

OHIO DEPARTMENT OF INSURANCE

MARKET CONDUCT EXAMINATION OF PRIMERICA LIFE INSURANCE COMPANY NAIC #65919

As Of

December 31, 2001





Bob Taft, Governor
Ann Womer Benjamin, Director

2100 Stella Court, Columbus, OH 43215-1067
(614) 644-2658 www.ohioinsurance.gov

Honorable Ann Womer Benjamin
Director
Ohio Department of Insurance
2100 Stella Court
Columbus, Ohio 43215-1067

Director:

Pursuant to your instructions and in accordance with the powers vested under Title 39 of the Ohio Revised Code, a market conduct examination was conducted on the Ohio business of:

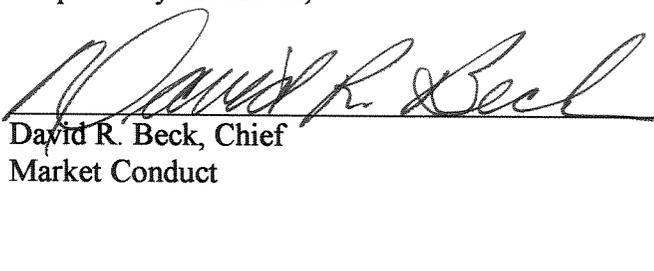
Primerica Life Insurance Company
NAIC Company Code 65919

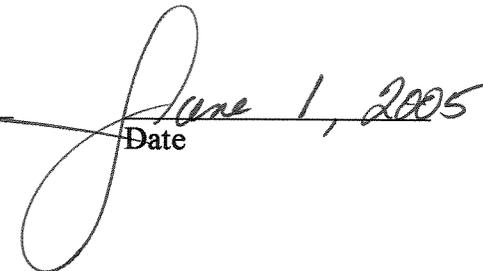
The examination was conducted at the Company's primary business location at:

3120 Breckenridge Boulevard
Duluth, Georgia 30099

A report of the examination is enclosed.

Respectfully submitted,


David R. Beck, Chief
Market Conduct


Date



Accredited by the National Association of Insurance Commissioners (NAIC)
Consumer Hotline: 1-800-686-1526 Fraud Hotline: 1-800-686-1527 OSHIIP Hotline: 1-800-686-1578

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FOREWORD

This examination was conducted under authority provided by Ohio Revised Code (“R.C.”) 3901.011.

SCOPE OF EXAMINATION

On January 15, 2002, the Market Conduct Division, Ohio Department of Insurance (“Department”), commenced an examination of Primerica Life Insurance Company (“Company”) by sending a notice of intent to examine and initial requests for information. On June 17, 2002, the on-site portion of the examination of the Company’s non-financial business practices began at the Company’s primary business location in Duluth, Georgia.

The examination was restricted to Company activities for individual ordinary life insurance business for the period from January 1, 2000, through December 31, 2001. The examination is a report by test. This examination was conducted in accordance with the standards and procedures established by the National Association of Insurance Commissioners (“NAIC”) and the State of Ohio’s applicable statutes and rules.

Accordingly, the examination included the following areas of the Company’s operations:

- A. Company History
- B. Company Operations
- C. Certificate of Authority
- D. Marketing
- E. Policyholder Service
- F. Illustrations
- G. Replacements
- H. Paid Death Claims

METHODOLOGY

As part of the examination, the Department’s Examiners reviewed the Company’s policies, applications and claim files for individual ordinary life insurance and the Company’s corresponding procedure manuals. This information was supplemented by interviews with

Company managers and/or written inquiries to the Company requesting clarification and/or additional information.

The Examiners reviewed files of Ohio insureds, policyholders, or claimants. A designed series of tests were applied to the files reviewed to determine the Company's level of compliance to Ohio's insurance statutes and rules. These tests are described and the results noted in this report.

The Examiners used the NAIC's standard of:

7% error ratio on claim files (93% compliance rate)

10% error ratio on all other files (90% compliance rate)

to determine whether an apparent pattern or practice of non-compliance existed for any given test.

The results of each test applied to a sample are reported separately. Each test is expressed as a "yes/no" question. A "yes" response indicates compliance, and a "no" response indicates a failure to comply.

