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AFLAC INC
Form DEF 14A
March 18, 2010

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Soliciting Material Under Rule
14a-12

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

Definitive Proxy Statement

Definitive Additional Materials

Aflac Incorporated

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of 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 transaction:

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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.:

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3) Filing Party:

4) Date Filed:

March 19, 2010

Dear Fellow Aflac Shareholder:

At Aflac, enhancing the value of your investment remains our first priority and influences every decision we make. Just as we are driven to be good stewards of your investment in Aflac, we also strive to respect the resources we use, both environmentally and financially.

I am pleased to share that we have identified a way not only to reduce the paper resources we use, but also to lower our expenses while remaining true to our commitment of being responsive to you, our valued shareholders. Our proxy materials, including the Proxy Statement, Proxy, and 2009 Annual Report to Shareholders, will still be presented to you in a format that is familiar to you. However, many shareholders will now simply be accessing the materials online rather than receiving a paper copy. We strive to make these electronic documents informative, convenient and easy to access.

I hope you will be able to attend the Annual Meeting of Shareholders on Monday, May 3, 2010. Whether or not you are able to attend, I encourage you to vote your shares over the Internet or by telephone in accordance with the instructions on the proxy, or complete, sign, date and promptly return your proxy as soon as possible so that your shares will be represented at the meeting. Your vote provides us with your input about the important proposals that impact our business.

As fellow shareholders, each one of us at Aflac thanks you for putting your faith, confidence and resources in our company.

Sincerely,

Daniel P. Amos

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NOTICE AND PROXY STATEMENT

AFLAC INCORPORATED

Worldwide Headquarters
1932 Wynnton Road
Columbus, GA 31999

NOTICE OF 2010 ANNUAL MEETING OF SHAREHOLDERS

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 3, 2010

The Annual Meeting of Shareholders of Aflac Incorporated (the "Company") will be held on Monday, May 3, 2010, at 10:00 a.m. at the Columbus Museum (in the Patrick Theatre), 1251 Wynnton Road, Columbus, Georgia, for the following purposes, all of which are described in the accompanying Proxy Statement:

1. To elect 16 Directors of the Company to serve until the next Annual Meeting and until their successors are duly elected and qualified;
2. To consider and approve the following advisory (non-binding) proposal:

"Resolved, that the shareholders approve the overall executive pay-for-performance compensation policies and procedures employed by the Company, as described in the Compensation Discussion and Analysis and the tabular disclosure regarding named executive officer compensation in this Proxy Statement."
3. To consider and act upon the ratification of the appointment of KPMG LLP as independent registered public accounting firm of the Company for the year ending December 31, 2010.

The accompanying proxy is solicited by the Board of Directors of the Company. The Proxy Statement and the Company's Annual Report for the year ended December 31, 2009, are enclosed.

The record date for the determination of shareholders entitled to vote at the meeting is February 24, 2010, and only shareholders of record at the close of business on that date will be entitled to vote at this meeting and any adjournment thereof.

YOUR VOTE IS IMPORTANT! WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE VOTE AS PROMPTLY AS POSSIBLE SO THAT WE MAY BE ASSURED OF A QUORUM TO TRANSACT BUSINESS. YOU MAY VOTE BY USING THE INTERNET, TELEPHONE, OR BY SIGNING, DATING AND RETURNING THE PROXY MAILED TO THOSE WHO RECEIVE PAPER COPIES OF THIS PROXY STATEMENT. IF YOU ATTEND THE MEETING, YOU MAY REVOKE YOUR PROXY AND VOTE IN PERSON.

By order of the Board of Directors,

Joey M. Loudermilk
Secretary

Columbus, Georgia
March 19, 2010

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AFLAC INCORPORATED

PROXY STATEMENT

FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MONDAY, MAY 3, 2010

SOLICITATION AND REVOCATION OF PROXY

This Proxy Statement is furnished to shareholders in connection with the solicitation of proxies by the Board of Directors of the Company for use at the Annual Meeting of Shareholders to be held on Monday, May 3, 2010, and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders and described in detail herein. The meeting will be held at 10 a.m. at the Columbus Museum (in the Patrick Theatre), 1251 Wynnton Road, Columbus, Georgia.

All properly executed proxies returned to the Company will be voted in accordance with the instructions contained thereon. With respect to proxies returned to the Company with no voting instructions indicated, the proxies will be voted FOR the election of all Director nominees named in this Proxy Statement, and FOR approval of each other proposal set forth in the Notice of Meeting, and according to the discretion of the proxy holders on any other matters that may properly come before the meeting or any postponement or adjournment thereof. Shareholders of record may also submit their proxies via the Internet or by telephone in accordance with the procedures set forth in the enclosed proxy, or vote in person at the Annual Meeting. Any proxy may be revoked by the shareholder at any time before it is exercised by giving written notice to that effect to the Secretary of the Company or by submission of a later-dated proxy or subsequent Internet or telephonic proxy. Shareholders who attend the meeting may revoke any proxy previously granted and vote in person orally or by written ballot.

This Proxy Statement and the accompanying proxy are being delivered to shareholders on or about March 19, 2010.

Solicitation of Proxies

The Company will pay the cost of soliciting proxies. The Company will make arrangements with brokerage firms, custodians, and other fiduciaries to send proxy materials to their principals by mail and by electronic transmission, and the Company will reimburse these entities for mailing and related expenses incurred. In addition to solicitation by mail and electronic transmission, certain officers and other employees of the Company may solicit proxies by telephone and by personal contacts. However, they will not receive additional compensation (outside of their regular compensation) for doing so. In addition, the Company has retained Georgeson Inc. to assist in the solicitation of proxies for a fee of \$9,000, plus reimbursement of reasonable out-of-pocket expenses.

Proxy Materials and Annual Report

As permitted by the U.S. Securities and Exchange Commission ("SEC") rules, we are making these proxy materials available to our shareholders via the Internet. Accordingly, we have mailed to most of our shareholders a notice about the Internet availability of this Proxy Statement and our 2009 Annual Report instead of a paper copy of those documents. The notice contains instructions on how to access those documents over the Internet, how to vote online at www.proxyvote.com and how to request and receive a paper copy of our proxy materials, including this Proxy Statement and our 2009 Annual Report. Shareholders who select the online access option to the Proxy Statement, Annual Report, and other account mailings through aflinc@, Aflac's secure online account management system, will receive electronic notice of availability of these proxy materials. All shareholders who do not receive a notice and did not already elect online access will receive a paper copy of the proxy materials by mail. We believe this process will conserve natural resources and reduce the costs of printing and distributing our proxy materials.

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Multiple Shareholders Sharing the Same Address

The Company is sending only one Annual Report and one Proxy Statement or notice of availability of these materials to shareholders who consented and who share a single address. This is known as “householding.” However, if a registered shareholder residing at such an address wishes to receive a separate Annual Report or Proxy Statement, he or she may contact Shareholder Services by phone at 800.235.2667 –Option 2, by e-mail at shareholder@aflac.com, or by mail at the following address: Shareholder Services, 1932 Wynnton Road, Columbus, Georgia 31999. Registered shareholders who receive multiple copies of the Company’s Annual Report or Proxy Statement or notice of availability of these materials may request householding by contacting Shareholder Services using the preceding options. Shareholders who own the Company’s shares through a bank, broker, or other holder of record may request householding by contacting the holder of record.

Description of Voting Rights

In accordance with the Company’s Articles of Incorporation, shares of the Company’s Common Stock, par value \$.10 per share (the “Common Stock”) are entitled to one vote per share until they have been held by the same beneficial owner for a continuous period of greater than 48 months prior to the record date of the meeting, at which time they become entitled to 10 votes per share. Where a share is transferred to a transferee by gift, devise, or bequest, or otherwise through the laws of inheritance, descent, or distribution from the estate of the transferor, or by distribution to a beneficiary of shares held in trust for such beneficiary, the transferee is deemed to be the same beneficial owner as the transferor for purposes of determining the number of votes per share. Shares acquired as a direct result of a stock split, stock dividend, or other distribution with respect to existing shares (“dividend shares”) are deemed to have been acquired and held continuously from the date on which the shares with regard to which the issued dividend shares were acquired. Shares of Common Stock acquired pursuant to the exercise of a stock option are deemed to have been acquired on the date the option was granted.

Shares of Common Stock held in “street” or “nominee” name are presumed to have been held for less than 48 months and are entitled to one vote per share unless this presumption is rebutted by providing evidence to the contrary to the Board of Directors of the Company. Shareholders desiring to rebut this presumption should complete and execute the affidavit appearing on the reverse side of their proxy. The Board of Directors reserves the right to require evidence to support the affidavit.

Quorum and Vote Requirements

Holders of record of Common Stock at the close of business on February 24, 2010, will be entitled to vote at the meeting. At that date, the number of outstanding shares of Common Stock entitled to vote was 469,150,403. According to the Company’s records, this represents the following voting rights:

425,944,001	Shares	@ 1 Vote Per Share	=	425,944,001	Votes
43,206,402	Shares	@ 10 Votes Per Share	=	432,064,020	Votes
469,150,403	Shares	Total		858,008,021	Votes

Shareholders shown above with one vote per share can rebut the presumption that they are entitled to only one vote as outlined in “Description of Voting Rights” above. If all of the outstanding shares were entitled to 10 votes per share, the total votes available would be 4,691,504,030. However, for the purposes of this Proxy Statement, it is assumed that the total votes available to be cast at the meeting will be 858,008,021.

The holders of a majority of the voting rights entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of such business that comes before the meeting. Abstentions are counted as “shares present” at the meeting for purposes of determining whether a quorum exists. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. Broker non-votes are also counted as “shares present” at the meeting for purposes of determining whether a quorum exists.

