

AflacforBusiness®

OVER
17,000

GOVERNMENT

ENTITIES MAKE AFLAC AVAILABLE
TO THEIR EMPLOYEES.



NO COST TO YOUR COMPANY*

Aflac policies are 100% employee-paid and sold on a voluntary basis.

HELPS ATTRACT AND RETAIN EMPLOYEES

Great benefits are a top priority for employees when considering where to work, and offering Aflac can make your benefits package more attractive.

POTENTIAL TAX SAVINGS

Premiums can be paid with pre-tax dollars through a Section 125 Cafeteria Plan and may help your business save on FICA taxes.

COMPLEMENTS YOUR BENEFITS PLAN

Aflac's wide range of policies helps with health events from disability to intensive care and works with any existing benefits, including major medical insurance.

**Some companies may have indirect administrative or other costs.*

AflacforBusiness.com

Aflac®

We've got you under our wing.™

Flexible Spending Account (FSA) 2010 SERVICE FEE Revision Table

The FSA claims processing fee structure listed below applies to all new accounts with plan years beginning on or after May 1, 2010. It also applies to existing customers entering into a new Reimbursement Services Agreement (RSA) for FSA plan years starting on or after May 1, 2010.

Billed Per Participant Per Month

No. of Employees	Initial Setup	Premier (Tier 1)	Basic (Tier 2)	Nonpreferred (Tier 3)
		<ul style="list-style-type: none"> • Self-Pay • Local Zero Bal Acct* • ACH Debit Zero Bal • \$50 Min/Month 	<ul style="list-style-type: none"> • Local Acct w/Conf • ACH Credit • CB&T (not marketed) • \$75 Min/Month 	<ul style="list-style-type: none"> • Wire • Check • Fast Forward • \$125 Min/Month
1 to 50	\$300	\$6.00	\$6.60	\$7.20
51 to 200	\$350	\$5.00	\$5.50	\$6.00
201 to 300	\$400	\$4.00	\$4.40	\$4.80
> 300	\$450	\$3.00	\$3.30	\$3.60

*The Aflac Now Card® can be added to accounts using the Local Zero Balance Account option for an additional \$1 per participant per month (+\$1/participant/month).



We've got you under our wing.®

Some services may not be available; ask for details.

Aflac today ...



Aflac every day

A history of excellence and respect

- ▶ **Aflac is a Fortune 500 company** (No. 152, May 4, 2009), with assets of over \$79 billion (Aflac Annual Report, December 31, 2008), insuring more than 40 million people worldwide (Aflac Annual Report, December 31, 2007).
- ▶ **Elite company accolades include being named to:**
 - *Fortune* magazine's list of **America's Most Admired Companies** (March 2009).
 - *Forbes* magazine's list of **America's 400 Best Big Companies** (January 2009).
 - *InformationWeek's 500 Top Corporate Technology Innovators* (September 2008).
- ▶ **A leader in workforce diversity**, Aflac has earned inclusion in:
 - *Atlanta Tribune: The Magazine* on its list of **Georgia's Best Employers for Minorities** (September 2008).
 - *Hispanic* magazine's list of the **100 companies providing the most opportunities to Hispanics** (February 2007).
 - *Black Enterprise* magazine's **40 Best Companies for Diversity** (July 2008).
- ▶ **Aflac markets a broad line of guaranteed-renewable insurance products** to more than 427,700 payroll accounts in the United States (company statistics, December 31, 2008).
- ▶ **Aflac processes most claims within four days** (company statistics, December 31, 2008).
- ▶ **Aflac is exclusively dedicated and focused** on individually owned and controlled policies offered on a voluntary basis to ensure that our policyholders are the most well-protected, well-served "family" in the world.
- ▶ **Aflac offers an excellent workplace environment that includes being named to:**
 - *Fortune* magazine's list of the **100 Best Companies to Work For in America** (February 2009).
 - *Computerworld* magazine's list of the **100 Best Places to Work in IT** (July 2008).
 - *Training* magazine's **Training Top 125** list of companies with outstanding workforce development programs (February 2009).
 - *Ethisphere* magazine's list of the **World's Most Ethical Companies** (July 2008).

**American Family Life Assurance
Company of Columbus (Aflac)**

Worldwide Headquarters • Columbus, Georgia 31999

Visit our Web site at aflac.com.

Aflac®

Ultimate Parent: Aflac Incorporated

AMERICAN FAMILY LIFE ASSURANCE COMPANY OF COLUMBUS (AFLAC)

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Web: www.aflac.com

Tel: 706-323-3431

Fax: 706-596-3454

AMB#: 006051

NAIC#: 60380

Ultimate Parent#: 058003

FEIN#: 58-0663085

BEST'S FINANCIAL STRENGTH RATING

Based on our opinion of the consolidated Financial Strength of the life/health members of Aflac Incorporated Group, which operate under a group structure, this group member is assigned a Best's Financial Strength Rating of A+ (Superior). The company is assigned the Financial Size Category of Class XV which is the Financial Size Category of the parent.

RATING RATIONALE

Rating Rationale: The rating assignment of American Family Life Assurance Company of Columbus (Aflac) reflects the consolidated performance of the company's United States operations, its branch in Japan (Aflac Japan), and its subsidiaries, American Family Life Assurance Company of New York (Aflac NY) and Continental American Insurance Company (Continental American). The rating reflects the group's continued profitable operating results, its established niche in the Japanese market for individual guaranteed-renewable health products, and its leading and expanding position in the United States for individual guaranteed-renewable accident and health insurance. Offsetting factors include the company's sizeable exposure to European perpetual preferred investments, strategic and operating concentration on supplemental health insurance products, and the new challenges to its strong position in the Japanese market, given the current regulatory environment and competition in that country.

Aflac Japan continues to generate nearly three-quarters of the group's total premium income and earnings from insurance operations. The company remains the leading seller of both cancer and stand-alone medical insurance despite increasing competition in the crowded Japanese market. Aflac continues to diversify its distribution system, broaden its product line, and is pursuing operational efficiency in an effort to retain its leading market position in Japan. Distribution channels include affiliated corporate agencies, independent corporate agencies, and individual agencies. For nearly ten years, Aflac has maintained a successful marketing alliance with Dai-ichi Life. During April 2008, the bank channel was opened for over-the-counter sales of Aflac products. The company has agreements with a significant number of banks throughout Japan and has produced an increased volume of new sales. In addition, the Japan Post Network Co., Ltd., a subsidiary of Japan Post Holdings, Co., Ltd., has selected Aflac Japan as an exclusive provider of cancer insurance for distribution through the nationwide postal office network, which started in late 2008. Aflac Japan has restructured its product organization and systems in order to develop new products quickly. There are numerous products in various stages of development, and A.M. Best expects, over time, the new products should increase the company's sales to further reduce Aflac Japan's reliance on cancer insurance policies. This diversification will support Aflac Japan's strategy of capitalizing on its advantage as a low-cost and efficient producer. It has helped Aflac Japan maintain its superior persistency and continued operating profitability. During 2009, two successful products were introduced in Japan, which positively impacted sales results. A.M. Best believes Aflac's operating efficiency, and stable and productive distribution system will continue to alleviate margin pressures. These two advantages help provide a formidable barrier to entry, by Japanese or other insurers, into Aflac's Japanese market segment.