In any instance where errors were noted, the Examiners described the apparent error and asked the Company for an explanation. The Company responded to the Examiners and either:

- Concurred with the findings,
- Had additional information for the Examiners to consider, and/or
- Proposed remedial action(s) to correct the apparent deficiency.

If applicable, the Examiners' recommendations are included in this report.

SAMPLING

Upon request, the Company supplied reports of policy and claim data in file formats, which could be used on IBM compatible personal computers. Except as otherwise noted, all tests were conducted on a sample of files randomly selected from a given report. The samples were pulled from populations consisting of Ohio policies.

These samples were selected using a standard business database application that provides a true random sample, since it supplies a random starting point from which to select the sample.

COMPANY HISTORY

On September 19, 1927, the Company was incorporated as a Massachusetts domestic company under the name Fraternal Protective Insurance Company and commenced business on October 31st of that same year. The Company name was changed to Massachusetts Indemnity Insurance Company in 1931. At the time of the Company's admission to Ohio in July of 1956, its name was Massachusetts Indemnity and Life Insurance Company. The Company adopted its present name effective July 1, 1992.

During its history, the Company acquired Penn Security Life Insurance Company (1975), Voyager Life Insurance Company of South Carolina (1987), and A. L. Williams Life Insurance Company (1989). Each company was merged into Massachusetts Indemnity and Life Insurance Company.

Primerica Life is an indirect, wholly owned subsidiary of Citigroup Inc. Citigroup was formed in October, 1998 as a result of the merger of its then ultimate parent company, Travelers Group Inc., with Citicorp.

COMPANY OPERATIONS

As of December 31, 2001, the Company reported that 71,586 of the Company's ordinary life insurance policies were owned by Ohioans, with a total face amount of \$12,336,996,302.

The Company is licensed in 49 states, the District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands and the U.S. Virgin Islands. The Company is not licensed in New York. The Company is domiciled in Massachusetts, with its statutory home office located in Boston. However, its primary business location and executive offices are located in Duluth, Georgia.

The Company is a wholly owned subsidiary of The Travelers Insurance Company, which is indirectly a wholly owned subsidiary of Citigroup, a financial services holding company. Other members of the group include Travelers Life and Annuity, Smith Barney, CitiMortgage, Travelers Bank and Trust, and Citicorp Trust Bank. Citigroup is publicly traded on the New York Stock Exchange.

In Ohio, the Company is the exclusive underwriter for Primerica Financial Services, Inc. (“PFS”), an affiliated agency company. A large percentage of the PFS agents work part-time. The agent compensation structure on first year premiums is multilevel and divided between the PFS selling agent and other agents in the PFS sales hierarchy.

These PFS agents also cross market products for other affiliates, if appropriately licensed, such as mutual funds from Smith Barney, variable annuities from Travelers Life and Annuity, mortgages through CitiMortgage, and debt consolidation products through Travelers Bank and Trust.

The Company’s year-end life insurance direct premiums written and direct claims and benefits paid during the examination period and were reported on Life Insurance Part 1 of the Company’s Financial Annual Statements appear below.

<i>2000</i>	<u>Line</u>	Ohio Ordinary	Ohio Total	National Ordinary	National Total
	Life Insurance	\$40,696,116	\$40,696,116	\$1,198,086,143	\$1,198,086,143
	Totals (direct premiums and annuity considerations)	\$40,841,690	\$40,841,690	\$1,202,113,211	\$1,202,113,211
	Totals (direct claims and benefits paid)	\$16,815,419	\$16,815,419	\$551,877,004	\$551,877,004
<i>2001</i>	<u>Line</u>	Ohio Ordinary	Ohio Total	National Ordinary	National Total
	Life Insurance	\$42,373,622	\$42,373,622	\$1,247,679,224	\$1,247,679,224
	Totals (direct premiums and annuity considerations)	\$42,563,919	\$42,563,919	\$1,250,972,471	\$1,250,972,471
	Totals (direct claims and benefits paid)	\$16,600,871	\$16,600,871	\$572,279,531	\$572,279,531

As of December 31, 2001, the Company officers were:

President Jeffrey Scott Fendler
Secretary Stanton Jay Shapiro
Treasurer Alison Sue Rand
Actuary Joseph Lee Moskowitz

CERTIFICATE OF AUTHORITY

The Company is a foreign stock company and operates under a Certificate of Authority issued in accordance with R.C. 3911.01. In the course of the examination, the Examiners found the Company in compliance with its Ohio Certificate of Authority.