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Pursuant to the Company's Bylaws, in an uncontested election of Directors, a Director shall be elected if the votes cast for such nominee's election exceed the votes cast against such nominee's election, provided a quorum is present. An abstention with respect to the election of one or more nominees will not be counted as a vote cast and will have no effect on the election of such nominee or nominees. If a nominee who is already serving as a Director is not re-elected at the annual meeting in an uncontested election, under Georgia law the Director would continue to serve on our Board of Directors as a "holdover director." However, under our Director Resignation Policy, as amended by the Board on February 10, 2009, any holdover director who stood for election but the votes cast for such Director did not exceed the votes cast against such Director, must offer to tender his or her resignation to our Chairman of the Board. The Corporate Governance Committee will consider such resignation and recommend to the Board whether to accept or reject it. In considering whether to accept or reject the tendered resignation, the Corporate Governance Committee will consider all factors deemed relevant by its members, including the stated reasons why shareholders voted against such Director, the qualifications of the Director and whether the resignation would be in the best interests of the Company and its shareholders. The Board will formally act on the Corporate Governance Committee's recommendation no later than 90 days following the date of the shareholders' meeting at which the election occurred. The Company will, within four business days after such decision is made, publicly disclose in a Form 8-K filed with the SEC, the Board's decision, together with a full explanation of the process by which the decision was made and, if applicable, the reasons for rejecting the tendered resignation. If a nominee who was not already serving as a Director is not elected at the annual meeting, that nominee would not become a Director and would not serve on our Board of Directors as a holdover director. In a contested election at an annual meeting of shareholders (a situation in which the number of nominees exceeds the number of Directors to be elected), the standard for election of Director would be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of Directors.

Pursuant to the Company's Bylaws, approval of Proposals 2 and 3 and any other matters to be considered at the meeting (other than the election of Directors) requires the affirmative vote of holders of a majority of the voting rights present in person or represented by proxy at the meeting. Abstentions will have the effect of votes against Proposals 2 and 3.

Effect of Not Casting a Vote

It is critical that all shareholders who hold shares in street name vote their shares if they want their votes to count in the election of Directors (Proposal No. 1 of this Proxy Statement). In the past, if a shareholder who held shares in street name did not indicate how such shares should be voted in the election of Directors, the bank or broker was allowed to vote those shares on such shareholder's behalf in the election of Directors as the bank or broker felt appropriate.

Recent changes in regulation take away the ability of the bank or broker to vote uninstructed shares in the election of Directors on a discretionary basis. Thus, if a shareholder holds shares in street name and does not instruct its bank or broker how to vote in the election of Directors, no votes will be cast on behalf of such shareholder with respect to that matter. The bank or broker will, however, continue to have discretion to vote any uninstructed shares on the advisory vote on executive pay-for-performance compensation (Proposal No. 2) and the ratification of the appointment of the Company's independent registered public accounting firm (Proposal No. 3). If a shareholder of record does not cast its vote, no votes will be cast on its behalf on any of the items of business at the Annual Meeting.

Principal Shareholders

No person, as of February 24, 2010, was the owner of record or, to the knowledge of the Company, beneficially owned 5% or more of the outstanding shares of Common Stock or of the available votes of the Company other than as shown below:

Name and Address of Beneficial Owner	Title of Class Common Stock	Amount of Beneficial Ownership		Percent of Class	Percent of Available Votes
		Shares	Votes		
Daniel P. Amos*	10 Votes Per Share	8,006,980	80,069,800	2.0	9.2
1932 Wynnton Road Columbus, GA 31999	1 Vote Per Share	1,359,175	1,359,175		
		9,366,155	81,428,975		

* See footnote 2 on page 4

1. ELECTION OF DIRECTORS

The Company proposes that the following 16 individuals be elected to the Board of Directors of the Company. The persons named in the following table have been nominated by the Corporate Governance Committee of the Board of Directors for election as Directors and, if elected, are willing to serve as such until the next Annual Meeting of Shareholders and until their successors have been elected and qualified. It is intended that the persons named in the accompanying proxy, or their substitutes, will vote for the election of these nominees (unless specifically instructed to the contrary). However, if any nominee at the time of the election is unable or unwilling to serve or is otherwise unavailable for

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election, and as a result another nominee is designated, the persons named in the proxy, or their substitutes, will have discretionary authority to vote or refrain from voting in accordance with their judgment on such other nominees. The Board of Directors has no reason to believe that any of the persons nominated for election as Director will be unable or unwilling to serve.

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THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE FOLLOWING NOMINEES AS DIRECTORS.

The following information is provided with respect to the nominee:

Name	Age	Year First Elected	Shares of Common Stock Beneficially Owned on February 24, 2010 (2)	Percent of Outstanding Shares	Voting Rights on February 24, 2010	Percent of Available Votes
Daniel P. Amos	58	1983	9,366,155	2.0	81,428,975	9.2
John Shelby Amos II	57	1983	999,282	.2	9,936,571	1.2
Paul S. Amos II	34	2007	3,539,853	.8	34,662,504	4.0
Michael H. Armacost	72	1994	43,197	*	375,720	*
Kriss Cloninger III	62	2001	1,280,192	.3	8,109,864	.9
Joe Frank Harris	74	1991	91,748	*	861,230	.1
Elizabeth J. Hudson	60	1990	93,993	*	883,680	.1
Douglas W. Johnson	66	2004	30,822	*	247,319	*
Robert B. Johnson	65	2002	22,531	*	167,618	*
Charles B. Knapp	63	1990	70,055	*	644,300	.1
E. Stephen Purdom, M.D.	62	1987	250,613	.1	2,386,880	.3
Barbara K. Rimer, Dr. PH	61	1995	31,460	*	258,350	*
Marvin R. Schuster	72	2000	89,566	*	701,566	.1
David Gary Thompson	63	2005	27,250	*	117,250	*
Robert L. Wright	72	1999	69,766	*	411,766	*
Takuro Yoshida	57	(1)	3,403,808	.7	30,403,808	3.5

* Percentage not listed if less than .1%.

(1) First Year Nominated

(2) Includes options to purchase shares, which are exercisable within 60 days for: Daniel P. Amos, 3,853,791; John Shelby Amos II, 24,250; Paul S. Amos II, 90,000; Michael H. Armacost, 14,250; Kriss Cloninger III, 779,000; Joe Frank Harris, 24,250; Elizabeth J. Hudson, 24,250; Douglas W. Johnson, 24,250; Robert B. Johnson, 17,750; Charles B. Knapp, 24,250; E. Stephen Purdom, M.D., 24,250; Barbara K. Rimer, Dr. PH, 24,250; Marvin R. Schuster, 24,250; David Gary Thompson, 16,250; and Robert L. Wright, 22,250. Also includes shares of restricted stock awarded under the 2004 Long-Term Incentive Plan for: Daniel P. Amos, 190,980; Paul S. Amos II, 49,467; and Kriss Cloninger III, 124,490, for which they have the right to vote, but may not transfer until the shares have vested three years from the date of grant if certain Company performance goals have been met. Also includes shares of restricted stock awarded under the 2004 Long-Term Incentive Plan for: Robert B. Johnson, 1,152; and Robert L. Wright, 1,058 which they have the right to vote, but may not transfer until the shares have vested four years from the date of grant. Includes 1,584,106; 50,000; 505,080; and 46,936 shares pledged for Daniel P. Amos, John Shelby Amos II, Paul S. Amos II, and Kriss Cloninger III, respectively.

Also includes the following shares:

Daniel P. Amos: 76,291 shares owned by his spouse, which includes options to purchase 50,000 shares that are exercisable within 60 days; 3,122,497 shares owned by partnerships of which he is a partner; 679,475 shares owned by trusts with him as trustee; 922,763 shares owned by the Daniel P. Amos Family Foundation, Inc.; 90,221 shares owned by a trust with his spouse as trustee; 75,697 shares owned by his spouse's children; and 20,082 shares owned by the Paul S. Amos Family Foundation, Inc.

John Shelby Amos II: 253,266 shares owned by his children with Mr. Amos as trustee; and 8,867 shares owned by a corporation of which he is a controlling shareholder.

Paul S. Amos II: 7,889 shares owned by his spouse; 18,890 shares owned by his children; 166,344 shares owned by a trust with his spouse as trustee; 518,069 shares owned by trusts of which he or his children are beneficiaries; 15,000 shares owned by a partnership of which he is a partner; 37,859 shares owned by the Paul & Courtney Amos Foundation; 23,000 shares owned by the Dan Amos Dynasty Trust; 1,584,106 shares owned by The Amos Family Limited Partnership; 922,763 shares owned by the Daniel P. Amos Family Foundation, Inc.; and 20,082 shares owned by the Paul S. Amos Family Foundation, Inc.

Kriss Cloninger III: 28,038 shares owned by his spouse; 48 shares owned by his spouse's children; 65,420 shares owned by partnerships of which Mr. Cloninger is a partner; and 98,336 shares owned by a trust with Mr. Cloninger as trustee.

Elizabeth J. Hudson: 400 shares owned by her children.

Charles B. Knapp: 21,000 shares owned by his spouse.

Takuro Yoshida: 3,403,808 shares owned by The Mizuho Trust & Banking Co., Ltd. Mr. Yoshida shares the power to vote these shares.