The continued turbulent investment environment has been challenging to the organization. Aflac maintains a significant exposure to perpetual debenture securities and more particularly to troubled European banks. Approximately three-tenths of the perpetual holdings are designated Tier 1, which represents the highest risk securities. The declining market values have resulted in sizeable realized and unrealized losses throughout the organization in 2009. In addition, the largest concentration of revenues and earnings is generated by Aflac Japan, which exposes the organization to numerous market risks. The group has been trying to focus its growth strategy on the U.S. market in recent years. However, the growth of the U.S. business, as a percentage of

Aflac's total block of business, remains relatively modest. During 2009, Aflac acquired Continental American Insurance Company, which is now branded as Aflac Group Insurance and expands Aflac's product line to offer voluntary insurance products on a group basis to complement the individually underwritten products traditionally offered. The increased competition and number of new products available in the Japanese marketplace in recent years have made it difficult for consumers to determine which product is best suited for them. This has been a result of Japan's third sector market deregulation. Additionally, consumer confidence remained weak as the result of claims payment errors that plagued the Japanese life insurance industry a few years ago. While the modestly improving interest rate environment in Japan is encouraging, interest rates in that country remain very low. Most premiums in the United States are derived from guaranteed-renewable accident and health products sold in the workplace by payroll deduction. In common with other health insurers, Aflac's operations in the United States are subject to the evolving and increasingly competitive health insurance market and the uncertainty from periodic state and federal regulatory efforts. As in Japan, however, Aflac's efficiency and expanding product portfolio have enhanced its already strong position in the U.S. market for supplemental accident and health insurance. The weaker U.S. labor market presented an opportunity to enhance the recruitment of new sales associates, and Aflac increased its force by more than 28,000 in 2009. Aflac has also been transitioning away from its core cancer products in recent years, with very good new sales diversification. However, its total in-force premium in the United States and Japan, combined, remains somewhat concentrated in its cancer segment. The group also writes a significant amount of accident and disability business, which continues to represent more than two-fifths of its U.S. in-force premium during the same period.

Best's Financial Strength Rating: A+ g

Outlook: Stable

FIVE YEAR RATING HISTORY

<u>Date</u>	Best's <u>FSR</u>
04/09/10	A+ g
02/02/09	A+ g
05/14/08	A+ g
06/26/07	A+ g
06/27/06	A+ g
06/21/05	A+ g

KEY FINANCIAL INDICATORS (\$000)

<u>Year</u>	<u>Assets</u>	Total Capital		Net Premiums <u>Written</u>	Net Invest <u>Income</u>	Net <u>Income</u>
		Capital Surplus <u>Funds</u>	Condit'l Reserve <u>Funds</u>			
2005	46,859,356	3,705,480	174,067	12,157,284	2,047,477	1,248,003
2006	50,298,815	4,186,298	228,713	12,486,915	2,140,515	1,714,989
2007	55,667,865	4,208,297	255,268	13,120,230	2,287,981	1,790,159
2008	71,782,958	4,601,314	21,802	15,136,569	2,536,905	1,208,648
2009	75,798,442	5,767,939	17,296	16,829,938	2,732,104	1,414,136
03/2009	67,309,461	4,975,921	3,875	4,156,891	679,008	472,084
03/2010	76,216,259	6,202,395	18,076	4,383,042	716,752	432,597

BUSINESS REVIEW

American Family Life Assurance Company of Columbus (Aflac) is a wholly-owned subsidiary of Aflac Incorporated. The company operates in conjunction with its Japan branch, Aflac Japan, and its wholly-owned subsidiary, American Family Life Assurance Company of New York (Aflac New York), which distributes Aflac products primarily in New York. In October 2009, Aflac Incorporated purchased Continental American Insurance Company (CAIC), which operates as a sister company to Aflac. CAIC's financial results are consolidated into the Aflac U.S. reporting segment on a GAAP basis. Aflac's strategic focus (in the United States and Japan) is expanding its distribution channels, developing its portfolio of individual guaranteed-

renewable health insurance products, and utilizing technology to improve customer service and cost efficiency. Sales in both countries are primarily at the workplace through payroll deduction. However, an increasing percentage of Aflac Japan sales are generated through its growing individual sales force. Aflac's insurance policies provide benefits that may cover out-of-pocket expenses and are guaranteed-renewable. The company also provides life insurance in both countries.

Aflac is the leader in sales by payroll deduction to employer groups in the United States. The company first offered cancer insurance in the United States in 1958. It continues to expand its portfolio of fixed-benefit, guaranteed-renewable health and accident indemnity coverages in this market. Such products have to date been relatively less sensitive to state and federal initiatives to reform health care. However, A.M. Best remains concerned about the potential for regulatory changes concerning loss ratios on certain supplemental health products, which could impact Aflac's core businesses. It should be noted that this concern does not exist in the Japanese market. The product portfolio now includes a variety of nonparticipating plans, including accident and disability, specified health event, cancer, short-term disability, hospital confinement indemnity, life, and recently, fixed-benefit dental and vision. This continuing diversification has reduced Aflac's reliance on the original cancer product, which now provides less than one-fifth of new U.S. sales. The company made great strides to diversify its product offerings and, as a result, accident/disability is now the largest product line in the U.S. market in terms of annualized premiums in force. Still, cancer insurance products comprise more than one-quarter of Aflac's annualized premiums in force in the U.S. Aflac U.S. has also recently introduced new generations of its accident, short-term disability, and cancer products. Combined, the accident/disability category and cancer expense products account for more than seven-tenths of annual sales.

Advertising in the United States focuses on the Aflac brand, rather than on specific products as in Japan, to reinforce name recognition among consumers and loyalty among agents. Marketing in the United States emphasizes voluntary guaranteed-renewable accident and health coverages as part of employer "cafeteria plans," where individuals purchase specific products on a tax-advantaged basis. The company has established a strong position with small employer groups, which has contributed to consistent growth in premiums in the United States in recent years. Aflac's brand name recognition, well-established distribution relationships, and focused marketing approach have contributed to its success. However, Aflac continues to focus on improving customer awareness of its products and the benefits they provide, with hopes that it will further expand domestic sales. Additionally, the company is focusing on its business-to-business marketing plan.

Distribution in the United States is through a network of state, regional, and district sales coordinators overseeing insurance brokers and independent agents. Headquarters staff in Columbus, Georgia, provides policyholder services such as underwriting, policy issuance, premium collection, payment notification, and claims processing. The Aflac group of companies is licensed in 50 states, the District of Columbia, Japan, Puerto Rico, Guam, and the U.S. Virgin Islands, though sales outside the United States and Japan are negligible. Management has implemented numerous changes to further improve future new business sales, including splitting responsibility of its sales and marketing functions increasing the number of sales territories; adding to the number of state, regional, and district coordinators; and establishing a broker sales channel to complement its traditional distribution system. In addition, Aflac continues to focus on providing effective training platforms to recruit and retain producing sales associates.

