gerald Keith Percy           | 33,996 | * | 31,875 | 2,121 |
| Robert W. Percy              | 10,625 | * | 10,625 | 0     |
| Daniel and Patrice Perkins   | 22,750 | * | 22,750 | 0     |
| Mildred Perkins Trust(36)    | 10,625 | * | 10,625 | 0     |
| Richard W. Perkins Trust(36) | 10,625 | * | 10,625 | 0     |

12

---

Table of Contents

|   |         |      |         |       |
|---|---------|------|---------|-------|
| RS Perkins Trust(36)                                    | 10,625  | *    | 10,625  | 0     |
| SH Perkins Trust(36)                                    | 10,625  | *    | 10,625  | 0     |
| TH Perkins Trust(36)                                    | 10,625  | *    | 10,625  | 0     |
| Pershing LLC as custodian FBO Joseph Coors,<br>Jr. (37) | 37,917  | *    | 37,917  | 0     |
| Jerry Peterson IRA                                      | 73,453  | *    | 73,453  | 0     |
| Rick & Claudia Petry Living Trust (38)                  | 37,536  | *    | 35,536  | 2,000 |
| Alan and Karen Pettit                                   | 45,500  | *    | 45,500  | 0     |
| PG Ventures LLC(40)                                     | 23,762  | *    | 23,762  | 0     |
| Pierce Diversified Strategy Master Fund LLC<br>(41)     | 63,750  | *    | 63,750  | 0     |
| Jo Pihl(42)   | 21,322  | *    | 21,322  | 0     |
| The Pinnacle Fund, L.P.(43)                             | 162,500 | 1.3% | 162,500 | 0     |
| Placements de Gestion S.A.(44)                          | 21,250  | *    | 21,250  | 0     |
| John Pogge  | 37,917  | *    | 37,917  | 0     |
| Porter Partners, LP(45)                                 | 127,500 | 1.1% | 127,500 | 0     |
| David and Lise Potter                                   | 22,750  | *    | 22,750  | 0     |
| Michael Primasing and Brock Vinton                      | 42,500  | *    | 42,500  | 0     |
| Matthew and Catherine Procaccini                        | 10,625  | *    | 10,625  | 0     |
| Steven R. Purvis  | 10,625  | *    | 10,625  | 0     |
| Pyramid Partners, LP(30)                                | 42,500  | *    | 42,500  | 0     |
| Race Place Investment Co., LLC(46)                      | 48,542  | *    | 48,542  | 0     |
| David R. Rawson   | 10,625  | *    | 10,625  | 0     |
| J. Michael Reisert                                      | 10,625  | *    | 10,625  | 0     |
| Renzulli Living Trust(47)                               | 10,625  | *    | 10,625  | 0     |
| RFJM Partners, LLC(48)                                  | 74,375  | *    | 74,375  | 0     |
| Gaeten A. Riopel  | 142,143 | 1.2% | 142,143 | 0     |
| Michael F. Roan   | 10,625  | *    | 10,625  | 0     |
| Allan Rothstein   | 21,250  | *    | 21,250  | 0     |
| Steven Rothstein  | 42,500  | *    | 42,500  | 0     |
| Paul and Marisa Ruscito                                 | 21,250  | *    | 21,250  | 0     |
| Don Russell, Jr.  | 42,500  | *    | 42,500  | 0     |
| Jon and Miriam Sadof                                    | 21,321  | *    | 21,321  | 0     |
| Deborah Salerno   | 10,625  | *    | 10,625  | 0     |
| John B. Sanderson                                       | 21,250  | *    | 21,250  | 0     |
| Gregory G. Sauber                                       | 10,625  | *    | 10,625  | 0     |
| Vincent Sbano(10)                                       | 145     | *    | 145     | 0     |
| Gregory D. and Wendy L. Scherer                         | 37,917  | *    | 37,917  | 0     |
| Frederic M. Schweiger(17)                               | 10,000  | *    | 10,000  | 0     |
| H. Leigh Severance                                      | 118,334 | *    | 118,334 | 0     |
| H. Leigh Severance Ind. Profit Sharing Plan<br>(50)     | 114,209 | *    | 114,209 | 0     |
| James E. Seveance                                       | 10,625  | *    | 10,625  | 0     |
| Bret Shapiro(23)  | 200     | *    | 200     | 0     |
| Joseph J. Siegel  | 10,625  | *    | 10,625  | 0     |
| Ron Skagen  | 21,322  | *    | 21,322  | 0     |
| David Bancroft Sloan(51)                                | 10,625  | *    | 10,625  | 0     |
| Wormack E. Smith and Christina Smith                    | 16,125  | *    | 10,625  | 5,500 |