Daniel P. Amos is chairman and chief executive officer of the Company and Aflac. Mr. Amos holds a bachelor's degree in risk management from the University of Georgia and has spent 36 years in various positions at Aflac. Mr. Amos currently serves as a director of Synovus Financial Corp. He served as a director of the Southern Company from 2000 to 2006. In 2010, Institutional Investor magazine named him one of America's Best CEOs in the life insurance category for the fourth time. Mr. Amos previously served as a member of the Consumer Affairs Advisory Committee of the Securities and Exchange Commission. Under Mr. Amos' leadership, Aflac became the first public company in the United States to give shareholders the opportunity to have an advisory "Say-on-Pay" vote on the compensation practices of Aflac's top five named executive officers. During Mr. Amos' 20-year tenure as CEO, the Company consistently increased operating earnings per diluted share before currency changes by an annual rate of at least 15%. Mr. Amos' experience and approach deliver insightful expertise and guidance to Aflac's Board of Directors on topics relating to corporate governance, people management and risk management.

John Shelby Amos II is Alabama/West Florida state sales coordinator for Aflac's U.S. operations. Mr. Amos joined Aflac's intensive and comprehensive management training program in 1970. This training program strategically rotated Mr. Amos throughout key operational departments, giving him exposure to, and experience with, a wide variety of operational challenges and a broad base of knowledge that would prepare him to successfully serve Aflac's corporate headquarters and field operations. Mr. Amos' breadth of experience in both corporate and field operations give him a unique hybrid of insight that balances the interests of independent sales force and corporate initiatives.

Paul S. Amos II has been president of Aflac since January 2007 and chief operating officer of Aflac U.S. since February 2006. Prior to his current position, he held the role of executive vice president, U.S. Operations from January 2005 until January 2007. In his current role, he is responsible for centralizing the recruiting and training functions for Aflac's more than 75,300 U.S. sales associates, creating a new broker channel, broadening the company's marketing plan, and improving operating efficiencies. Previously, Mr. Amos served as state sales coordinator for the Georgia-North sales territory. Under his leadership, as state sales coordinator, the Georgia-North territory grew to become the company's number one state operation in terms of sales. Mr. Amos holds a bachelor's degree in economics from Duke University and a master's degree in business administration from Emory University. He also holds a juris doctor degree from Tulane University. Mr. Amos brings to the Board a deep knowledge of insurance sales, which forms the core of our business as well as eight years of experience at our Company, serving in various leadership roles.

Michael H. Armacost is a Shorenstein Distinguished Fellow, Stanford University Asia-Pacific Research Center, since September 2002. From 1995 to 2002, Mr. Armacost served as president and trustee of The Brookings Institution, a renowned American think tank and private nonpartisan organization devoted to public policy research. A former undersecretary of state for political affairs, Mr. Armacost was U.S. ambassador to Japan from 1989 to 1993. From 1977 to 1978, Mr. Armacost served as a member of the National Security Council handling East Asian affairs under the Carter administration. From 1978 to 1980 he served as Deputy Assistant Secretary of Defense for International Security Affairs with responsibilities for East Asia and Latin America, and from 1982 to 1984, as Ambassador to the Philippines during a critical period of political upheaval. Mr. Armacost earned his PhD from Columbia University. He has previously served on the boards of directors of TRW, Cargill, Inc, and Applied Materials, Inc. and is currently a director for USEC, Inc. Mr. Armacost provides Aflac's Board with valuable insight and guidance into Aflac's domestic and international operations. His extensive Asian policy and government experience provides the Board with valuable insight into Japanese public policy.

Kriss Cloninger III is president; chief financial officer, and treasurer of the Company and executive vice president of Aflac. Since joining Aflac in 1992, he has had primary responsibility for overseeing the financial management of all company operations, including Aflac U.S. and Aflac Japan. Prior to joining Aflac, he was a principal in KPMG's insurance actuarial practice and served as a consultant to Aflac from 1977 until he joined the Company in 1992. Mr. Cloninger has been named Best CFO in the insurance/life category in America by Institutional Investor magazine three times. He is a member of the boards of directors of Total System Services, Inc. (TSYS), and the Tupperware Brands Corporation, where he serves as chair of the Audit Committee. Mr. Cloninger holds both a bachelor's and master's degree in business administration from the University of Texas at Austin, and is a Fellow of the Society of Actuaries. His financial acumen and expertise in Aflac's operations and corporate strategy bring a unique economic perspective to our Board of Directors.

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Joe Frank Harris served as a distinguished executive fellow at Georgia State University and a lecturer in its School of Policy Studies from 1995 until 2009 and currently serves as chairman of the board of Harris Georgia Corporation, an industrial development firm that was established in 1980 in Cartersville, Georgia. He served as the 78th Governor of Georgia from 1983 to 1991. After his two terms as Governor, he was appointed to the Board of Regents for the University System of Georgia, serving as chairman of the Board of Regents for two years and a member for seven years. He graduated from the University of Georgia with a degree in business administration. His prior political career included serving nine terms (18 years) as a member of the Georgia House of Representatives starting in 1965 and as chairman of the Appropriations Committee from 1975 to 1983. His diverse experience starting out as a small business owner and becoming the Governor of Georgia gives him rare, valuable and diverse insights ranging from running a small business to running the State of Georgia. Mr. Harris' knowledge of the state insurance regulatory process that governs Aflac's business is another asset he brings to the Aflac Board.

Elizabeth Hudson has served as executive vice president, communications, of the National Geographic Society since 2000. She is responsible for all communications and public affairs initiatives undertaken by the National Geographic Society and its subsidiaries, including media and public relations, brand development, employee communications, and related marketing-communications activities. Ms. Hudson earned a bachelor's degree in advertising and public relations from the University of Georgia and an honorary doctorate in commercial science from St. John's University. She has more than 35 years of experience serving on the executive management teams of several national and international organizations, including publicly traded entities and one of the world's largest scientific and research organizations. She brings extensive experience in every aspect of strategic corporate communications, including financial and crisis communications management. In addition, her knowledge of, exposure to and expertise in developing and articulating sustainability programs is relevant to her role as a member of Aflac's Board of Directors.

Douglas W. Johnson is a certified public accountant and a retired Ernst & Young LLP audit partner. He began auditing insurance companies in 1972 and spent the majority of his career focusing on companies in the life, health and property/ casualty segments of the insurance industry. During Mr. Johnson's 30-year tenure with Ernst & Young and its predecessor firms, he was coordinating partner of several large multinational insurance companies and for the firm's largest American insurance client. His work experience includes extensive coordination with the audit committees of publicly-held companies. Mr. Johnson holds a Bachelor of Science degree from Georgia Institute of Technology. He is a member of the American Institute of Certified Public Accountants (AICPA) and holds an MBA from the Harvard School of Business. Mr. Johnson's finance experience and leadership skills enable him to make valuable contributions to our Audit Committee, serving as its financial expert.

Robert B. Johnson is senior advisor, Porter Novelli PR, where he has worked since 2003. Until 2008, he served as chairman and CEO of the One America Foundation, an organization that promotes dialogue and solidarity among Americans of all races and provides education, grants and technical equipment to disadvantaged youth of all races. Prior to this, he served in President Clinton's White House as an assistant to the President and director of the President's initiative for One America. In 2003, the Democratic National Committee (DNC) named him Deputy Chairman, where he advised the DNC Chairman in many key areas, including political and media strategic planning and community involvement. He served two years in the Carter administration and was one of the 30 staff members to serve the entire eight years of the Clinton White House, achieving the distinction of being one of the longest-serving African-Americans in White House history. Prior to his service in the Carter White House, Mr. Johnson was the Business Regulations Administrator for Washington, DC. Mr. Johnson's significant public relations experience provides the Board with valuable expertise in conducting Aflac's public relations. Promotion of diversity is also important to Aflac, an area that Mr. Johnson provides extensive experience to the Board, including through his service as Chairman and CEO of the One America Foundation.

Charles B. Knapp is Director of Educational Development for the CF Foundation. Dr. Knapp also serves as Chairman of the Board of the East Lake Foundation, the organization responsible for leading the revitalization of the East Lake community in Atlanta and as President of New Community Ventures, LLC, which supports a network of communities that are building brighter futures, strengthening human and physical capital and helping families break the cycle of poverty. He was president of the Aspen Institute from 1997 to 1999, and from 2000 to 2004 was a partner with the executive search firm Heidrick and Struggles. Dr. Knapp was President at the University of Georgia from 1987 to 1997 and currently serves the University as President Emeritus. His tenure as president was marked by increased emphasis on teaching excellence, notable growth in research funding, dynamic and interactive minority programs, successful completion of the largest fund-raising initiative in the University's history, and construction projects totaling more than \$400 million. During his presidency, Dr. Knapp was a founding member of the Georgia Research Alliance and was instrumental in the creation of Georgia's HOPE Scholarship program. Dr. Knapp holds a Ph.D. in economics from the University of Wisconsin, Madison. Dr. Knapp's experience and knowledge provide the Aflac Board with valuable insight into the field of investments.

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Dr. E. Stephen Purdom retired from his position as executive vice president, Insurance Operations at Aflac in 2000. From 1988 through 1994, he served as Aflac's senior vice president and medical director. Dr. Purdom graduated from Emory University Medical School. In Columbus, Georgia, he founded and served as medical director of the Columbus Clinic, a 20-physician multi-specialty medical group. He was chief of staff at Doctors' Hospital and developed the Columbus Diagnostic Center, a full service radiology/imaging center. Additionally, Dr. Purdom was manager and general partner of the Columbus Diagnostic Center, and he developed the Columbus Medical Park. He currently serves on the board of advisors for Emory University School of Medicine, and is a retired director of the Trust Company Bank, Columbus, Georgia. Dr. Purdom actively facilitated the development of new products for Aflac U.S. and Aflac Japan, with specific expertise in the areas of claims and underwriting. His proficiency in this regard was particularly instrumental in broadening Aflac's medical product line in Japan. Dr. Purdom's extensive practical medical experience offers the Board of Directors the medical proficiency that is very relevant to the technical, product, and business side of Aflac's operations.