PREMIUM AND RESERVE ANALYSIS

<u>Direct Premiums (000)</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Ordinary life	1,899,930	1,597,666	1,330,982	1,241,777	1,160,949
Group life	3,137	3,446	3,794	4,209	4,626
Individual annuities	396,045	349,287	293,860	272,184	240,187
Individual A&H	14,540,585	13,194,679	11,497,350	10,972,354	10,754,334
Group A&H	6,017	6,046	6,268	7,104	6,957
Total	16,845,714	15,151,125	13,132,254	12,497,627	12,167,054
<u>Reins Ceded Prens (000)</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Ordinary life	12,397	12,968	11,584	10,644	9,687
Group life	34	39	47	66	78
Individual A&H	3,346	1,549	393	2	5
Total	15,777	14,556	12,024	10,712	9,770

<u>Net Premiums & Deposits</u> (000)	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Ordinary life	1,887,539	1,584,703	1,319,404	1,231,138	1,151,267
Group life	3,103	3,407	3,747	4,143	4,548
Individual annuities	415,247	372,063	309,860	286,644	246,412
Group annuities	29,738	14,103
Individual A&H	14,537,239	13,193,129	11,496,957	10,972,352	10,754,329
Group A&H	6,017	6,046	6,268	7,104	6,957
Total	16,878,884	15,173,452	13,136,236	12,501,381	12,163,514
Deposits (incl. above)	48,946	36,884	16,006	14,466	6,230

EARNINGS

Aflac has continued to consistently produce strong operating results through the last five years on both a statutory and GAAP basis. Investments in technology have maintained or improved expense ratios despite increasing expenditures for advertising, and the further automation of underwriting, policy issuance, and claims management. Exchange rate fluctuations between the Japanese yen and the U.S. dollar do, however, distort results from Japan somewhat, when converted into dollars. Earnings, stated in dollars, increase when the yen appreciates against the dollar, but decrease when it weakens. As a partial hedge against the effect of exchange fluctuations on reported financial performance, Aflac invests in dollar-denominated and dual-currency bonds. Dual currency bonds pay interest in dollars (in which Aflac and AFL report earnings), but principal in yen (in which it pays insurance benefits in Japan).

Earnings and repatriated capital from Japan have increased over the years. The continuing low investment yields in Japan have restrained growth in investment income and required annual reserve additions for the shortfall between credit rates on older policies and available investment yields. While the modestly improving interest rate environment in Japan was encouraging, interest rates remain very low in that country. Over the past two years, weak economic conditions have challenged Aflac's sales results. However, Japan still represents the vast majority of both revenue and earnings and has reported stronger growth more recently as a result of two successful products, a revised medical policy and a child endowment policy, introduced in 2009. A.M. Best believes future growth in the percentage of total operating earnings contributed by the United States operations will remain relatively low due to the size and persistency of the Japanese business. Increased earnings in the United States reflect the focus on strengthening distribution, broadening the product offerings, improving persistency, enhancing operating efficiency, and advertising to build name recognition.

ACCIDENT & HEALTH STATISTICS

<u>Year</u>	<u>Net Premiums</u> <u>Written</u>	<u>Net Premiums</u> <u>Earned</u>	<u>Loss</u> <u>Ratio</u>	<u>Exp.</u> <u>Ratio</u>	<u>Under-</u> <u>writing</u> <u>Results</u>
2005	10,770,166	10,730,673	72.7	31.3	-435,953
2006	10,984,981	10,950,452	69.4	31.0	-61,812
2007	11,516,952	11,491,048	68.1	31.7	12,992
2008	13,237,494	13,173,081	69.9	31.4	-182,530
2009	14,588,436	14,543,621	67.2	31.0	253,174
Current Year Experience:					
Group	6,034	6,009	161.0	34.6	-5,749
Guaranteed renew	14,582,402	14,537,612	67.1	31.0	258,923

CAPITALIZATION

On a consolidated group basis, Aflac's capitalization remains more than adequate to support its insurance and investment risks.

Improved earnings and very good net operating cash flow has supported growth in both its Japan and U.S. operations. The company continues to provide the primary source of liquidity to its parent company through dividends and management fees. Aflac's organic growth has been a contributor to improving the organization's capitalization over the past five years. The

company's statutory capital and surplus position has increased by more than 105% over the past five years. Additionally, Aflac Japan repatriated profits to Aflac U.S. totaling \$230 million and paid management fees of \$26 million to the parent company in 2009. In turn, Aflac U.S. paid approximately \$464 million in dividends and \$124 million in management fees to the parent company in 2009. Aflac also enjoys the financial flexibility provided by its publicly-traded parent company. The parent company has maintained a reasonable portion of total debt relative to total capitalization. During 2009, the parent made a \$500 million capital contribution to its principal insurance subsidiary to help bolster its risk-adjusted capital position. In 2005, the parent issued yen-denominated Samurai notes of 40 billion yen having a five-year maturity date. In September 2006, the parent issued three tranches of Uridashi notes totaling 45 billion yen. In June 2007, the parent issued a yen-denominated Samurai note in the amount of 30 billion yen having a five-year maturity, replacing a similar type and amount Samurai note that had matured. In May 2009, the parent filed a shelf registration and also issued \$850 million 8.5% senior notes due 2019. In December 2009, the parent also issued \$400 million 6.9% senior notes due 2039. The proceeds from these senior notes were used primarily for repayment of 2009 and 2010 debt maturities.

HISTORY

Date Incorporated: 11/17/1955

Date Commenced: 04/01/1956

Domicile:NE

Originally incorporated as American Family Life Insurance Company, its present title was adopted in 1965. The company redomesticated from Georgia to Nebraska during 2001.

► We've never been one for words. So we'll just let the **awards** do the quacking.

FORTUNE

100 Best Companies to Work for in America 1999-2009
America's Most Admired Companies 2001-2007, 2009

LATINA Style 50

50 Best Companies for Latinas to Work For in the United States 1993-2004, 2007-2009

Forbes

Global 2000 2004-2009
America's Best Managed Company in the Insurance Industry 2008
America's 400 Best Big Companies 2008-2009

REPUTATION INSTITUTE

Most Reputable Company in the Global Insurance Industry 2008 & 2009



40 Best Companies for Diversity 2005-2009



World's Most Ethical Companies 2007-2009
100 Most Influential People in Business Ethics - Dan Amos 2007

American Cancer Society
Visionary Award 2007-2008

Institutional Investor
Best Investor Relations in the Insurance/Life Category 2009
America's Best CEO in the Insurance/Life Category - Dan Amos 2009

BusinessWeek
Best Place to Launch a Career 2008 & 2009

PINK
Named one of the Elite Eight Top Companies for Women 2007

U.S. Chamber of Commerce
Corporate Citizenship Award 2007

Hispanic Enterprise
Top 50 Companies for Supplier Diversity 2008-2009

InformationWeek
500 Top Corporate Technology Innovators 2003-2009

DiversityBusiness
Top Organizations for Multicultural Business Opportunities 2006