Edgar Filing: Primerica, Inc. - Form DEF 14A

|                            |        |   |        |       |
|----------------------------|--------|---|--------|-------|
| Alva Terry Staples         | 37,917 | * | 37,917 | 0     |
| S.W. Bach & Company(52)    | 250    | * | 250    | 0     |
| Alan Taylor                | 21,250 | * | 21,250 | 0     |
| Jack R. Thompson           | 33,375 | * | 33,375 | 0     |
| Joanne E. Tilley (53)      | 7,270  | * | 7,250  | 20    |
| Drake A. Tilley            | 2,250  | * | 2,250  | 0     |
| Jason A. Tilley            | 1,125  | * | 1,125  | 0     |
| Trading Games, Inc.(54)    | 10,625 | * | 10,625 | 0     |
| Tricon Ventures, Inc.(55)  | 5,500  | * | 5,500  | 0     |
| Bill Ulland and Ann Glumac | 15,167 | * | 15,167 | 0     |
| Jonathan Ungar(56)         | 85,000 | * | 85,000 | 0     |
| Regina VanDuzee            | 16,625 | * | 10,625 | 6,000 |

Table of Contents

|  |        |   |        |        |
|--|--------|---|--------|--------|
| Laurence Verbeck                             | 52,625 | * | 10,625 | 42,000 |
| Mary Ellen Viola                             | 10,625 | * | 10,625 | 0      |
| Vision Opportunity Master Fund, Ltd<br>(57)  | 42,500 | * | 42,500 | 0      |
| Wendy-Lee Z. Bartley Revocable<br>Trust (58) | 10,625 | * | 10,625 | 0      |
| James M. Wenninger                           | 10,625 | * | 10,625 | 0      |
| Helen West                                   | 10,625 | * | 10,625 | 0      |
| White Sand Investor Group, LP(59)            | 73,967 | * | 73,967 | 0      |
| George F. Wood                               | 59,167 | * | 59,167 | 0      |
| Katherine Cole Worden                        | 10,625 | * | 10,625 | 0      |
| Chris Wrolstad                               | 23,165 | * | 23,165 | 0      |
| Warrant Strategies Fund LLC(60)              | 50,000 | * | 50,000 | 0      |
| Robert & Laura Hill Revocable Trust          | 15,815 | * | 15,815 | 0      |
| Crestview Capital Master LLC(61)             | 41,417 | * | 16,415 | 25,002 |
| Jana Lea Taylor                              | 5,000  | * | 5,000  | 0      |

(\*\*) Based on 12,009,681 shares outstanding as of September 13, 2007.

- (1) Mr. Dennis Kam Thai Leong, a director, has the investing and voting control over such securities.
- (2) Konrad Ackerman and Rainer Posch have the investing and voting control over such securities.
- (3) Giordan Martirelli, director, has the investing and voting control over such securities.
- (4) Richard J. Kein, managing partner of Kensington Partners LP and of Bald Eagle Fund LLC, has the investing and voting control over such securities.
- (5) Mr. Dean Kacludis, vice president of operations, has investing and voting control over such securities.
- (6) Ms. Bjelajac is the spouse of a registered representative of Oppenheimer & Co., a member firm of the NASD.
- (7) Includes 5,500 shares held by Martin Boyd and Jill Aerue JT TEN
- (8) Capital Growth Financial LLC is a member firm of the NASD.
- (9) Mr. Bertrand Ungar has investing and voting control over such securities. Does not include securities held by PG Ventures LLC.
- (10) Mr. Baker is the president and stockholder of CP Baker & Company, LTD and CP Baker Securities, a member firm of the NASD, which is a wholly-owned subsidiary of CP Baker & Company, LTD. Mr. Baker is also the fund manager of CP Baker LLC, which has investment authority over the securities held by Cimarolo Partners, LLC. Each of these entities disclaims the beneficial ownership of the securities held by other entities managed by the same person.
- (11) The individual is a registered representative with Winslow Evans & Crocker, a member firm of the NASD.
- (12) Mr. Alberto Micalizzi, chairman, has investing and voting control over such securities.
- (13) Mr. Stuart Ellis and Merchthild E. Ellis have designated Perkins Capital Management, Inc. as the investment advisor of the partnership. Mr. Richard Perkins has authority to act for Perkins Capital Management, Inc.
- (14) Mr. Mitch Levine, principal, has investing and voting control over such securities.
- (15) Todd Stewart has the investing and voting control over such securities.