Dr. Barbara K. Rimer has been Dean of the University of North Carolina Gillings School of Global Public Health, Chapel Hill, NC since June 2005 and Alumni Distinguished Professor Gillings School of Global Public Health since 2003. Previously, she was director of the Division of Cancer Control and Population Sciences at the National Cancer Institute. She is a former director of Cancer Control Research and Professor of Community and Family Medicine at the Duke University School of Medicine and was elected to the Institute of Medicine in 2008. She earned both her Bachelor of Arts in English and Masters of Public Health from the University of Michigan, and her doctorate of public health (Dr. PH) from the Johns Hopkins School of Hygiene and Public Health. The mission of the Gillings School of Public Health is to improve public health, promote individual well-being, and eliminate health disparities across North Carolina and around the world. In light of her particular health care experience and knowledge, her insight and leadership are extremely relevant to Aflac's business and operations.

Marvin R. Schuster is chairman of Schuster Enterprises Inc., a company he founded in 1967 that owns and operates more than 60 Burger King restaurants throughout the Southeast. He is an emeritus member of the board of directors of Columbus Bank & Trust Company and has served on the board of Synovus Trust Company. As an owner of more than 60 restaurants that employ 2,500 people, his position on the Aflac Board captures the viewpoint of the small business owner, which is essential with approximately 90% of Aflac's payroll accounts being small business owners. His half-century of corporate experience includes eight years of accounting and management of a manufacturing plant, followed by 42 years as founder, CEO and chairman of Schuster Enterprises, Inc. Mr. Schuster took his expertise in cost accounting and combined it with his manufacturing standards experience to successfully establish, develop, manage and expand his restaurant franchises. Additionally, his extensive experience in the restaurant industry gives him insight into one of Aflac's largest payroll account categories.

David Gary Thompson is a retired chief executive officer of Georgia Banking, Wachovia Bank, N.A. and retired executive vice president of Wachovia Corporation. He serves on the board of directors for Georgia Power Company, a subsidiary of the Southern Company. Mr. Thompson earned a Bachelor of Arts in economics from Guilford College. He began his career with Wachovia while completing his final year of college and had several positions of leadership during his tenure, while helping Wachovia navigate the biggest merger it had experienced to date. The managerial and financial experience and training Mr. Thompson gained through 36 years of banking, including understanding and managing credit risks across a variety of businesses and industries, provides a foundation from which he provides our Board with valuable observations, insight, and experience.

Dr. Robert L. Wright has over 40 years of experience in government, business management, finance, project management and team building along with a wealth of political experience at both local and national levels. He served three consecutive terms as a member of the Columbus, Georgia City Council and was appointed by President Reagan to the position of Associate Administrator for Minority Small Business at the Small Business Administration. Dr. Wright received a Degree in Optometry from The College of Optometry at The Ohio State University. Starting with only three employees in 1985, Dr. Wright built Dimensions International (DI) into a world-class organization with more than 100 offices in 10 countries and over 1500 employees in 16 different time zones. DI provided leading-edge technology to the government and private sector in the fields of logistics support, systems engineering and integration, information management and technology, airspace management, and security engineering and operations. Dr. Wright served as Chairman and CEO of DI, and later Chairman Emeritus and Senior Advisor until 2007 when the company was sold to Honeywell. Dr. Wright then served as Chairman of Flight Explorer (FE), which he purchased from DI prior to the sale of DI to Honeywell. FE is a global flight tracking, information technology and communications solutions provider to the business aviation and traveler community. In September of 2008, Dr. Wright sold FE to Sabre Technologies and currently serves as Chairman and CEO of FE Holdings, Inc., a company with interests in motorsports, gaming, entertainment, real estate and lighting. Dr. Wright enhances the Aflac Board with his strong business and leadership skills as well as valuable insight into the medical field.

Takuro Yoshida is the president of Nippon Tochi-Tatemono Co., Ltd., a residential and commercial real estate development company in Japan, since January, 2010. He has also served as the company's executive vice president and operating officer, from May 2009 through December 2009. From 2005 through April of 2009, Mr. Yoshida held various positions which include executive director, senior operating officer, and central branch manager and operating officer of Mizuho Bank, Ltd., part of Mizuho Financial Group, Inc., which was formed in a merger between his former employer, Dai-Ichi Kangyo Bank, Ltd., and two other banks. He held various positions at Dai-Ichi Kangyo Bank, Ltd., which he joined in 1976. Mr. Yoshida graduated from the Faculty of Law, Tokyo University. His extensive Japan financial and managerial experience will enable him to provide our Board with valuable insight and expertise relevant to the Company's Japanese business.

Daniel P. Amos and John Shelby Amos II are cousins. Daniel P. Amos is the father of Paul S. Amos II. No other family relationships exist among any other executive officers or Directors.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth, as of February 24, 2010, the number of shares and percentage of outstanding shares of Common Stock beneficially owned by: (i) our named executive officers, comprising our CEO, CFO, COO of Aflac U.S., and two other most highly compensated executive officers as listed in the 2009 Summary Compensation Table (collectively, the "NEOs") whose information was not provided under the heading "Election of Directors," and (ii) all Directors and executive officers as a group.

Common Stock Beneficially Owned and Approximate Percentage of Class as of February 24, 2010

Name and Principal Occupation for five years	Shares (1)	Percent of Shares	Votes	Percent of Votes
Tohru Tonoike President and Chief Operating Officer, Aflac Japan, since July 2007; Deputy President, Aflac Japan, from February 2007 until July 2007; President, Dai-Ichi Kangyo Asset Management Co., Ltd., from April 2005 until January 2006; Managing Executive Officer, Mizuho Corporate Bank, Ltd., until April 2005	95,376	*	95,376	*
Joey M. Loudermilk Executive Vice President, General Counsel and Corporate Secretary, since 1983	621,269	.1	5,156,390	.6
All Director nominees and executive officers as a group (31 persons)	21,335,145	4.5	184,661,722	20.5

* Percentage not listed if less than .1%.

- (1) Includes options to purchase shares that are exercisable within 60 days for: Tohru Tonoike, 25,000; and Joey M. Loudermilk, 344,146; and all Directors and executive officers as a group, 5,968,396. Also includes shares of restricted stock awarded under the 2004 Long-Term Incentive Plan for: Tohru Tonoike, 48,930; Joey M. Loudermilk, 30,952; and all Directors and executive officers as a group, 644,179, which they have the right to vote, but they may not transfer until the shares have vested three years from the date of grant if certain Company performance goals have been met. Includes 2,360,287 shares pledged for all Directors and executive officers as a group.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Pursuant to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), executive officers, Directors, and holders of more than 10% of the Common Stock are required to file reports of their trading in Company equity securities with the SEC.

Based solely on its review of the copies of such reports received by the Company, or written representations from certain reporting persons, the Company believes that during the last fiscal year, all Section 16 filing requirements applicable to its reporting persons were complied with, except for: Director Robert L. Wright and executive officer Takaaki Matsumoto who each filed a late Form 4 when they purchased shares.

CORPORATE GOVERNANCE

Director Independence

The Board of Directors annually assesses the independence of each Director nominee. The Board has determined that with respect to Michael H. Armacost, Elizabeth J. Hudson, Douglas W. Johnson, Robert B. Johnson, Charles B. Knapp, Barbara K. Rimer, Dr. PH, Marvin R. Schuster, David Gary Thompson, Robert L. Wright, and Takuro Yoshida, (i) none of such individuals is precluded from being an independent director under the New York Stock Exchange (“NYSE”) listing standards and (ii) none of such individuals has a material relationship with the Company (either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Company), and that accordingly, each such individual is considered an “independent director” for purposes of the NYSE listing standards. The Board made its determination based on information furnished by all Directors regarding their relationships with the Company and research conducted by management.

Board Leadership Structure

Mr. Daniel P. Amos has served as our Chairman of the Board since 2001 and as our CEO since 1990. The Board believes that the most effective Board leadership structure for the Company at the present time is for the CEO to continue to serve as Chairman of the Board in conjunction with the appointment of a Lead Non-Management Director as described below, a structure that has served the Company well for many years. Combining the positions of Chairman and CEO provides the Company with decisive and effective leadership. The Board believes that Mr. Amos’ in-depth long-term knowledge of the Company’s operations and vision for its development make him the best qualified person to serve as both Chairman and CEO. Because the CEO is ultimately responsible for the day-to-day operation of the Company and for executing the Company’s strategy, and because the performance of the Company is an integral part of Board deliberations, the Board believes that Mr. Amos is the Director most qualified to act as Chairman of the Board. However, the Board retains the authority to modify this structure to best advance the interests of all shareholders, if circumstances warrant such a change.

The Board also believes that its existing corporate governance practices achieve independent oversight and management accountability. These governance practices are reflected in the Company’s Guidelines on Significant Corporate Governance Issues and the Committee Charters and include the following.

- The substantial majority of the Board are independent Directors;
- The Audit, Compensation and Corporate Governance Committees are all comprised of independent Directors;
- The Company has a Lead Non-Management Director with the responsibilities described below; and
- The Non-employee Directors meet at each regularly scheduled Board meeting in executive session without management present.

Lead Non-Management Director

The position of Lead Non-Management Director rotates among the Chairs of the Audit, Compensation and Corporate Governance Committees. Robert L. Wright is currently the Lead Non-Management Director. The responsibilities of the Lead Non-Management Director include the following: (i) consulting with the Chairman and Secretary in establishing the agenda for each Board meeting; (ii) setting the agenda for, and leading, all executive sessions of the Non-employee Directors; (iii) when appropriate, discussing with the Chairman matters addressed at such executive sessions; (iv) facilitating discussions, in between Board meetings, among the Non-employee Directors as appropriate; (v) serving as a liaison between the Non-employee Directors and the Chairman of the Board, (vi) serving as a liaison between management and the Board, and (vii) chairing the meeting of the Board when it is conducting its annual Board self-evaluation. Furthermore, the Lead Non-Management Director has the ability to call meetings of the independent Directors.