Hispanic Magazine
100 Companies Providing the Most Opportunities to Hispanics 1993-2007

City Business Journal Network
American Brand Excellence Awards
Insurance and Financial Services Industry 2009

Business to Business
Company of the Year 2006

CRO
100 Best Corporate Citizens 2009

Computerworld
100 Best Place to Work in IT 1999-2009

SellingPower
America's 500 Largest Sales Forces 2001-2008
Top 125 Employer-Sponsored Workforce Training and Development Programs 2001-2008

CIO
CIO 100 Award 2005-2008

EPA Energy Star®
Superior Energy Efficiency
Aflac - Paul S. Amos Campus
April 2009

IR Magazine
Merrill Grand Prix for Best Overall Investor Relations
Large Cap 2002-2008
Tied for Best Investor Relations Web Site in 2009,
eighth time to receive honors

These awards pertain to American Family Life Assurance Company of Columbus. © 2010 Aflac Incorporated

knowquack.com

Aflac®

Looking for a way to save? Let Aflac help make **TAX SAVINGS** easy for you and give your employees the savings they deserve through Wingspan Cafeteria Plans.

INCREASE VALUE WITHOUT INCREASING COST

With Premium-Only Plans (POP), you reduce your employees' taxable income with pre-tax product offerings, thereby reducing your share of FICA and FUTA taxes. This means a significant savings for you and your employees.

By offering flexible spending accounts (FSAs), you can enhance your benefits package and save money. The administration of your FSA doesn't need to be complex. Aflac can work with you to implement and assist with administration of the plan.

HELPING EMPLOYEES SAVE MONEY IS AS SIMPLE AS:

- 1 Employees sign up for the plan and estimate their amount of anticipated out-of-pocket medical expenses for the year.
- 2 Then, they have the corresponding amount deducted from their paycheck in equal installments.
- 3 As employees incur medical or dependant care expenses, they submit paperwork and get reimbursed with their own tax-free dollars. Aflac also provides your employees with an Aflac Now Card® for on-the-spot payment for unreimbursed medical expenses.

THE BOTTOM LINE

Not only do you enhance your benefits package by offering your employees Aflac insurance policies on a pre-tax basis, but you actually save money too. Extend your offering and savings with unreimbursed medical and dependent day care FSAs.

Some services may not be available; ask for details.



We've got you under our wing.™

WINGSPANSM | Cafeteria Plans

TAX SAVINGS FOR YOUR BUSINESS

Wingspan Cafeteria Plans reduce your share of FICA and FUTA taxes, as illustrated in the example below, proving a significant savings for your business.

Employer Savings Example

Per \$500,000 in payroll

WITHOUT Wingspan Cafeteria Plans

\$	500,000	Annual Payroll
-	0	Employee Contribution
	<u>500,000</u>	Taxable Payroll
x	7.65%	FICA
\$	38,250	Employer Tax

WITH Wingspan Cafeteria Plans

\$	500,000	Annual Payroll
-	30,000	Employee Contribution
	<u>470,000</u>	Taxable Payroll
x	7.65%	FICA
\$	35,955	Employer Tax

\$ 2,295 Employer FICA Tax Savings

VALUABLE BENEFITS FOR YOUR EMPLOYEES

Providing your employees with an opportunity for tax savings can increase their take-home pay and provide additional benefits, such as on-site reimbursement for unreimbursed medical expenses.

Employee Savings Example

Per \$1,000 in salary

WITHOUT Wingspan Cafeteria Plans

\$	1,000	Gross Payroll
-	250	Taxes
	<u>750</u>	Paycheck
-	100	Insurance Premiums
\$	650	Net Spendable

WITH Wingspan Cafeteria Plans

\$	1,000	Gross Payroll
-	100	Insurance Premiums
	<u>900</u>	Adjusted Gross Income
-	225	Taxes
\$	675	Net Spendable

\$ 25 Employee FICA Tax Savings

Examples are for illustration purposes only.

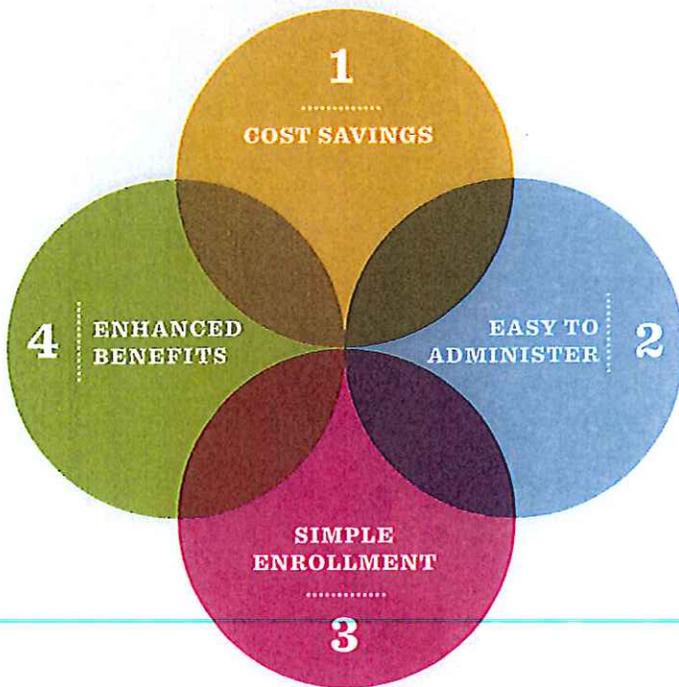
Some services may not be available; ask for details.



WINGSPAN | *Services and Solutions*

From educating employees about **BENEFITS** to easing **ENROLLMENT** and **ADMINISTRATION**, WingspanSM Services and Solutions offers extra help where employers need it most.

With Aflac Wingspan, employers can:



1 Have more money hit employers bottom line and employees' pockets with:

- CAFETERIA PLANS
- COMMUTER SPENDING ACCOUNTS
- HSA AND HRA PROGRAMS

2 Take the easy approach to benefits administration with:

- ONLINE SERVICES
- CONSOLIDATED BILLING
- COBRA ADMINISTRATION
- 24/7 CUSTOMER ASSISTANCE
- HISPANIC CUSTOMER SERVICE

3 Advise employees about all their benefits options and make enrollment simple through:

- ENROLLMENT SOLUTIONS

4 Enhance benefits packages with:

- RETIREMENT SERVICES
- HEALTH & WELLNESS PROGRAMS (Coming soon)

Some services may not be available; ask for details.



Flexible Spending Account (FSA) Quick Summary — Tier 1 Premier Funding Options

Self-Pay: Benefit payments under the plan are issued and disbursed directly by the client rather than by Aflac on the client's behalf. Upon notification by Aflac of an eligible claim, the FSA client agrees to issue reimbursements to plan participants. Since the client issues the actual benefit payment, the time frame for plan participants to receive their benefit payments will vary. Both direct deposit and the Aflac Now Card[®] are unavailable when used with the Self-Pay FSA funding option.