MARKETING

On its website, the Company states that its philosophy is, “*Buy Term and Invest the Difference.*” Term life policies are the only insurance products offered by the Company. The Company trains its representatives to present its life products as an integral part of a complete plan for a family’s financial protection.

The Company also describes itself on the website as “a distribution hub for Citigroup’s family of financial companies which have names recognized around the world.” In addition to term life products, company representatives, if appropriately licensed, are trained to offer consumers mutual funds, mortgages, and variable annuity products of affiliated companies.

The Company distributes its products through a network of representatives who market the Company’s products . The Company reported that 3,323 agents, both resident and non-resident, were appointed in Ohio during all or part of the examination period. Thirty-six percent (36%) of its Ohio appointed agents were terminated during the examination period.

Record of Sales and Marketing Materials Used

Standard: Advertising and sales materials are in compliance with applicable statutes and rules.

Test: Did the Company maintain a complete file containing one copy of each document authorized and used by the insurer pursuant to Ohio Administrative Code (“Ohio Adm.Code”) 3901-6-03(G)(1)?

Findings: The Examiners found the file of the Company’s marketing materials to be in compliance with Ohio Adm.Code 3901-6-03(G)(1).

POLICYHOLDER SERVICE

Consumer Complaints

Standard: An insurer shall adopt and implement reasonable standards for the proper handling of written communications, primarily expressing grievances, received by the insurer from insureds or claimants.

Test 1: Did the Company adopt reasonable standards for handling written communications, primarily expressing grievances, including procedures to make a complete investigation of a complaint and respond as required by Ohio Adm.Code 3901-1-07(C)(15)?

Test Methodology:

1. The Company supplied its procedures for handling written communications primarily expressing grievances.
2. The Examiners also requested all management reports associated with complaint processing and analysis during the examination period.

Findings: Citing attorney/client privilege, the Company did not provide certain reports to the Examiners.

Test 2: Did the Company implement reasonable standards for handling written communications, primarily expressing grievances, including procedures to make a complete investigation of a complaint and respond as required by Ohio Adm.Code 3901-1-07(C)(15)?

Test Methodology:

1. The Company supplied all consumer complaints received during the examination period.

2. The Examiners:

- Reviewed the entire population of 163 consumer complaints that appeared in the Company's complaint records for the calendar year 2001.
- Considered a record to be an exception if the Company failed to respond appropriately to the consumer's inquiry, request, or complaint or if the Company's record lacked any indication of sufficient follow up to complaints in matters such as misrepresentation, agent misconduct, etc.

Findings:

Population	Yes	No	Standard	Compliance
163	163	0	90%	100%

The standard of compliance is 90%. The Company's practices were above the minimum standard.

Policy Terminations

Standard: Policy transactions are processed accurately and completely.

Test: Did the Company process terminated policies according to the policy provisions and R.C. 3915.071?

Test Methodology:

1. The Company supplied a data file containing all policies terminated for any reason, other than death of the insured, during the examination period.
2. The Examiners:
 - Selected a random sample of 100 records.
 - Considered a record to be an exception if the policy form lacked the mandatory "grace period" for premium payment.
 - Considered a record to be an exception if the Company terminated the policy before the "grace period" for premium payment expired.
 - Considered a record to be an exception if the Company incorrectly calculated the return premium, if any.

Findings:

Population	Sample	Yes	No	Standard	Compliance
12,716	100	100	0	90%	100%

The standard of compliance is 90%. The Company's business practices were above the minimum standard.

ILLUSTRATIONS

Standard: The Company files all certifications with the Department as required by statutes and rules.

Test: Did the Company file the Annual Life Illustrations Certifications as required by Ohio Adm.Code 3901-6-04(K)(4)(a) and (K)(6) *and* did the Certifications accurately state which policies were being marketed with illustrations?

Test Methodology:

1. The Examiners:

- Compared the Annual Life Illustration Certifications with the list of policy forms issued as new business in Ohio to verify that each Certification was accurate and complete.
- Considered the failure of the Company to file its Annual Life Illustration Certification filing with the Department to be an exception.
- Considered the filing an Annual Life Certification that was incomplete or inaccurate to be an exception.