Communications with Directors

Shareholders and interested parties may contact members of the Board by mail. To communicate with the Board of Directors, any individual Director or any group or committee of Directors (including Non-employee Directors as a group), correspondence should be addressed to the Board of Directors or any such individual Director or group or committee of Directors by either name or title. All such correspondence should be sent to the Corporate Secretary of Aflac Incorporated at the following address: 1932 Wynnton Road, Columbus, Georgia 31999.

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All communications received as set forth in the preceding paragraph will be opened by the Corporate Secretary for the sole purpose of determining whether the contents represent a message to the Directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any group or committee of Directors, the Secretary's office will make sufficient copies of the contents to send to each Director who is a member of the group or committee to which the envelope is addressed.

It is Company policy that each of the Directors attend the Annual Meeting. All of the Directors were in attendance at the 2009 Annual Meeting except Mr. Yoshiro Aoki.

Director Nominating Process

The Corporate Governance Committee will consider Director candidates recommended by shareholders. In considering candidates submitted by shareholders, the Corporate Governance Committee will take into consideration the needs of the Board and the qualifications of the candidate. The Corporate Governance Committee may also take into consideration the number of shares held by the recommending shareholder and the length of time that such shares have been held. To have a candidate considered by the Corporate Governance Committee, a shareholder must submit the recommendation in writing and must include: (i) the name of the shareholder and evidence of the person's ownership of Common Stock, including the number of shares owned and the length of time of ownership; and (ii) the name of the candidate, the candidate's resume or a listing of his or her qualifications to be a Director of the Company and the person's consent to be named as a Director if selected by the Corporate Governance Committee and nominated by the Board. No person 20 years of age or younger or 75 years of age or older shall be eligible for election or appointment as a member of the Board of Directors.

The shareholder recommendation and information described above must be sent to the Corporate Secretary at Aflac Incorporated, 1932 Wynnton Road, Columbus, Georgia 31999, and must be received by the Corporate Secretary not less than 90 nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 25 days before or after such anniversary date, notice by the shareholder, to be timely, must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made, whichever occurs first.

The Corporate Governance Committee believes that the minimum qualifications for serving as a Director of the Company are that a nominee demonstrate, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board's oversight of the business and affairs of the Company and have an impeccable record and reputation for honest and ethical conduct in both his or her professional and personal activities. In addition, the Corporate Governance Committee examines a candidate's specific experiences and skills, time availability in light of other commitments, potential conflicts of interest and independence from management and the Company. The Corporate Governance Committee also seeks to create a Board that is strong in its collective knowledge and has a diversity of backgrounds, skills and experience with respect to accounting and finance, management and leadership, vision and strategy, business operations, business judgment, industry knowledge, corporate governance and global markets. The Company's Guidelines on Significant Corporate Governance Issues provide that diversity is a factor the Corporate Governance Committee should consider in nominating Directors. The diversity of Board and Committee members is one of the specified criteria considered by the Board as part of its annual self-evaluation.

The Corporate Governance Committee identifies potential nominees by asking current Directors and executive officers to notify the Corporate Governance Committee if they become aware of persons that meet the criteria described above and who have had a change in circumstances that might make them available to serve on the Board (for example if an individual has retired as chief executive officer or chief financial officer of a public company or exited government or military service). The Corporate Governance Committee may also, from time to time, engage firms that specialize in identifying Director candidates. As described above, the Corporate Governance Committee will also consider candidates recommended by shareholders.

Once the Corporate Governance Committee identifies a person as a potential candidate, the Corporate Governance Committee may collect and review publicly available information regarding the potential candidate to assess whether that person should receive further consideration. If the Corporate Governance Committee determines that the candidate warrants further consideration, the Chairman or another member of the Corporate Governance Committee will contact the person. Generally, if the person expresses a willingness to be considered and to serve on the Board, the Corporate Governance Committee requests information from the candidate, reviews the person's accomplishments and qualifications, including in light of any other candidates that the Corporate Governance Committee might be considering, and conducts one or more interviews with the candidate. In certain instances, Corporate Governance Committee members may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater firsthand knowledge of the candidate's accomplishments. The Corporate Governance Committee's evaluation process does not vary based on whether or not a candidate is recommended by a shareholder, although, as stated above, the Board may take into consideration the number of shares held by the recommending shareholder and the length of time that such shares have been held.

Enterprise-Wide Risk Oversight

Our Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance shareholder value. A fundamental part of risk management is not only understanding the risks a company faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the company. The involvement of the full Board of Directors in setting the Company's business strategy is a key part of its assessment of management's appetite for risk and also a determination of what constitutes an appropriate level of risk for the Company.

While the Board of Directors has the ultimate oversight responsibility for the risk management process, various committees of the Board also have responsibility for risk management. The Audit Committee Charter provides that one of the Audit Committee's responsibilities and duties is compliance oversight. The Charter provides that the Audit Committee shall discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. In addition, in setting compensation, the Compensation Committee strives to create incentives that encourage a level of risk-taking behavior consistent with the Company's business strategy. As more fully discussed in the "Compensation Discussion and Analysis" ("CD&A") section of this Proxy Statement, incentive compensation performance objectives of the Company's management are determined and established so as not to encourage excessive risk taking.

The Company has a Disclosure Control Committee comprised of senior levels of management across the Company to ensure that disclosure controls and procedures provide, to the highest degree of certainty possible, that the information required to be disclosed to investors is accumulated and communicated to the Committee to allow timely decisions regarding disclosure.

In its annual self-evaluation, the Board discusses its performance and oversight responsibility. In this discussion, the Board evaluates the quality of the information provided to Directors by the Audit Committee about the Company's risk management and corporate compliance programs.

Code of Business Conduct and Ethics

The Company has a Code of Business Conduct and Ethics, which is applicable to all Directors and employees, including executive officers, of the Company and its subsidiaries. The Code of Business Conduct and Ethics includes a Code of Ethics for Chief Executive and Senior Financial Officers that sets forth standards applicable to all officers, Directors, and employees but has provisions specifically applicable to the Chief Executive Officer, Chief Financial Officer, and the Chief Accounting Officer. The Company intends to satisfy any disclosure requirements regarding amendments to, or waivers from, any provision of the Code of Business Conduct and Ethics by posting such information on the Aflac Web site at www.aflac.com, under "Investors" then "Corporate Governance."

BOARD AND COMMITTEES

During 2009, the Board of Directors met eight times, and all Directors attended at least 75% of the meetings of the Board and of the Board Committees on which they served.

The Audit Committee Charter, the Compensation Committee Charter, and the Corporate Governance Committee Charter, as well as the Company's Guidelines on Significant Corporate Governance Issues and the Code of Business Conduct and Ethics, can all be found at the Company's Web site www.aflac.com — under "Investors" then "Corporate Governance." These documents are also available in print to shareholders upon request. Shareholders may submit their request to Aflac Incorporated, Corporate Secretary, 1932 Wynnton Road, Columbus, Georgia 31999.

The Audit Committee

The Audit Committee, which met 14 times during 2009, has the following primary duties and responsibilities: (i) to oversee that management has maintained the reliability and integrity of the financial reporting process and systems of internal controls of the Company and its subsidiaries regarding finance, accounting, and legal matters; (ii) to issue annually the Audit Committee Report set forth below; (iii) to monitor the independence and performance of the Company's independent registered public accounting firm and the performance of the Company's internal auditing department; (iv) to assist Board oversight of the Company's compliance with legal and regulatory requirements; (v) to provide an open avenue of communication among the independent registered public accounting firm, management, the internal auditing department, and the Board; and (vi) to review and monitor the adequacy of enterprise risk management activities of the Company. The Audit Committee also pre-approves audit and non-audit services provided by the Company's independent registered public accounting firm and pre-approves all related person transactions that are required to be disclosed in the Company's annual proxy statement. In addition, it is the responsibility of the Audit Committee to select, oversee, evaluate, determine funding for, and, where appropriate, replace or terminate the independent registered public accounting firm. At least annually, the Audit Committee reviews the services performed and the fees charged by the independent registered public accounting firm.

The independent registered public accounting firm has direct access to the Audit Committee and may discuss any matters that arise in connection with their audits, the maintenance of internal controls, and any other matters relating to the Company's financial affairs. The Audit Committee may authorize the independent registered public accounting firm to investigate any matters that the Audit Committee deems appropriate and may present its recommendations and conclusions to the Board.

The Audit Committee of the Board of Directors is composed of Robert L. Wright (Chairman), Douglas W. Johnson (financial expert), Charles B. Knapp, and Marvin R. Schuster, each of whom qualifies as an independent Director under the NYSE listing standards.

The Corporate Governance Committee

The Company has a Corporate Governance Committee, the functions of which include: (i) selecting individuals qualified to serve as Directors of the Company to be nominated to stand for election to the Board of Directors; (ii) recommending to the Board, Directors to serve on committees of the Board; (iii) advising the Board with respect to matters of Board composition and procedures; (iv) developing and recommending to the Board a set of corporate governance principles applicable to the Company; and (v) overseeing the evaluation of the Board and the Company's management. The Corporate Governance Committee operates under a written charter adopted by the Board of Directors.