Edgar Filing: Primerica, Inc. - Form DEF 14A

- (16) The individual is a registered representative with Pavek Investments, a member firm of the NASD.
- (17) James Fuller is the registered principal of North Coast Securities Corporation, a member firm of the NASD and is a share owner of such member firm.
- (18) Mr. Frederic M. Schweiger has investing and voting control over such securities. Mr. Schweiger is a registered representative with Keating Securities, LLC.
- (19) James and Sara Gibson have investing and voting control over such securities.
- (20) Morgan Gilman has investing and voting control over such securities.
- (21) Peter Siris, the Managing Director, has investing and voting control over such securities.
- (22) Includes 5,000 shares held by Sterling Trust for benefit of Randolph James Haag
- (23) Timothy P. Halter, president, has investing and voting control over such securities.

Table of Contents

(24) Joshua Silverman has investing and voting control over such securities.

The individual is a registered representative with Capital Growth Financial, Inc. a member firm of the (25) NASD.

Jerry A. Watson and Christine C Watson, as trustees, have investing and voting control over such (26) securities.

(27) Includes 11,000 shares held by Resource Trust, for the benefit of Jerome Lauffenberger

(28) Mr. Justin Borus, manager, has investing and voting control over such securities.

(29) Mr. John Nonnan, as president, has investing and voting control over such securities.

Mr. Richard W. Perkins, president of Perkins Capital Management, Inc., has investing and voting control (30) over such securities.

Mr. Stanley F. McGinnis and Kathleen A. McGinnis have investing and voting control over such (31) securities.

(32) James B McWethy, as trustee, has investing and voting control over such securities.

(33) John J. Micek, Jr., as trustee, has investing and voting control over such securities.

(34) Brian M. Miller, as trustee, has investing and voting control over such securities.

(35) The firm is a NASD member firm.

Mr. Richard Perkins and/or Mildred Perkins, as trustee, has investing and voting control over such (36) securities.

(37) Joseph Coors, Jr. has investing and voting control over such securities.

(38) Rick J. Petry and Claudia J. Petry have investing and voting control over such securities.

Mr. Bertrand Ungar has investing and voting control over such securities. Does not include securities held (39) by Carmel Capital LLC.

Mr. Mitch Levine, a principal, has investing and voting control over such securities. Mr. Levine is an (40) affiliate of a member of the NASD.

(41) The individual is a registered representative with Feltl & Company, a member firm of the NASD.

Mr. Barry M. Kitt, sole member Pinnacle Fund Management, L.L.C., the General Partner of Pinnacle (42) Advisers, LP., the General Partner of The Pinnacle Fund, L.P. has investing and voting control over such securities.

(43) Mr. Pierre Cosandier has investing and voting control over such securities.

(44) Mr. Jeffrey H. Porter, general partner, has investing and voting control over such securities.

(45) (not used)

(46) Mr. James Krejci has investing and voting control over such securities.

(47) Edmund Renzulli and Catherine Rensulli have investing and voting control over such securities.

(48) Jeffrey Markowitz and Richard Friedman have investing and voting control over such securities.

(49) The individual is a registered representative with Dynamic Decisions, a member firm of the NASD.

H. Leigh Severance, as trustee, has investing and voting control over such securities. Excludes shares held (50) individually.