Findings:

Year	Filing Made with Department?	Complete and Accurate?
2000	Yes	Yes
2001	Yes	Yes

Review of Specific New Business Practices

Standard: An illustration used in the sale of a policy contains all required information and is delivered in accordance with statutes and rules.

Test: Did the Company's illustrations comply with the life insurance illustration requirements of Ohio Adm. Code 3901-6-04?

Test Methodology:

1. The Company supplied all written policies and procedures that instructed the agents on the Company’s illustrations procedures and requirements.
2. The Company supplied a data file containing individual ordinary life new business written, declined, withdrawn, or not taken during the examination period for Ohio.
3. The Examiners:
 - Selected a sample of 100 term life policies, marketed with illustrations, for review.
 - Reviewed each policy file to verify that all required information was contained in the illustration and, where applicable, that it was delivered according to the law.
 - Tested the illustration submitted with the application. If the policy file contained a signed certification acknowledging that an illustration was not provided, the first illustration issued by the company to the applicant was tested.
 - Also tested the revised illustration if the policy was issued other than applied for in the original application.
 - Considered a file to be an exception if it did not comply with the portion of Ohio Adm.Code 3901-6-04 tested.

Findings:

Test	Population	Sample	Yes	No	Standard	Compliance
Was an illustration or certification submitted with the application?	16,210	100	96	4	90%	96%
Was the illustration or certification signed no later than the date of the application?	16,210	100	96	4	90%	96%
Was the illustration clearly labeled “Life Insurance Illustration,” and did it contain the name, age, and sex of the insured, the name and business address of the agent, the underwriting/rating class, the generic policy name, product name and form number, initial death benefit, and when applicable the dividend election option or application of non-guaranteed elements and were the terms defined in language understood by the general public?	16,210	100	96	4	90%	96%
Did the basic illustration contain the information required?	16,210	100	96	4	90%	96%

Test	Population	Sample	Yes	No	Standard	Compliance
Did the Narrative Summary contain the information required?	16,210	100	96	4	90%	96%
Did the Numeric Summary contain the required statements that were signed and dated by both the agent and the policyowners' include policy maturity and final expiration if premium was to change; contain the correct guaranteed death benefit, and were non-guaranteed elements shown for the same duration as guaranteed elements?	16,210	100	96	4	90%	96%
Was the illustration free of misleading representations?	16,210	100	96	4	90%	96%
Was any revised illustration marked as "Revised Illustration," signed/dated by the applicant or policy owner no later than the policy delivery date and did the Company receive a signed copy of the revised illustration?	16,210	100	96	4	90%	96%

The standard of compliance is 90%. The Company's business practices were above the minimum standard.

REPLACEMENTS

Duties of All Insurers

Standard: Each Company shall inform its field representatives or other personnel responsible for compliance with this rule of the requirements of this rule.

Test: Did the Company inform its agents and other personnel of the requirements of the "Replacement Rule" as required by Ohio Adm.Code 3901-6-05(F)(1)?

Test Methodology: To test for compliance, the Examiners reviewed the Company's written procedures for new business and replacements distributed both to its representatives and its "in-house" personnel.

Findings: The Examiners found the Company's procedures distributed to its agents and others responsible for processing new business and/or replacements to be in compliance with Ohio Adm.Code 3901-6-05(F)(1).

Review of Specific New Business Practices

Test Methodology:

1. The Company supplied the replacement register for all policies replaced during the examination period.
2. The Examiners:
 - Segmented the report of applications recorded in the Company’s replacement register into two populations: (1) those applications issued as new business and (2) those applications not issued as new business.
 - Selected a random sample from each population.
 - Applied the same tests to both samples.
 - Considered a record to be an exception if it failed the specific agent and company requirements set forth below.

Agent Requirements

Standard: Company rules pertaining to agent requirements in connection with replacements are in compliance with applicable statutes and rules.

Test: Did the Company require its agents to comply with Ohio Adm.Code 3901-6-05(E)?