The Corporate Governance Committee of the Board of Directors is composed of Marvin R. Schuster (Chairman), Barbara K. Rimer, Dr. PH, and David Gary Thompson, each of whom qualifies as an independent Director under the NYSE listing standards. The Corporate Governance Committee met three times during 2009.

The Compensation Committee

The responsibilities of the Compensation Committee include the following: (i) to review, at least annually, the goals and objectives of the Company's executive compensation plans; (ii) to evaluate annually the performance of the CEO with respect to such goals and objectives; (iii) to determine the CEO's compensation level based on this evaluation; and (iv) to evaluate annually the performance of the employee Directors of the Company in light of such goals and objectives, and set their compensation levels based on this evaluation. The Compensation Committee approves all aspects of compensation for executive officers who are members of the Board. For all other officers who are subject to Section 16 reporting requirements, including all executive officers, the Compensation Committee reviews and approves compensation levels, equity-linked incentive compensation, and also annual incentive awards, sometimes referred to as non-equity incentives, under the Company's Management Incentive Plan ("MIP").

With respect to Non-employee Director compensation, the Compensation Committee recommends to the Board a policy regarding Non-employee Director compensation and has recommend to the Board Non-employee Director compensation consistent with such policy. The Board makes final determinations regarding Non-employee Director compensation.

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The Compensation Committee may form subcommittees and delegate such power and authority as the Compensation Committee deems appropriate. However, no subcommittee may have fewer than two members and the Compensation Committee may not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Compensation Committee as a whole.

The Compensation Committee retains a nationally recognized compensation consultant, Mercer Human Resource Consulting (the "Consultant"), to assist and advise the Compensation Committee in its deliberations regarding executive compensation. The Consultant works with the Compensation Committee in the review of executive compensation practices, including the competitiveness of pay levels, design issues, market trends, and other technical considerations.

The Consultant typically provides assistance in the following areas:

- Provides comparative company performance to determine CEO pay;
- Provides an evaluation of the competitiveness of the Company's executive compensation and benefit programs;
- Reviews plan design issues and recommends potential improvement opportunities;
- Apprises the Compensation Committee of trends and developments in the marketplace;
- Provides assistance in assessing the relationship between executive pay and performance;
- Provides assistance with assessing proposed performance goals and ranges for incentive plans;
- Provides comparative company data to determine NEO compensation; and
- Conducts compensation training sessions for the Committee.

Consulting fees paid to the Consultant for executive compensation consulting services totaled \$192,690 in 2009.

Additional information regarding the Company's processes and procedures for the consideration and determination of executive compensation can be found in the CD&A below.

The current members of the Compensation Committee are Robert B. Johnson (Chairman), David Gary Thompson, and Robert L. Wright. All members of the Compensation Committee are "outside" Directors as defined by Section 162(m) ("Section 162(m)") of the Internal Revenue Code of 1986, as amended (the "IRC"), "Non-employee Directors" within the meaning of Rule 16b-3 under the Exchange Act, and independent Directors under the NYSE listing standards. The Compensation Committee operates under a written charter adopted by the Board of Directors. The Compensation Committee met four times in 2009.

Compensation Committee Interlocks and Insider Participation

During 2009, the members of the Company's Compensation Committee were Robert B. Johnson (Chairman), David Gary Thompson, and Robert L. Wright. None of such persons is a current or former employee or officer of the Company or any of its subsidiaries. No member of the Compensation Committee serving during 2009 had any relationship requiring disclosure under the section titled "Related Persons Transactions" in this Proxy Statement. During 2009, no member of the Compensation Committee was an executive officer of another entity on whose compensation committee or board of directors any executive officer of the Company served.

COMPENSATION DISCUSSION AND ANALYSIS

I. Introduction

The Company's compensation philosophy is to provide pay-for-performance that is directly linked to the Company's results. We believe this is the most effective method for creating shareholder value, and that it has played a significant role in making the Company an industry leader. The performance-based elements of our compensation programs apply to all levels of Company management, including our executive officers. In fact, pay-for-performance components permeate every employee level at the Company. The result is that we are able to attract, retain, motivate and reward talented individuals who have the necessary skills to manage our growing global business on a day-to-day basis, as well as for the future.

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The Company has a history and a well-earned reputation with its shareholders as a very transparent organization. That commitment to transparency on all levels was certainly a driving force in our decision in 2008, to allow shareholders a “say-on-pay” advisory vote. As a Company, we pride ourselves on incorporating ethics and transparency into everything we do, including compensation disclosure. With that in mind, we are pleased to provide the following CD&A.

II. Executive Summary

This CD&A pertains to our executive officers and in particular the following executive officers, whose 2009 compensation is set out in the Summary Compensation Table below (our NEOs).

Daniel P. Amos	Chairman and CEO
Kriss Cloninger III	President, CFO, and Treasurer
Tohru Tonoike	President, COO, Aflac Japan
Paul S. Amos II	President, Aflac and COO, Aflac U.S.
Joey M. Loudermilk	Executive Vice President, General Counsel, and Corporate Secretary

In November 2008, Mr. Daniel P. Amos announced he had decided to voluntarily forgo the “golden parachute” components in his employment agreement. Under his original employment agreement, Mr. Amos would have been entitled to receive three years of salary and bonus in the event of a change in control or certain other termination events. Mr. Amos executed an amendment to his employment agreement in December 2008 removing these provisions, which would have resulted in potential cash payments of approximately \$13 million upon the occurrence of a triggering event at that time. The elimination of these potential payments has been reflected in the 2009 Potential Payments Upon Termination or Change in Control table below.

As a leader in our industry segment, we recognize that a sound management compensation program is a part of what makes a company an employer of choice. Our compensation philosophy is to provide pay that is directly linked to the Company’s performance results. By doing so, we are able to provide the following: reasonable salaries that reflect each executive’s responsibility level, qualifications and contribution over time; benefits that adequately meet the needs of our employees and their families at a reasonable shared cost; meaningful, performance-based annual non-equity incentives, and long-term equity incentives that reflect the creation of shareholder value.

Of these four pay elements, we consider the annual and long-term incentive forms of compensation to be the most important because they enable us to attract, retain, motivate and reward talented individuals who have the necessary skills to manage our growing global enterprise on a day-to-day basis as well as for the future.

The value of annual non-equity incentives is directly linked to specific financial goals such as operating earnings per diluted share, risk-based capital as measured on a statutory basis, increases in pretax operating earnings, total new annualized premium sales, premium income, and expenses established and approved by the Compensation Committee (for purposes of this CD&A, the “Committee”) at the beginning of each fiscal year. The actual goals are fully described below under the section Management Incentive Plan. The goals are developed using a corporate financial model. The ranges are set to allow for the achievement of our overall corporate objectives and each of the goals have realistically obtainable maximum payout levels to discourage excessive risk taking. As noted later in this report, the maximum of the range for the goals is typically expected to be achieved only 25% of the time on average.

Long-term equity incentives are provided to executive officers in two forms: stock options whose future value depends upon share price appreciation and performance-based restricted stock (“PBRS”) whose vesting is determined by the Company’s performance objectives set by the Committee. For PBRS awards granted in 2007 and 2008 the performance objective for PBRS awards was based on cumulative compound growth rate in operating earnings per diluted share, excluding foreign currency changes, over a three-year performance period. The performance objective for 2009 PBRS awards was based on the achievement of sound risk-based capital levels as determined on a statutory basis. These performance objectives for purposes of vesting PBRS awards are annually reviewed and established by the Committee for the ensuing three-year performance period.

Lower level officers receive stock options in combination with time-based restricted stock (“TBRS”) that vest after three years of continuous service. This combination is considered to link their interests to those of our shareholders as well as to help the Company retain their services. These plans are fully described in Sections V and VI of this CD&A.

To help the Committee execute its responsibilities, the Consultant annually provides the Committee with comparative performance and pay data based upon a sample of 15 major insurance companies (see Section V of this CD&A). The peer group pay data is derived from the component companies’ proxy statements and helps the Committee establish the salaries and target incentive award opportunities for the NEOs.

In general, it is the Company's intent to set individual salaries within a plus or minus range of 25% from survey medians for comparable positions and to target incentives at median levels with intended payout variances based upon results above or below our planned financial goals. In this way, the Committee intends to have compensation pay levels mirror performance results. Quite simply, if we are a median performer, our total pay should approximate median levels. If we are a 75th percentile performer, our total pay should approximate the 75th percentile. If we are a 25th percentile performer, our total pay should approximate the 25th percentile.

This philosophy is directly applied by the Committee in determining the CEO's total pay. Each year the Consultant calculates the Company's percentile performance rank for the prior year among the peer group of other major insurance companies based on 10 weighted-performance measures. These measures are all related to one year-results for the prior year except for Total Shareholder Return, which is measured over the prior three-year period. The Consultant then determines the total pay value that matches the Company's percentile performance rank. The Committee uses the information from this analysis to adjust the CEO's total pay to that indicated by the Company's percentile performance rank. This adjustment is accomplished through a final true-up stock option grant at the Committee's August meeting. This methodology is detailed in Section VIII of this CD&A.

In order to directly link the CEO's total pay to the Company's performance results, it is necessary to wait for both the performance and pay information of all peer group companies to be made public. As a result, the Committee finalizes the CEO's total pay based on the prior year's results at their August meeting. Accordingly, there is a lag between the payment and reporting of awards because the CD&A of the peer company groups report their results in the following year's proxy. For instance, 2008 performance results determined the stock award provided to our CEO in August of 2009. For all but one year in which this approach to the CEO's compensation was used, the Company's performance rank placed it in the upper half, and in the majority of years, the upper quartile among the peer companies. That was the case again for the 2008 performance year, when the Company's performance rank was in the 79th percentile.