Local Zero Balance Account: The client utilizes a bank account against which Aflac is authorized to write checks and/or issue direct deposits for the sole purpose of paying participant claims under the FSA plan. The account must include a zero-balance feature and benefits will be remitted from the account without prior funds confirmation by Aflac. With this option, benefit payments can be issued within 2–3 business days.

The Aflac Now Card is available with this FSA funding option.

ACH Debit (Zero Balance): The client authorizes Aflac to initiate funds transfers from a client-specified bank account for the sole purpose of paying participant FSA benefits. With this option, reimbursements can be issued within 5–7 business days. Participants can sign up to receive benefit distributions via direct deposit; however, reimbursement via the Aflac Now Card is not available with the ACH Debit FSA funding option.

The funding methods listed above provide the most efficient and quickest methods of claims payment and are the only options listed on the M0138 form. If you have existing customers currently using Tier 2 or Tier 3 funding methods (Local Account with Confirmation, ACH Credit, CB&T, Wire, Check or Fast Forward), they may choose to keep this method; however, they could experience claims processing delays due to the nature of the funding, and they may also experience slight fee increases, depending on which tier they fall under.



We've got you under our wing.[®]



Flex One® Request for Reimbursement Form

Instructions: Please print or type the information below.

FLEX ONE CLAIM FAX: 1.877.353.9256

- 1. Sign and date form.
- 2. The Total Dependent Care Reimbursement requested box must be completed.
- 3. The Medical Care Total requested box must be completed.
- 4. Receipts attached must be clear and legible.
- 5. Allow 48 business hours to check status of reimbursement request.
- 6. Please maintain copies of all receipts for your records.

Employee Information Check here if address change

Participant's Social Security Number		Employer Name		
Last Name	First Name	Middle Initial	Participant's E-Mail Address	
Street Address	City	State	ZIP	

By submitting this claim form, I request reimbursement from my Flex One account(s) as listed below. I agree to the Terms and Conditions outlined in my employer's Summary Plan Description. I certify and warrant to Aflac that these are eligible medical and/or dependent care expenses that I or my dependents have incurred, are not cosmetic in nature, and cannot be reimbursed from any other source. I will maintain copies of all documentation for my records.

Participant's Signature _____ Date _____

Dependent Care Claim Information

For Dependent Care expenses that allow you and your spouse, if applicable, to work. You may file your claim in one of the following ways:

OPTION 1 must include:

-OR-

OPTION 2 must include:

- 1. Date(s) of service (only services received; no future dates).
- 2. Reimbursement requested (This amt is = to or < than amt charged).
- 3. Name and age of the dependent receiving care.
- 4. Provider name, phone number, and dated signature.
- 1. Date(s) of service (only services received; no future dates).
- 2. Reimbursement requested (This amt is = to or < than amt charged).
- 3. Name and age of the dependent receiving care.
- 4. Attached receipts (receipts must have exact dates of services provided).

Name/Age of Dependent Receiving Care	Date(s) Services Were Provided	Amount Requested
/	____/____/____ - ____/____/____	
/	____/____/____ - ____/____/____	
/	____/____/____ - ____/____/____	

Total Dependent Care Reimbursement Requested
\$ 0.00

Dependent-Care Provider Business Name _____ Phone Number _____

Provider's Signature _____ Date _____

Medical Care FSA Claim Information

For Medical Care expenses, an Explanation of Benefits (EOB) from your insurance company or other receipt(s) must be submitted. *The EOB and/or attached bills must contain the following items to be processed and approved:*

- 1. Patient Name
- 2. Service Provider
- 3. Description of Service
- 4. Date(s) Service Was Provided
- 5. Amount/Copay

List each receipt separately in the space(s) below. Use additional forms if necessary. A total must be indicated in the Total block below. Use the Provider Certification space below only if no receipt is attached. Do not indicate "see attached" in the spaces below.

FSA Card Receipt	Patient Name	Service Provider	Description of Service	Date Service Was Provided	Requested Amount
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					

TOTAL \$ \$0.00

Provider Certification

In lieu of receipts or EOB(s) the provider of the service can certify that the above listed medical care expenses have been incurred and only incurred by either the participant or his/her dependents. Any other expenses must have receipts or a separate completed form. Failure to complete all items will result in an invalid claim request.

Provider Name and Address _____ City _____ State _____ ZIP _____

Provider's Signature _____ Date _____

I certify that the Medical Care expenses listed above were incurred by the patient named above.

Helpful Tips for Filing Your Claim

1. Complete, sign, and date the Flex One® Request for Reimbursement Form. Failure to complete all areas will result in claim rejection and a delay in processing and reimbursement. Do not indicate "See Attached" in any field. Descriptions of service should provide as much detail as possible. If a provider certification is used, the provider must sign and date each new claim form.
2. Submit documentation that is clear and legible. Do not highlight information; these areas often turn black when scanned. In addition, double check to make sure all documentation is clearly visible and not overlapped, written through, or cut off if photocopied.
3. Verify that services received are eligible expenses. See below or refer to your *Participant Handbook* for general guidance.
4. The deadline or run-off period for claims submission is determined by your employer. For more information on the run-off period, refer to your Summary Plan Description or contact your employer. To avoid delays, submit your claims at least two weeks prior to the end of your run-off period.
5. Additional reimbursement forms can be obtained at aflac.com or via the IVR at 1-877-353-9487.

Sample Health FSA Expenses

This list is not all-inclusive; for more detailed information, refer to the *Participant Handbook*. Unreimbursed medical expenses are reviewed according to the regulations of Internal Revenue Code Section 125. All claims must be substantiated, and appropriate documentation must be provided. *Some expenses may require additional documentation from your doctor or health care provider.*

Insurance

Eligible
Deductibles, copayments, and coinsurance for medical care plans

Ineligible
All premiums/contributions for insurance
Long-term care plans
Expenses paid totally by your health plan

Treatments/Therapies

Eligible
Prescribed weight loss programs to treat a medical condition (not including foods)
Diagnostic services (e.g., X-ray and MRI treatments)
Smoking cessation programs
Fertility treatments

Ineligible
Illegal treatments
Physical treatments for general well-being or relaxation (e.g., massage therapy)

Fees/Services

Eligible
Physician consultation fees
Routine office visits
Nursing services for care of a specific ailment
Legal sterilization

Ineligible
Cosmetic procedures that improve appearance but do not meaningfully promote the proper function of the body or treat an illness/disease
Payments to domestic help for nonmedical services
Retainer or concierge fees

Medical Equipment

Eligible
Wheelchairs/crutches
Blood sugar monitors
Oxygen equipment
Hearing aids, batteries, or hearing aid repairs

Ineligible
Equipment replacement insurance and/or warranties
Vacuum cleaners for individuals with dust allergies

Dental/Orthodontic Care

Eligible
Routine exams, cleaning, and X-rays
Artificial teeth/dentures
Braces and orthodontic services

Ineligible
Teeth bleaching/whitening
Tooth bonding that is not medically necessary (e.g., cosmetic veneers)

Miscellaneous Charges

Eligible
Sales tax associated with an eligible item
Transportation expenses primarily for medical care, to include mileage, bus, taxi, parking fees and/or tolls

Ineligible
Divorce, even when recommended by a psychiatrist
Diaper service
Toiletries or cosmetic items (e.g., toothbrush, soap, lotion, etc.)
Maternity clothes

Vision Care

Eligible
Prescription eyeglasses
Contact lenses and cleaning solution
Prescription sunglasses

Ineligible
Lens replacement insurance/warranties
Protection plans
Coatings/tints not used to treat a medical condition

Drugs

Eligible
Prescription and over-the-counter drugs to treat a medical condition
Birth control
Insulin

Ineligible
Dietary supplements for general health, to include vitamins and herbs
Drugs for cosmetic purposes

Key Numbers

Flex One Claims Fax:
1.877.353.9256

Customer Service:
1.877.353.9487

Submission Guidelines

Fax your completed Flex One Request for Reimbursement Form and all documentation to: **1-877-FLEX-CLM (1-877-353-9256)**.
Please allow 48 hours for the receipt of your faxed form before calling to inquire about your reimbursement.