Findings: Policies Issued

Test	Population	Sample	Yes	No	Standard	Compliance
Did the agent submit a statement signed by the applicant as to whether a replacement was involved?	4,419	50	50	0	90%	100%
Did the agent submit a statement signed by the agent as to whether he/she knew that a replacement was involved?	4,419	50	50	0	90%	100%
Did the agent present to the applicant a “Notice Regarding Replacement”?	4,419	50	50	0	90%	100%
Was the “Notice Regarding Replacement” signed on or before the application date?	4,419	50	50	0	90%	100%
Did the agent submit a copy of the “Notice Regarding Replacement” to the replacing company?	4,419	50	50	0	90%	100%
Was the “Notice Regarding Replacement” signed by both the applicant and the agent?	4,419	50	0	50	90%	0%
Did the agent submit a completed application to the replacing company?	4,419	50	48	2	90%	96%

Test	Population	Sample	Yes	No	Standard	Compliance
Did the agent obtain a list of all existing life insurance to be replaced and did the list properly identify replaced policies by insurer name, insured name, and contract number?	4,419	50	48	2	90%	96%

The standard of compliance is 90%. The Company’s business practices failed to meet this standard in one test.

Findings: Policies Not Issued

Test	Population	Sample	Yes	No	Standard	Compliance
Did the agent submit a statement signed by the applicant as to whether a replacement was involved?	1,980	50	50	0	90%	100%
Did the agent submit a statement signed by the agent as to whether he/she knew that a replacement was involved?	1,980	50	50	0	90%	100%
Did the agent present to the applicant a “Notice Regarding Replacement”?	1,980	50	50	0	90%	100%
Was the “Notice Regarding Replacement” signed on or before the application date?	1,980	50	50	0	90%	100%
Did the agent submit a copy of the “Notice Regarding Replacement” to the replacing company?	1,980	50	50	0	90%	100%
Was the “Notice Regarding Replacement” signed by both the applicant and the agent?	1,980	50	0	50	90%	0%
Did the agent submit a completed application to the replacing company?	1,980	50	50	0	90%	100%
Did the agent obtain a list of all existing life insurance to be replaced and did the list properly identify replaced policies by insurer name, insured name, and contract number?	1,980	50	50	0	90%	100%

The standard of compliance is 90%. The Company’s business practices failed to meet this standard in one test.

Examiners’ Comments: During the examination period, the Company’s “Notice Regarding Replacement” form lacked a space for an agent’s signature. Thus, the forms in both samples also lacked an agent’s signature.

The Company became aware of this deficiency in January of 2002 as they were preparing to create electronic versions of these forms. This discovery occurred before the Company received notice from the Department of its intention to perform a market conduct examination. The Company corrected its “Notice Regarding Replacement” form.

Company Requirements

Standard: Company rules pertaining to company requirements in connection with replacements are in compliance with applicable statutes and rules.

Test: Did the Company’s practices for applications for replacement policies comply with Ohio Adm.Code 3901-6-05(F), (G), and (H)?

Findings: Policies Issued

Test	Population	Sample	Yes	No	Standard	Compliance
Did the Company require a statement by the applicant as to whether the proposed insurance would replace existing life insurance?	4,419	50	50	0	90%	100%
Did the Company require a statement signed by the agent as to whether the agent knew a replacement could be involved?	4,419	50	50	0	90%	100%
Did the Company require its agents to obtain a list of all existing life insurance and annuities to be replaced and to properly identify them by name of the insurer, insured and contract number?	4,419	50	49	1	90%	98%
Did the Company require from the agent, with the application, a signed copy of the “Notice Regarding Replacement”?	4,419	50	0	50	90%	0%
Did the Company provide notification in or with the policy about the 20-day free look period and premium refund?	4,419	50	50	0	90%	100%
Did the Company maintain evidence in the file of the “Notice Regarding Replacement”?	4,419	50	50	0	90%	100%
Did the Company notify the existing insurer of the replacement within 3 working days of receipt of the life insurance application?	4,419	50	47	3	90%	94%
Did the Company identify the file as a replacement in its replacement log?	4,419	50	50	0	90%	100%

The standard of compliance is 90%. The Company’s business practices failed to meet this standard in one test.