III. Oversight of the Executive Compensation Program

The Company's executive compensation program is administered by the Committee with assistance from the CEO and other Company officers as appropriate. The assistance provided by Company personnel, typically consists of mathematical calculations and schedule preparation, year-over-year comparisons, historical information, and clarification of job duties, responsibilities and organizational reporting. The Committee is also assisted in the execution of its duties and responsibilities by the Consultant, which reports to the Committee. A description of the assistance typically provided to the Committee by the Consultant is presented on page 13 of this Proxy Statement.

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IV. Executive Compensation Philosophy and Core Principles

The following table highlights the primary components and rationale of our compensation philosophy and the pay elements that support such philosophy.

Philosophy Component	Rationale/Commentary	Pay Elements
Compensation should reinforce business objectives and values	One of the Company's guiding principles is to provide an enriching and rewarding workplace for our employees. Key goals are to retain, motivate and reward executives while closely aligning their interests with those of the Company and its shareholders. Our compensation practices help us achieve these goals.	All elements (salary, non-equity incentive awards, equity linked compensation, retirement, and health and welfare benefits)
A majority of compensation for top executives should be based on performance	Performance-based pay aligns the interest of management with the Company's shareholders. Performance-based pay for top executives is highly dependent on performance success. Performance-based compensation motivates and rewards individual efforts, unit performance, and Company success. Potential earnings under performance-based plans are structured such that greater compensation can be realized in years of excellent performance. Similarly, missing goals will result in lower, or no, compensation from the performance-based plans.	Merit salary increases, annual non-equity incentive awards, and equity-linked incentive compensation (stock options, time-based restricted stock, and performance-based restricted stock)
Compensation should be competitive	The Compensation Committee has retained Mercer Human Resource Consulting as an adviser to assist the Committee with assessing pay practices and peer group performance, at least annually, in order to maintain competitive compensation relative to the Company's industry. The Consultant uses a combination of proxy data and market surveys to assess the competitiveness of the Company's executive pay within the industry. Company philosophies and cultural practices also affect the overall compensation policies for the executive officers.	All elements
Key talent should be retained	In order to attract and retain the highest caliber of management, the Company seeks to provide financial security for its executives over the long term and to offer intangible non-cash benefits in addition to other compensation that is comparable with that offered by the Company's competitors.	Equity-linked incentive compensation, retirement benefits, employment agreements and change-in-control provisions
Compensation should align interests of executives with shareholders	Equity ownership helps ensure that the efforts of executives are consistent with the objectives of shareholders.	Equity-linked incentive compensation and stock ownership guidelines

V. Executive Compensation Policies

1. Total direct compensation relative to market

The Company's total direct compensation (base salary, annual non-equity incentive award, and long-term equity incentive compensation) for our NEOs is generally designed to provide competitive compensation relative to companies in the Company's peer group for "target" performance results. For the CEO, the Company's practice is to measure performance relative to peers, which ensures that the CEO's compensation in a given year directly correlates with the Company's relative performance rank for the prior year. This process is explained in greater detail below in the section labeled "CEO Compensation." We note that the Company's performance has ranked first or second in seven of the twelve years for which such data has been gathered.

The peer group consists of 15 major insurance companies identified below. The peer group did not change from 2007 through 2009 except for the elimination of Safeco Corporation which was acquired by Liberty Mutual. These peer companies are engaged in similar businesses, of similar size, and are competitors for talent, although the Company is slightly above the median revenues, market capitalization, and assets of the peer group. Peer group companies consist of: Aetna Inc., The Allstate Corporation, Aon Corporation, Assurant, Inc., The

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Chubb Corporation, CIGNA Corporation, Consecro, Inc., Genworth Financial, Inc., The Hartford Financial Services Group, Inc., Lincoln National Corporation, Manulife Financial Corporation, The Progressive Corporation, Prudential Financial, Inc., The Travelers Companies, Inc. and Unum Group.

2. Current vs. long-term compensation

The components of current compensation include an annual salary and an annual non-equity incentive award. Long-term compensation is provided to link executive compensation to the delivery of shareholder value. The equity-linked long-term incentive compensation components include stock options, PBRS, and in some cases, TBRS. The Company has two long-term equity incentive plans. The first is a stock option plan, the 1997 Stock Option Plan, which allows for grants of both incentive stock options (“ISOs”) and non-qualifying (“NQ”) stock options. This plan expired on February 11, 2007 (although certain options granted before that date remain outstanding in accordance with their terms). The second plan, the 2004 Long-Term Incentive Plan, allows for grants of ISOs, NQs, performance- or time-based restricted stock, restricted stock units, and stock appreciation rights.

On an annualized present value basis, the proportion of long-term incentives to target annual cash incentives varies based on the responsibility level of the participant’s job and the ability to impact results over time. In general, the higher the responsibility level, the greater the proportion of long-term equity incentives, compared with target annual cash incentives. In the case of all NEOs, the present value of long-term equity incentive grants is greater than target annual cash incentives.

3. Fixed vs. variable compensation

The portion of an executive’s compensation that is variable increases as the scope and level of the individual’s responsibilities increase. For the NEOs, variable compensation accounts for a substantial portion of total compensation. Annual cash incentives increase or decrease with performance. The amount of equity-linked compensation granted each year is primarily based on level of responsibility and secondarily on individual performance. The vesting of PBRS is based on whether a predefined Committee approved performance objective (i.e., cumulative compound growth rate in operating earnings per diluted share, excluding foreign currency changes or risk-based capital levels) is attained over a three-year period. Other contingent components include vesting restrictions on stock options and TBRS, which require recipients to fulfill a continuing employment obligation before they can exercise any option or vest in the TBRS.

During February 2009, the Committee, with the assistance of the Consultant and management, reviewed the target award levels for both annual and long-term incentives for the NEOs and other executive officers. As a result, the annual non-equity incentive target award for Paul S. Amos was increased from 100% to 120% of salary based on his time in the job and additional responsibilities. The target award levels for our NEOs for calendar year 2009 were:

	Target Incentive as Percent of Salary Annual Non-Equity Incentive	Annualized Long-Term Equity Incentives Performance-Based
NEOs		
Daniel P. Amos	200%	
Kriss Cloninger III	150%	350%
Tohru Tonoike	100%	250%
Paul S. Amos II	120%	250%
Joey M. Loudermilk	80%	200%

4. Mix of long-term incentives

In 2009, the Committee approved a combination of equity-linked incentive compensation awards for the executive officers. Prior to 2009, the value of equity grants, as presented in the Summary Compensation Table, was measured based their financial statement expense under Financial Accounting Standards Codification (ASC) 718 Stock Compensation (formerly Statement of Financial Accounting Standard No. 123(R), Share Based Payment). In 2009, the value presented in the Summary Compensation Table under Option Awards and Stock Awards was based on the grant date fair value as determined under ASC 718 (using the Black Scholes-Merton valuation model for stock

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options and the closing price of our stock on the date of the grant for PBRS). Prior year amounts have been adjusted to reflect this change in presentation. Under the columns Stock Awards and Option Awards, stock options represented 77% and PBRS represented 23% of total long-term incentives for the CEO. For all other NEOs, stock options ranged from 42% to 53% and PBRS ranged from 47% to 58% of total long-term equity incentive value. See page 21 for a more detailed discussion of our long-term equity incentive plan.

5. Total compensation in light of best practices and costs

Every year the Committee reviews the incentive compensation components of all executive officers with the help of the Consultant. The Committee believes that many “best practices” are reflected in the existing compensation strategy and that the Company’s compensation expenses are reasonable and appropriate given the superior financial and stock market performance that the Company has produced over a long period of time. From August 1990, when Daniel P. Amos was appointed as the CEO, through December 31, 2009, the Company’s total return to shareholders, including reinvested cash dividends, has exceeded 2,992% compared with 535% for the Dow Jones Industrial Average and 417% for the S&P 500.

Modifications to the compensation program are periodically made in order to remain consistent with the competitive market and emerging best practices. However, our compensation strategy and core program remained essentially the same in 2009 as they were in 2008 and 2007, and no material changes are anticipated for 2010.

VI. Components of the NEO Compensation Program

Total compensation is provided to the CEO and other NEOs through four primary components, each of which has a different strategic role and risk profile. The table below provides an overview of the compensation components, and is followed by a detailed description of how the amount of each component is determined.

Element	Description	Strategic Role	Examples	Risk Profile
Base Salary	Fixed based on level of responsibility, experience, tenure, and qualifications	- Performance of day-to-day activities	- Cash	- Low to moderate
Non-Equity Incentive	Variable based on level of responsibility and achievement of annual financial objectives	- Policy implementations - Operating decisions - Short-term focus	- Cash	- Moderate to high
Long-Term Equity Incentives	Variable based on level of responsibility and the achievement of longer-term financial goals and shareholder value creation	- Effective strategy and policy making - Long-term focus - Alignment with shareholders	Equity-Linked Incentive Compensation - Stock Options - Performance-Based Restricted Stock	- High
Benefits & Perquisites	Satisfy employee health, welfare, and retirement needs	- Security - Tax-effective pay - Time efficiency/convenience	- Health care - Life & Disability - Retirement plans - Security	- Low

Base Salary

The primary purpose of the base salary component is to provide the recipient a steady stream of income consistent with his or her level of responsibility, qualifications and contribution over time. The Consultant annually gathers comparative market data on salaries for the Committee to use in reviewing and determining the CEO’s salary and the CEO’s recommendations for the salaries of the CFO and all other executive officers.

In the aggregate, the total base salaries of the Company’s executive officers are at the 50th percentile of the survey results for these same positions at peer companies. Virtually all executive officers including our NEOs receive a salary that is within a plus or minus range of 25% from the survey median for their position. In general, executive officers who are new to their role are likely to be below the median and executive officers who have been in their jobs for extended periods are more likely to be above the median.