Note: Please use discretion when faxing your personal information to Aflac. You bear full responsibility for any inappropriate use or disclosure that may arise in connection with your transmission of information to Aflac.

For account information 24 hours a day, 7 days a week, please use our IVR at 1-877-353-9487.

Aflac Benefit Services/Flex One® Flexible Spending Account (FSA)
Separation of Plan – Leave of Absence Form

Please use this form to report FSA changes.
NOTE: All fields must be completed.

FSA SEPARATION OF PLAN

Employer Name:
Employer Tax ID:
Employee Name:
Social Security Number:
Type of Coverage: (Check all that apply) <input type="checkbox"/> Unreimbursed Medical <input type="checkbox"/> Dependent Care
Separation Date:
Type of Separation (Check one.): <input type="checkbox"/> Retirement <input type="checkbox"/> Deceased <input type="checkbox"/> Discontinuation of Employment
Date of Last Deduction:
Total Amount of FSA Deductions:
Will employee continue coverage under COBRA? <input type="checkbox"/> Yes <input type="checkbox"/> No

LEAVE OF ABSENCE

Employer Name:
Employer Tax ID:
Employee Name:
Social Security Number:
Date of Last Deduction Prior to Leave:
Amount of Last Deduction Prior to Leave:
Did employee elect to continue coverage: <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please indicate: <input type="checkbox"/> Pre-pay contribution obligations on a pre-tax basis (provided that the leave doesn't straddle two plan years) <input type="checkbox"/> Make monthly contributions (pre-tax if the employee is on a PAID leave of absence) <input type="checkbox"/> Catch-up contributions upon returning from leave If no, indicate separation date:
Total Amount of FSA Deductions:

RETURN FROM LEAVE OF ABSENCE

Employer Name:
Employer Tax ID:
Employee Name:
Social Security Number:
Date of Return From Leave of Absence:
Date Deductions Will Resume Upon Return From Leave of Absence:
Deduction Amount:

Fax this completed form to (706) 320-2432 **OR** e-mail it to Flex FSA at TERMS@aflac.com.
Please notify Aflac Benefit Services/Flex One® whenever these types of changes occur.

EMPLOYER'S SIGNATURE

DATE

Direct Deposit Option for Flexible Spending Account Participants



Authorization Agreement for Direct Deposit

Signing up is easy ...

1. Complete and sign the Authorization.
2. Fax the signed form to (706) 317-0149
or mail it to:

Aflac Benefits Services
1932 Wynnton Road
Columbus, GA 31999-1131

After your claim is paid ...

- Mailed reimbursements can take 5 - 7 days to reach your home.
- Direct deposits take only 2 - 3 days to reach your bank.

Remember ...

- Allow approximately ten business days for direct deposit to become effective.
- Call your bank to verify that your payment has been deposited before making a withdrawal or writing a check.
- Notify Aflac Benefit Services immediately if you change financial institutions.

You can get claim status information or assistance by calling us toll-free at ...

1.877.353.9487

I authorize Aflac Benefit Services to initiate credit entries and, if errors occur, I authorize the correction of entries to my account as indicated. This authorization is to remain in force until I terminate it in writing.

Type of Account:

Checking Savings

Bank Routing Number:

(This nine-digit number is usually found in the bottom left corner of your check.)

Bank Account Number:

(The exact location and number of digits varies from bank to bank, but this number is usually found in the bottom middle of your check.)

Financial Institution Information

- Name: _____
- City/State: _____

Employee Information

- Your Name: _____
- Employer: _____
- SSN: _____
- Employee Phone: _____
- Signature: _____



LOCAL BANKING INFORMATION SHEET

During your set up meeting with your AFLAC associate, you indicated you would be establishing a bank account for paying unreimbursed medical and/or dependent day care claims. This type of account is called a conduit account.

It is important to note that AFLAC or FLEX ONE® may not be used as part of your account name. Identifying the account as a trust or FSA may require the Department of Labor to impose additional audit requirements for the plan. If you are not sure what name to use, I suggest you contact your tax or legal advisor.

In order to initiate the claim paying process, you will need to establish a bank account at the bank of your choice. The bank will provide you with the necessary paperwork to add the AFLAC signers to the account. We recommend that at least two designated officials of your organization also be signers on the account.

MOST BANKS WILL REQUIRE:

- **Signature Cards** – You must have the signature cards signed by the designated officials of your organization. FLEX ONE® will need two spaces on the card to add our own account signers. FLEX ONE® will utilize facsimile signatures.

The FLEX ONE® signers are: Diane P. Orr, AFLAC Senior Vice-President
Robert M. Ottman, AFLAC Second Vice-President

FLEX ONE® REQUIRES:

- **Counter Check** – This will provide the specific bank account information necessary for our check writing system.
- **Bank Terms and Agreements** – A copy of the terms and conditions that specify your bank's requirements and liabilities.

Daily Local accounts are established as Zero Balance accounts. This means that you guarantee that funds will always be available to pay Flexible Spending Account reimbursements. Claims will be processed and reimbursements will be issued automatically each night. A Checks Awaiting Printing (CAP) report will be faxed to you the following morning to advise you of the payments that have been issued.

Please express mail the needed banking paperwork to...

AFLAC Administrative Services/FLEX ONE®
1932 Wynton Road
Columbus GA 31993-9615

Please feel free to contact me if you need any further assistance at (direct number) or 1-877-353-9487.