Findings: Policies Not Issued

Test	Population	Sample	Yes	No	Standard	Compliance
Did the Company require a statement by the applicant as to whether the proposed insurance would replace existing life insurance?	1,980	50	50	0	90%	100%
Did the Company require a statement signed by the agent as to whether the agent knew a replacement could be involved?	1,980	50	50	0	90%	100%
Did the Company require its agents to obtain a list of all existing life insurance and annuities to be replaced and to properly identify them by name of the insurer, insured and contract number?	1,980	50	50	0	90%	100%
Did the Company require from the agent, with the application, a signed copy of the “Notice Regarding Replacement”?	1,980	50	0	50	90%	0%
Did the Company provide notification in or with the policy about the 20-day free look period and premium refund?	1,980	50	50	0	90%	100%
Did the Company maintain evidence in the file of the “Notice Regarding Replacement”?	1,980	50	50	0	90%	100%
Did the Company notify the existing insurer of the replacement within 3 working days of receipt of the life insurance application?	1,980	50	50	0	90%	100%
Did the Company identify the file as a replacement in its replacement log?	1,980	50	50	0	90%	100%

The standard of compliance is 90%. The Company’s business practices failed to meet this standard in one test.

Examiners’ Comments:

As noted above, during the examination period, the Company’s “Notice Regarding Replacement” form lacked a space for agent’s signature. The Company corrected its form.

PAID DEATH CLAIMS

Claim Methodology:

1. The Company supplied a report of all claims files that had death claims paid on them during the examination period.
2. The Examiners selected a random sample of 50 files to test for compliance with the standards below.

Adequate Documentation

Standard: Claim files are adequately documented.

Test: Were the claim files adequately documented to determine the date of death, receipt date of notification of the death, receipt date of proof of death, and the dates of all correspondence?

Test Methodology:

1. The Examiners:
 - Reviewed the claim files for adequate documentation of the claim investigation process, including dates of notice, dates of response, etc.
 - Considered a claim record to be an exception if it lacked sufficient documentation to reconstruct the Company's claim settlement process.

Findings:

Population	Sample	Yes	No	Standard	Compliance
921	50	50	0	93%	100%

The standard of compliance is 93%. The Company's claim practices were above the minimum standard.

Initial Contact

Standard: The initial contact by the company with the claimant is within the required time frame.

Test: Upon receiving notification of claim, did the Company contact the claimant within the time frame required by Ohio Adm.Code 3901-1-07(C)(5)?

Test Methodology:

1. The Examiners:

- Determined the date the Company was first notified of the insured’s death and the date the Company first responded to that initial notification.
- Considered a record to be an exception if the Company failed to respond to initial notice of a claim within fifteen (15) working days of receiving initial notice of the death of the insured.
- Considered a record to be an exception if the Company failed to document one of more of these date(s).

Findings:

Population	Sample	Yes	No	Standard	Compliance
921	50	50	0	93%	100%

The standard of compliance is 93%. The Company’s claim practices were above the minimum standard.

Timely Investigation

Standard: Investigations are conducted in a timely manner.

Test: Did the Company begin investigating the claim within the time frame required by Ohio Adm.Code 3901-1-07(C)(4)?

Test Methodology:

1. The Examiners:

- Determined the date the Company was first notified of the insured’s death and the date the Company first opened its investigation.
- Considered a record to be an exception if the Company failed to start an investigation within fifteen (15) working days of receiving initial notice of the death of the insured.
- Considered a record to be an exception if the Company failed to document one of more of these date(s).

Findings:

Population	Sample	Yes	No	Standard	Compliance
921	50	50	0	93%	100%

The standard of compliance is 93%. The Company’s claim practices were above the minimum standard.

Timely Response to Pertinent Communications

Standard: The Company responds to pertinent claim communications in a timely manner.

Test: Did the Company respond to all pertinent claim communications as required by Ohio Adm.Code 3901-1-07(C)(2)?

Test Methodology:

1. The Examiners:

- Determined the date the Company received pertinent claim communications, other than initial notice of the death claim, and the date the Company responded.
- Considered a record to be an exception if the Company failed to respond to pertinent claim communications within fifteen (15) working days.
- Considered a record to be an exception if the Company failed to document one of more of these date(s).
- Considered a record to be an exception if the Company failed to document its response.

Findings:

Population	Sample	Yes	No	Standard	Compliance
921	50	50	0	93%	100%

The standard of compliance is 93%. The Company's claim practices were above the minimum standard.

Timely Settlement

Standard: Claims are settled in a timely manner.

Test: Was the claim settled within the time frames required in R.C. 3915.05(K)?

Test Methodology:

1. The Examiners:

- Recorded dates in the claim process, and the issue date of the policy.
- Considered a record to be an exception if the Company failed to make settlement within two months of the receipt of the proof of death.
- Considered a record to be an exception if the Company failed to document one of more of these date(s).