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In 2009 most of the executive officers, including Messrs. Daniel P. Amos, Cloninger and Loudermilk, received a 3.0% base salary increase. These increases were derived from the industry projected base salary increase in the Mercer 2009 U.S. Compensation Planning Survey for the insurance industry, which reflected expected base salary increases for calendar year 2009. Under the terms of his employment agreement Mr. Tonoike's annual base salary increased 5 million yen (\$53,482 at the December 31, 2009, weighted average yen to dollar exchange rate of 93.49) in 2009. The Committee increased Mr. Paul S. Amos' base salary 10%, reflecting his time in position and increased responsibilities. However, reflective of the current economic environment, we have elected to defer any merit increases in 2010 for all Aflac U.S. employees until Aflac U.S. sales production improves.

Management Incentive Plan

All of the NEOs are eligible to participate in a non-equity incentive plan sponsored by the Company. The non-equity incentive plan, referred to as the MIP, has been submitted to and approved by shareholders.

The Company's MIP uses specific performance objectives to provide potential annual non-equity incentive awards for the NEOs, and all other non-sales officers. Performance targets are set annually for the plan, and cash payouts are made to executives based on actual performance as more fully described below.

For each of the performance measures, a target performance level is established. In addition, a minimum and maximum level is established. The payout for a minimum result is one-half that of the target result, while the payout for a maximum result is two times that of the target result. Typically the target result is equidistant between the minimum result and the maximum result. Interpolation is used to calculate incentive payouts for results between minimum and target or target and maximum. The two corporate level performance targets of the MIP are based on the growth of operating earnings per diluted share on a consolidated basis and risk-based capital levels as measured on a statutory basis which are the primary financial objectives of the Company.

The Committee, at its February meeting, approves all MIP performance objectives. The Company's two primary financial objectives, the growth in operating earnings per diluted share and risk-based capital adequacy, have specified levels established that must be achieved before any payout is provided. Our operating earnings per diluted share objective for 2009 was to increase operating earnings in a range of 13% to 15%, or \$4.43 to \$4.59 per diluted share with a target of 14% or \$4.51 per diluted share. The target objective was set at the mid point of the range, or \$4.51, while the minimum was set at the lower end of the range, or \$4.43 per share and the maximum was set at the upper end of the range, or \$4.59 per diluted share, all on a constant currency basis. If the minimum target performance was not attained, no bonus would be paid for this performance objective. The actual attained result of \$4.59 per diluted share fell at the top of the range resulting in a 15% increase in operating earnings per diluted share and a maximum award of 200% for this objective. Our risk-based capital objective was to maintain a risk-based capital ratio of a minimum of 325% and maximum 425% with a target objective of 375%. If the minimum target performance was not attained, no bonus would be paid for this performance objective. The actual attained result of 435% exceeded the top of the range resulting in a maximum award of 200% for this objective. We enhanced the capital position of our principal life insurance subsidiary at the end of 2009 with a \$500 million cash contribution from the Company. This capital contribution was not included in the calculation of the risk-based capital component of the MIP awards.

Additional performance targets are specific to the Company's two principal business segments: Aflac U.S. and Aflac Japan. For each segment, the MIP performance targets include a measure of total new annualized premium sales, premium income, operating expenses and pretax operating earnings. These measures are considered to be the most significant to the performance of each segment. They are understood by those eligible for the non-equity incentive awards, and they are under the collective influence of the segment officers.

For the Aflac U.S. business segment in 2009, the following performance incentive measures were used:

- the percentage increases in new annualized premiums and premium income;
- the percentage increase over the previous year of premium income, minus the percentage increase in controllable expenses; and
- the percentage increase in pretax operating earnings over the previous year.

For the Aflac Japan business segment in 2009, the following performance incentive measures were used:

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- the percentage increases in new annualized premiums and premium income;
- actual operating expenses compared to budget; and
- the percentage increase in pretax operating earnings over the previous year, before expenses allocated from the U.S. operations, eliminating any currency effect.

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The actual 2009 business segment performance measures and the targets and ranges for each incentive performance measure were as follows:

Aflac U.S. business segment:	Minimum	Target	Maximum
Percentage increase in new annualized premiums	0.0%	1.0%	5.0%
Percentage increase in premium income	2.0%	4.0%	6.0%
Percentage increase in premium income minus the percentage increase in controllable expenses	-2.0%	0.0%	2.0%
Percentage increase in pretax operating earnings	9.0%	11.0%	13.0%
Aflac Japan business segment:			
Percentage increase in new annualized premiums	0.0%	1.0%	5.0%
Percentage increase in premium income	1.5%	2.5%	3.5%
Actual operating expenses compared to budget (Yen in millions)	140,047	138,661	137,274
(\$ in millions)*	1,498	1,483	1,468
Percentage increase in pretax operating earnings before expenses allocated from the U.S. operations and eliminating any currency effect	9.5%	11.5%	13.5%

* Yen amounts converted to dollars using the weighted average exchange rate for 2009 of 93.49 yen to the dollar

Actual performance was determined after the close of the year and presented to the Committee for discussion and approval at its February 2010 meeting. The actual non-equity incentive plan payments to the NEOs are reflected in the 2009 Summary Compensation Table in the column labeled Non-Equity Incentive Plan Compensation.

The incentive measures described above include statistical and non-GAAP financial measures as more fully described in this and the next paragraph. Our corporate performance measure is based on operating earnings per diluted share excluding the impact of foreign currency and the achievement of risk-based capital levels as determined on a statutory basis. We define operating earnings per diluted share to be the net earnings before realized investment gains and losses, the impact of ASC 815 Derivatives and Hedging (formerly Statement of Financial Accounting Standard No. 133, Accounting for Derivative Instruments and Hedging Activities) ("SFAS No. 133") and nonrecurring items divided by the weighted-average number of shares outstanding for the period plus the weighted-average shares for the dilutive effect of share-based awards. Because foreign exchange rates are outside of management's control, operating earnings per diluted share is computed using the average yen/dollar exchange rate for the prior year, which eliminates fluctuations from currency rates that can magnify or suppress reported results in dollar terms.

Aflac U.S. and Aflac Japan segment incentive measures also include statistical and non-GAAP financial measures. For both the U.S. and Japanese segment, we use an industry measure of the increase in total new annualized premium sales, which is the annual premiums on policies sold and incremental annual premiums on policies converted during the reporting period. For Aflac U.S., we use the percentage increase in premium income minus the percentage increase in controllable expenses. Controllable expenses are a component of total acquisition and operating expenses for the U.S. business segment. For Aflac Japan, we compare actual expenses against budgeted operating expenses as a performance measure for the reporting period. For both segments we use the percentage increase in pretax operating earnings. We define pretax operating earnings on a segment basis to be the operating profit before realized investment gains and losses, the impact of ASC 815, and nonrecurring items. The percentage increase in pretax operating earnings for the Japan segment is also measured before expenses allocated from the U.S. and currency effects.

We believe the segment measures and operating earnings per diluted share objectives described above are the most important incentive factors for our business in terms of creating shareholder value and aligning management's interests and rewards with those of our shareholders.

The CEO and CFO recommend to the Committee the specific Company performance objectives and their ranges. In recommending the incentive performance objectives to the Committee, the CEO and CFO take into consideration past performance results and scenario tests of the Company's financial outlook as projected by a complex financial model. The model projects the impact on various financial measures using different levels of total new annualized premium sales, budgeted expenses, morbidity, and persistency. This enables the Company to set ranges around most performance objectives.

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The Committee may consider the probability of attainment of each of the various measures. Generally, it is expected that target performance will be attained 50% to 60% of the time, minimum performance attained at least 75% of the time, and maximum performance attained not more than 25% of the time. At its February meeting, the Committee reviews and approves, or if deemed appropriate modifies, the annual incentive goals for the ensuing year.

As noted above, at this same meeting, the Committee also certifies the incentive plan performance results for the prior year before payments are made in order to qualify, if appropriate, any payouts to the NEOs as performance-based and fully deductible as compensation expense for tax purposes under the IRC. The Committee has the discretion to adjust the MIP results related to segment performance measures if it deems that a class of MIP participants would be unduly penalized due to the incomparability of the result to the performance measure as determined by the Committee. The Committee did adjust the MIP results in 2009 for a U.S. segment reserve adjustment and excluded the results of newly acquired Continental American Insurance Company ("CAIC"). CAIC was purchased October 1, 2009. The Committee also excluded the capital contribution to the Company's principal insurance subsidiary. None of the NEOs were affected by these adjustments. The adjustment for the capital contribution had no impact on the final MIP results.

The performance measures are weighted for the NEOs and all other officer levels of the Company. The intent is to weight them according to how each position can and should influence their outcome. The following table details these relative weightings for each of the NEOs for 2009:

Executive	Weightings of Annual Incentive Measures as Percent of Target Award			
	Corporate	U.S.	Japan	Total
		Operations	Operations	
Daniel P. Amos	50.0%	15.0%	35.0%	100%
Kriss Cloninger III	50.0	17.0	33.0	100
Tohru Tonoike	25.0	—	75.0	100
Paul S. Amos II	25.0	54.0	21.0	100
Joey M. Loudermilk	50.0	25.0	25.0	100

The following table reflects targets, earned and paid percentages of salary for the non-equity incentive measures based on 2009 performance results for the NEOs:

Executive	Target as Percent of Salary	Earned as Percent of Salary	Paid as Percent of Salary
Daniel P. Amos	200%	350%	300%*
Kriss Cloninger III	150	251	251
Tohru Tonoike	100	195	93 **
Paul S. Amos II	120	128	128