(51) Mr. Sloan is a registered representative of Aquillian Investments, Inc.

(52) S.W. Bach & Company is a member firm of the NASD.

(53) Includes 20 shares held by Tom Tilley and Joanne Tilley as JTEN

(54) Mr. Edward Arioli, president, has investing and voting control over such securities.

(55) Tricon Ventures, Inc. is a member firm of the NASD.

Mr. Ungar is a member of Headwaters Capital LLC which is a partner in Granite Financial Group, a (56) member firm of the NASD.

(57) Mr. Adam Benowitz, portfolio manager, has the investing and voting control over such securities.

(58) Ms. Wendy-Lee Bartley has the investing and voting control over such securities.

(59) Elliott Donnelley II, Marshall S. Donnelley and Owen M. Donnelley have investing and voting control (59) over such securities.

- (60) Warrant Strategies Fund LLC is managed by Sean Molloy, and, as such, he has the power to vote or to dispose of shares held by this entity.
- (61) Crestview Capital Partners, LLC (“Crestview Partners”) is the sole manager of Crestview Capital Master, LLC (“Crestview”) and as such has the power to direct the disposition of investments owned by Crestview. Stewart Flink, Robert Hoyt and Daniel Warsh are the managers of Crestview Partners, and as such may be deemed to share the power to vote and dispose of investments beneficially owned by Crestview Partners. As a result, each of Messrs. Flink, Hoyt and Warsh may also be deemed to beneficially own the above-described shares of Common Stock held by Crestview and Crestview Partners; however, each disclaims beneficial ownership of such shares of common stock.

Table of Contents

**PLAN OF DISTRIBUTION**

The selling securityholders may sell all or a portion of the shares of common stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions. We will not receive any of the proceeds from the sale by the selling securityholders of the shares of common stock. We will bear all fees and expenses incident to our obligation to register the shares of common stock. The shares of common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions,

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
  - in the over-the-counter market;
  - in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing of options, whether such options are listed on an options exchange or otherwise;
  - ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
  - purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
    - an exchange distribution in accordance with the rules of the applicable exchange;
    - privately negotiated transactions;
      - short sales;
      - sales pursuant to Rule 144;
- broker-dealers may agree with the selling securityholders to sell a specified number of such shares at a stipulated price per share;
  - a combination of any such methods of sale; and
  - any other method permitted pursuant to applicable law.

Table of Contents

If the selling securityholders effect such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling securityholders or commissions from purchasers of the shares of common stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the shares of common stock or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. The selling securityholders may also sell shares of common stock short and deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling securityholders may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares.

The selling securityholders may pledge or grant a security interest in some or all of the Warrants or shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act, amending, if necessary, the list of selling securityholders to include the pledgee, transferee, or other successors in interest as selling securityholders under this prospectus. The selling securityholders also may transfer and donate their shares of common stock in other circumstances in which case the transferees, donees, pledgees, or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The selling securityholders and any broker-dealer participating in the distribution of the shares of common stock may be deemed to be “underwriters” within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of the shares of common stock is made, a prospectus supplement, if required, will be distributed which will set forth the aggregate amount of shares of common stock being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions, and other terms constituting compensation from the selling securityholders and any discounts, commissions, or concessions allowed or reallocated or paid to broker-dealers.

Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling securityholder will sell any or all of the shares of common stock registered pursuant to the registration statement, of which this prospectus forms a part.

The selling securityholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act, and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling securityholders and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the registration rights agreement, estimated to be \$95,000 in total, including, without limitation, SEC filing fees and expenses of compliance with state securities or “blue sky” laws; provided, however, that a selling securityholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling securityholders against liabilities, including some liabilities under the Securities Act, in accordance with the registration rights agreements, or the selling securityholders will be entitled to contribution. We may be indemnified by the selling securityholders against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling securityholder specifically for use in this prospectus, in accordance with the related registration rights agreements, or we may be entitled to contribution.

Once sold under the registration statement, of which this prospectus forms a part, the shares of common stock will be freely tradable in the hands of persons other than our affiliates.