EMPLOYER CAFETERIA PLAN SALARY REDIRECTION/REDUCTION AGREEMENT

EMPLOYER: _____

EMPLOYER'S TAX ID NUMBER: _____

AFFILIATE'S NAME/LOCATION: _____

AFFILIATE'S TAX ID NUMBER: _____

Flex One® FSA? Yes No

CAFETERIA PLAN YEAR: ____/____/____ - ____/____/____

(CHECK ONE) OPEN ENROLLMENT OR NEWLY ELIGIBLE EMPLOYEE, ELIGIBILITY DATE: ____/____/____

SOCIAL SECURITY NO.: _____ DATE OF BIRTH: ____/____/____ PHONE: (____) _____

NAME: (Last) _____ (First) _____ (Middle Initial) _____

STREET ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

E-MAIL: _____

No. of Payroll Cycles in Plan Year: ____ Date of first deduction: ____/____/____ Payroll Mode: Weekly Bi-weekly Semi-monthly Monthly

On a separate benefit enrollment form(s), I have enrolled for certain benefit or insurance coverage(s) and understand that my required contribution and/or Flexible Spending Account(s) (FSA) election amounts will be deducted from my paycheck by my employer or Third Party Payroll Administrator. Unless this agreement is amended or terminated, these deductions will be continuous and in an amount equal to my required contribution for my elected coverage and/or FSA account election amount as prorated for each payroll period throughout the plan year. The amount of my required contribution has been provided to me. In the event of a rate change, I authorize a corresponding change in the amount deducted from my salary without signing a new Salary Redirection Agreement. Amounts corresponding to "employer-provided" non-elective benefits (if any) will not be deducted from my paycheck. In addition, pre-tax contributions reduce my compensation for Social Security tax purposes; therefore, my Social Security benefits could be decreased. I elect to receive the following coverage(s) under the Flexible Benefits Plan as elected in the pre-tax column. Any previous election and Salary Redirection Agreement under the Flexible Benefits Plan relating to the same benefits as selected below are hereby revoked. My employer's deduction of any premium/contribution amounts hereunder shall evidence acceptance of this Agreement.

Check the desired coverage(s) below. (Note: If this is an annual enrollment, your existing coverage elections will remain the same (as adjusted for any increase/decrease in premium or required contribution) except as indicated below.)

	<u>Pre-tax</u>	<u>After-tax</u>		<u>Pre-tax</u>	<u>After-tax</u>
Medical Coverage	_____	_____	Accident Insurance	_____	_____
Dental Insurance	_____	_____	Short-Term Disability Insurance	_____	_____
Vision Care Insurance	_____	_____	Long-Term Disability Insurance	_____	_____
Cancer Insurance	_____	_____	Hospital Indemnity Insurance	_____	_____
Intensive Care Insurance	_____	_____	Personal Sickness Indemnity	_____	_____
Specified-Health Event	_____	_____	Health Savings Account (HSA) §223	_____	_____
Group Term Life Insurance	_____	_____	Other accident or health plan(s) under Section	_____	_____
(if family, must be after-tax)	_____	_____	106 of the Internal Revenue Service Code	_____	_____
			List: _____		

Complete the following section only if participating in a Medical or Dependent Care Reimbursement Plan:

Medical FSA Plan: (\$ _____ per pay period) x (_____ number of deductions) = \$ _____ Annual Election
 Dependent Care FSA Plan: (\$ _____ per pay period) x (_____ number of deductions) = \$ _____ Annual Election

Required acknowledgment to participate in Flexible Benefits Plans:

I certify that the features and benefits under the Flexible Benefits Plan have been explained to me completely. By initialing, I acknowledge that I understand the Important Information Regarding Participation in the Flexible Benefits Plan on the back of this form and agree to be bound by those requirements and any other requirements of the Flexible Benefits Plan.

INITIAL

WAIVER OF PRE-TAX BENEFITS UNDER THE FLEXIBLE BENEFITS PLAN:

I elect to waive all pre-tax benefits under the Flexible Benefits Plan. Except for a change in status, I understand that I cannot elect pre-tax benefits until the next anniversary date, and that any after-tax coverage shall be outside the plan.

INITIAL

EMPLOYEE'S SIGNATURE: _____ DATE: _____

IMPORTANT INFORMATION REGARDING PARTICIPATION IN THE FLEXIBLE BENEFITS PLAN

I understand and agree to the following:

- **Restrictions on Election Changes:** On or after the first day of the plan year, I cannot change or revoke this Salary Redirection Agreement with respect to pre-tax premiums before the next anniversary date of the plan unless a "change in status" occurs (as defined under the Plan and the Internal Revenue Code), and the change is caused by and consistent with the "change in status."
- **Commencement of Coverage and Status of Prior Elections:** Execution of this Salary Redirection Agreement does not begin coverage under the component benefit plans or insurance policies. The terms and conditions and actual coverage effective date of the underlying coverage will be determined under the separate benefit plans or insurance policies. Prior to the anniversary date each year, I will be offered the opportunity to add, drop or change coverage for the following plan year. If I do not complete and return a new Salary Redirection Agreement form at that time, benefit plans or policies currently in effect will continue. Elections under the Medical and Dependent Care FSA plans will not continue without my completing and submitting a new Salary Redirection Agreement prior to the beginning of each plan year.
- **Use of Personal Information:** In addition to and without limiting in any way the rights my employer, the Plan, their service provider and their respective agents, employees, subcontractors, and assigns may have under applicable state or federal law or regulation, I hereby specifically authorize those parties to use my personal information (including, but not limited to benefit elections, wages, employment status, number of dependents, marital status and health and dependent child care information) as is reasonably required to administer the Plan (including evaluating and processing requests for payment of claims) and detecting and preventing fraud or misrepresentation. I further authorize my employer, the Plan, their service provider and their respective agents, employees, subcontractors and assigns to further disclose any such personal information as is reasonably required for such purposes. I hereby expressly waive and release any claims related to the use, disclosure or release of such information so long as the information is used in furtherance of Plan administration or to detect or prevent fraud or misrepresentation.
- **Effect of Pre-Tax Contributions on Benefits Payments:** Paying for coverage on a pre-tax basis may cause insurance claim payments under health and medical coverage to be subject to federal and state taxes if claim payments (combining the total from all health and medical policies/plans) are in excess of medical expenses. Paying for disability income policies with pre-tax premiums will cause the benefits payable thereunder to be taxable. Such coverages may be funded on an after-tax basis to preserve the excludability of policy benefits.
- **FOR MEDICAL AND DEPENDENT CARE FSA PARTICIPANT:** I verify that I have received a summary of the tax rules, operational guidelines and reimbursement procedures for use in Medical and Dependent Care FSA plans. I understand the plan document will control notwithstanding any contrary oral representation by any person. I understand that reimbursement will be available only for eligible expenses, and I agree to notify the employer if I receive reimbursement for an expense that does not qualify. I also agree, upon demand, to indemnify and reimburse my employer for any liability it may incur for failure to withhold taxes from any reimbursement I receive for non-qualified expenses, up to the amount of additional tax owed by me. Furthermore, I understand that any account surplus at the end of the plan year shall be retained by my employer and such amounts may (but are not required to) be used to offset administrative expenses or future costs, and that the obligation to make reimbursements is the responsibility of my employer and not any service provider hired by my employer to assist in processing claims. I understand that I may be responsible for a monthly service fee for Medical and Dependent Care FSA plans and authorize my employer to payroll deduct any required service fee amount. I acknowledge that in some cases reimbursement for eligible Medical and Dependent Care FSA expenses may be administered through an electronic payment card ("the Card") and agree to abide by the terms and conditions of the Plan with regard to such card usage and the electronic payment cardholder agreement, including any fees applicable to the Card, limitations as to Card usage, the Plan's right to withhold and offset for ineligible claims, etc. I also agree to use the Card exclusively for Medical and/or Dependent Care FSA expenses and to retain paper documentation for any claims adjudicated by the Card.