Findings:

Population	Sample	Yes	No	Standard	Compliance
921	50	50	0	93%	100%

The standard of compliance is 93%. The Company's claim practices were above the minimum standard.

Death Claim Settlement

Standard: An insurer shall pay interest on policy proceeds when the insured was an Ohio resident at the time of death and the beneficiary elects a lump sum payment. The amount of interest paid shall be the greater of either the Federal short-term rate or the Company's current rate of interest for funds left on deposit under a settlement option.

Test: Did the Company's claim settlement practices conform to R.C. 3915.052?

Test Methodology:

1. The Examiners:

- Replaced any death claim where interest was not due because the insured was not a resident of Ohio at the time of death and/or the beneficiary elected other than a lump sum payment.
- Determined the total amount of the policy proceeds due, including return premium, if applicable.
- Determined the rate of interest to be applied.
- Confirmed that the beneficiary and/or assignee was correctly identified and paid.
- Confirmed that the method of payment conformed to the beneficiary's and/or assignee's request.
- Determined whether interest was due to the beneficiary and/or assignee.
- Determined the amount the beneficiary and/or assignee was due from the total amount of the policy proceeds, including return premium, if applicable.
- Considered a record to be an exception if interest was due, but not paid.
- Considered a record to be an exception if interest paid was incorrectly calculated.
- Considered a record to be an exception if payment was improperly made to a beneficiary or assignee.

- Considered a record to be an exception if the form of payment was other than that requested by the beneficiary.

Findings:

Population	Sample	Yes	No	Standard	Compliance
921	50	50	0	93%	100%

The standard of compliance is 93%. The Company's claim practices were above the minimum standard.

SUMMARY

The Company failed to capture the agent's signature on replacement forms during the examination period. However, the Company discovered and made corrections to this deficiency prior to receiving notice of the Department's Market Conduct examination. In general, the Company was compliant with the other Ohio Revised Code and Ohio Administrative Code provisions tested.

This concludes the report of the Market Conduct Examination of the Primerica Life Insurance Company. The Examiners would like to acknowledge the assistance and cooperation provided by the management and the employees of the Company.


 Molly Porto
 Examiner in Charge


 Date

COMPANY RESPONSE



Primerica Life Insurance Co.
Office of the General Counsel
3120 Breckinridge Boulevard
Duluth, GA 30099-0001

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NAIC#: 041-65919

RECEIVED
MAY 25 2005
OHIO DEPT. OF INSURANCE
MARKET CONDUCT DIVISION

May 24, 2005

Ms. Molly Porto
Examiner in Charge
Market Conduct Division
Ohio Department of Insurance
2100 Stella Court
Columbus, OH 43215-1067

RE: Primerica Life - Draft Report

Dear Ms. Porto:

We have received the Primerica Life Draft Report dated 05/24/05. The Company has reviewed the Report and found it to be acceptable.

The Company would like to thank the Department for the professional and courteous manner in which the examination was conducted.

Please feel free to contact us at the toll-free number above, if you need any additional information.

Sincerely,

Vickie R. Bulger, FLMI, AIRC, CCP, ACP
Vice President and Insurance Chief Compliance Officer
Insurance Compliance
Vickie.Bulger@primerica.com

A member of citigroup



Bob Taft, Governor
Ann Womer Benjamin, Director

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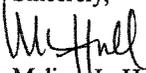
June 1, 2005

Ms. Vickie Bulger FLMI, AIRC, CCP, ACP
Vice President and Insurance Chief Compliance Officer
Primerica Life Insurance Company
3120 Breckinridge Boulevard
Duluth, Georgia 30099

Dear Ms. Bulger:

Enclosed is the signed final copy of the Ohio Department of Insurance ("Department") Report of the Market Conduct Examination of Primerica Life Insurance Company. This letter will be attached to and become a part of the Department's Market Conduct Examination report on Primerica Life Insurance Company. This report is the only document related to the examination that is subject to Ohio Revised Code §149.43, Availability Of Public Records. All other documents and work papers remain confidential subject to Ohio Revised Code §3901.48.

Given the Company's overall compliance rate, the Department considers this examination closed. Thank you for your cooperation during the examination process.

Sincerely,

Melissa L. Hull
Acting Assistant Director
Office of Investigative and Licensing Services
Ohio Department of Insurance



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