Table of Contents

**LEGAL MATTERS**

The validity of the shares of common stock offered through this prospectus will be passed upon for us by Kranitz & Philipp. Richard Kranitz, one of our directors and one of our securityholders, is a member of the law firm of Kranitz and Philipp.

**EXPERTS**

Gordon, Hughes & Banks, LLP, Greenwood Village, Colorado, an independent registered public accounting firm, has audited the balance sheets of AeroGrow as of March 31, 2007 and 2006, and the related statements of operations, changes in stockholders' equity (deficit) and cash flows for the year ended March 31, 2007, the three months ended March 31, 2006 and the year ended December 31, 2005

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual reports, quarterly reports, special reports, and other information, including a registration statement on Form S-3 of which this prospectus forms a part, with the SEC. As permitted by the rules and regulations of the SEC, this prospectus does not contain all of the information included in the registration statement and in the exhibits thereto. The statements contained in this prospectus as to the contents of any contract or other document referenced herein are not necessarily complete, and in each instance, if the contract or document was filed as an exhibit, reference is hereby made to the copy of the contract or other document filed as an exhibit to the registration statement and each statement is qualified in all respects by the reference. Our SEC filings and the registration statement, including exhibits and schedules filed with it, are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document that we file with the SEC at the SEC's public reference room located at 100 F Street, N.E. Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room.

We will provide without charge to you, upon written or oral request, a copy of any information incorporated by reference in this prospectus, excluding exhibits to information incorporated by reference unless those exhibits are themselves specifically incorporated by reference.

Any requests for copies of information, reports, or other filings with the SEC should be directed to AeroGrow International, Inc. at 6075 Longbow Dr. Suite 200, Boulder, Colorado, 80301, telephone (303) 444-7755. We maintain a website at [www.aerogrow.com](http://www.aerogrow.com). Information contained on our website is not incorporated by reference into this prospectus and you should not consider information contained on our website to be part of this prospectus.

Table of Contents

**INCORPORATION BY REFERENCE**

We incorporate by reference into this prospectus the following documents we have filed with the SEC, which means that we can disclose important information to you by referring you to those filings:

- our Annual Report on Form 10-KSB for the year ended March 31, 2007, filed on June 29, 2007;
- the description of our common stock contained in our registration statement on Form 8-A/A, filed on June 12, 2007;
- our Quarterly Report on Form 10-Q for the period ended June 30, 2007, filed on August 14, 2007;
  - our Current Report on Form 8-K, filed on April 19, 2007;
  - our Current Report on Form 8-K, filed on June 4, 2007; and
  - our Current Report on Form 8-K, filed on September 5, 2007.

We also incorporate by reference each of the documents that we file with the SEC (excluding those filings made under Items 2.02 or 7.01 of Form 8-K and corresponding information furnished under Item 9.01 of Form 8-K or included as an exhibit) under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act on or after the date of this prospectus until all of the securities covered by this prospectus are sold by the selling securityholders. Any statements made in such documents will automatically update and supersede the information contained in this prospectus, and any statements made in this prospectus update and supersede the information contained in past SEC filings incorporated by reference into this prospectus.

Table of Contents**PART II. INFORMATION NOT REQUIRED IN PROSPECTUS****Item 14 – Other Expenses of Issuance and Distribution**

The following is an itemization of all expenses (subject to future contingencies) incurred or to be incurred by the Registrant, in connection with the registration of the securities being offered. The selling shareholders will not pay any of the following expenses.

|                               |              |
|-------------------------------|--------------|
| Registration Fee              | \$ 4,257.35  |
| Legal Fees and Expenses*      | \$ 75,000.00 |
| Accounting Fees and Expenses* | \$ 10,000.00 |
| Transfer Agent's Fees*        | \$ 2,000.00  |
| Printing Expenses*            | \$ 2,000.00  |
| Miscellaneous*                | \$ 1,742.65  |
| Total*                        | \$ 95,000.00 |

\* Estimated

**Item 15 – Indemnification of Directors and Officers**

Nevada Revised Statutes Section 78.7502 generally provides that a corporation may indemnify its directors, officers, employees, or agents against all expenses, including counsel fees, actually and reasonably incurred by or imposed upon him in connection with any proceeding to which he may be made a party, or in which he may be threatened to be a party, by reason of being or having been a director, officer, employee, or agent of the corporation, or is or was serving at its request as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or any settlement thereof, whether or not he is a director, officer, employee, or agent at the time such expenses are incurred, if he is not liable under Section 78.138 or he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation.

Our bylaws provide for the indemnification of our directors, officers, employees, or agents who are successful on the merits or otherwise in defense on any action or suit. Such indemnification shall include, expenses, including attorney's fees actually or reasonably incurred by him. Our articles of incorporation eliminate the personal liability of directors to AeroGrow or any securityholders for damages for a breach of fiduciary duty, except for acts or omissions involving intentional misconduct, fraud, or a knowing violation of law, or the payment of dividends in violation of Section 78.300 of the Nevada Revised Statutes. We have not purchased insurance against costs which may be incurred by us pursuant to these indemnification provisions, nor do we insure our officers or directors against liabilities incurred by them in the discharge of their functions as such officers and directors of AeroGrow.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons pursuant to the foregoing indemnification provisions, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Table of Contents

**Item 16 – Exhibits**

|      |   |
|------|---|
| 4.1  | Form of Certificate of Common Stock of Registrant (1)                                 |
| 4.2  | Form of 2005 Warrant (1)  |
| 4.3  | Form of 2006 Warrant (1)  |
| 4.4  | Form of 10% Convertible Note (1)  |
| 4.5  | Form of \$10.00 Redeemable Warrant (1)  |
| 4.6  | Form of \$15.00 Redeemable Warrant (1)  |
| 4.7  | Form of Conversion Warrant (1)  |
| 4.8  | Form of 2005 Placement Agent Warrant (1)  |
| 4.9  | Form of 2006 Placement Agent Warrant (1)  |
| 4.10 | Form of \$2.50 Warrant (1)  |
| 4.11 | Form of \$5.00 Warrant (1)  |
| 4.12 | Form of Convertible Note Modification Agreement (2)                                   |
| 5.1  | Opinion of Kranitz & Philipp, as to the legality of the securities being registered** |
| 23.1 | Consent of Kranitz & Philipp (included in Exhibit 5.1)**                              |
| 23.2 | Consent of Gordon, Hughes & Banks, LLP*   |
| 24.1 | Power of Attorney**   |

Table of Contents

---

(1) Incorporated by reference from the Current Report on Form 8-K, filed March 2, 2006.

(2) Previously filed with Form 8-K/A filed November 16, 2006

\* Filed herewith.  
\*\* Previously Filed.

**Item 17 – Undertakings**

a. The undersigned registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

4. That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was

part of the registration statement or made in any such document immediately prior to such date of first use.

5. That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

b. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Post-Effective Amendment No. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boulder, State of Colorado, on October 19, 2007.

**AEROGROW INTERNATIONAL, INC.**

By:       /s / W . M i c h a e l  
      Bissonnette  
W. Michael Bissonnette  
Chief Executive Officer and President

In accordance with the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 1 to the registration statement has been signed by the following persons in the capacities and on the dates stated.

| <b><u>Signature</u></b>   | <b><u>Title</u></b>   | <b><u>Date</u></b> |
|---|---|--------------------|
| <u>/s/ W. Michael Bissonnette</u><br>W. Michael Bissonnette                       | President and Chairman of<br>the Board (Principal<br>Executive Officer) | October 19, 2007   |
| <u>/s/ Mitchell Rubin</u><br>Mitchell Rubin                                       | Treasurer (Principal<br>Financial<br>Officer and Accounting<br>Officer) | October 19, 2007   |
| <u>**</u><br>Richard A. Kranitz   | Director  | October 19, 2007   |
| <u>**</u><br>Wayne Harding  | Director  | October 19, 2007   |
| <u>**</u><br>Jack J. Walker   | Director  | October 19, 2007   |
| <u>**</u><br>Kenneth Leung  | Director  | October 19, 2007   |
| <u>**/s/ W. Michael Bissonnette</u><br>W. Michael Bissonnette<br>Attorney-in-Fact |   |                    |

Table of Contents