The Aflac Now Card®

Why wait for your benefits when you can access them now? We have combined the benefit of your flexible spending account with the efficiency of a credit card, placing your flexible spending account (FSA) funds at your fingertips. The power of now is in your hands.



Advantages of using the Aflac Now Card:

- Access your FSA funds so you don't have to pay money out of your pocket.
- The card is reloadable for three years. When funds have been used for the current plan year, just keep the card.
- You can access your account balance and information online at www.benefitspaymentsystem.com.
- It minimizes the need for receipts.
- It reduces paper claim submission and having to wait for reimbursement via check or EFT.

Acceptable documentation/substantiation:

Cash register receipts for OTC items should show:

- Provider/company name and address
- Date of purchase
- Amount charged for expense incurred
- Description/name of item purchased

Prescription/Rx drug receipts, invoices, itemized bills, statements, Explanations of Benefits, etc., should show:

- Patient's name
- Provider's/company's name and address
- Date of purchase
- Amount charged for expense incurred
- Description of service

Note: If Rx name is not provided on the drug receipt, the Rx number, insured/patient name, and proof of insurance approval must be on the receipt

Direct deposit option

When submitting paper reimbursement claims for expenses not paid with your Aflac Now Card®, don't wait for a check in the mail. Sign up for the direct deposit option and your claim reimbursement will be deposited into your account.

When submitting your receipts to substantiate your Aflac Now Card transactions, please use one of the following methods:

Fax to: 1.877.353.9256

Mail to: Aflac Benefit Services
1932 Wynnton Road
Columbus, GA 31999

(Always keep copies for your records.)

To obtain claim forms or a direct deposit enrollment form, go to aflac.com or aflacny.com.

Aflac Benefit Services
American Family Life Assurance Company of Columbus (Aflac)
Worldwide Headquarters • 1932 Wynnton Road
Columbus, GA 31999
1.800.323.5391 telephone • aflac.com • aflacny.com

Aflac Now Card®



Aflac®

The Aflac Now Card®

Making your Aflac Now Card an experience you can talk about.

We want your experience with the Aflac Now Card to be exciting and trouble free. You now have the choice of sending a Request for Reimbursement or to use the Aflac Now Card to pay for eligible medical expenses with no upfront expense to you.

This brochure will instruct you on using the card correctly, preventing card denials, and knowing when to submit a Request for Reimbursement. The Internal Revenue Service (IRS) regulations still require substantiation for after-the-fact review for certain transactions, and for this reason we ask that you keep all receipts. **The card does not completely eliminate the need for receipts.**

The following tips will enhance your Aflac Now Card experience:

You can use your card at the following health care providers:

- o Doctors' offices/hospitals
- o Pharmacies*
- o Dental providers
- o Vision care providers

* As of January 1, 2009, pharmacies must use an inventory information approval system (IIAS) to access the Aflac Now Card. See more details in the Important Information section.

You can use your card to pay for the following (must be used at the point of sale or time of service):

- o Copayments/deductibles/coinsurance
- o Dental care/orthodontia (cosmetic services/supplies not included)



- o Vision care – Glasses and contacts (does not include nonprescription shades, shade clips, or items not used in conjunction with your eye care medical needs)
- o Over-the-counter (OTC) medical supplies and medications (does not include supplements/ vitamins, toiletry type items or items not classified as medical care)

We are here to help! If you have any questions or if you experience any problems with your Aflac Now Card, please contact our customer care representatives at 1-800-323-5391. They are available Monday through Friday from 8 a.m. to 7 p.m. Eastern time.

Important Information

Save your receipts!

While the Aflac Now Card® is an alternative for flexible spending account reimbursement, it does not eliminate the IRS requirement for claim substantiation. For some card transactions, the participant may be required to provide substantiation for after-the-fact review. Therefore, keep all receipts and documentation related to Aflac Now Card transactions.

Some drug stores and pharmacies sell a significant number of items that do not qualify as medical expenses; therefore, the IRS states they have to use an inventory information approval system (IIAS). The system will separate the FSA eligible items from the noneligible items, allow use of the Aflac Now Card, minimize card rejection, and minimize the need for receipts due to automatic claim approval at the point of sale.

We recommend not combining eligible and ineligible expenses in one transaction. If you combine all of your eligible and ineligible expenses and attempt to pay for them with your Aflac Now Card, your card may be rejected if the provider does not have the IIAS as part of its retail system. Misuse of the card can result in temporary deactivation of the card:

- o Not providing receipts when requested

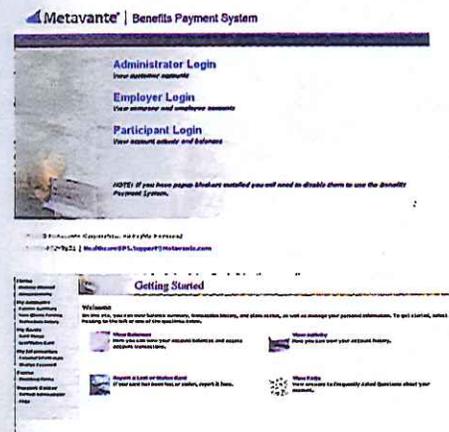
- o Purchase of ineligible OTC products/paying for ineligible nonmedical services
- o Paying the balance on an account or bill received
- o Paying for service dates outside the current plan year

Things you need to know about your Aflac Now Card:

- o No PIN is required.
- o You must select "Credit" instead of "Debit" at the point of sale.
- o The card can be used only at locations accepting MasterCard.
- o Activation is simple and does not require calling a toll-free number. When you have received your card in the mail, it will be activated at the time of your first purchase.
- o Using the card **does not** completely eliminate the need for receipts (keep all receipts for your records in case requested).

Managing your account information is easy.

You will receive a welcome letter that provides your payment card ID. You may access account information at www.benefitspaymentsystem.com. Click on **Participant Login** to create your user account. You will have the opportunity to review and maintain your flexible spending account (FSA) online in real time, including viewing your balance, reviewing transactions, and so much more.



The fast and easy way
to access your

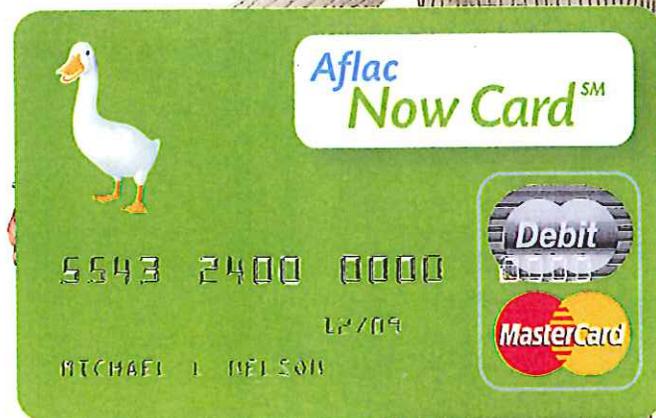
● A account funds at
the point of purchase.

Introducing the Aflac Now Payment Card.

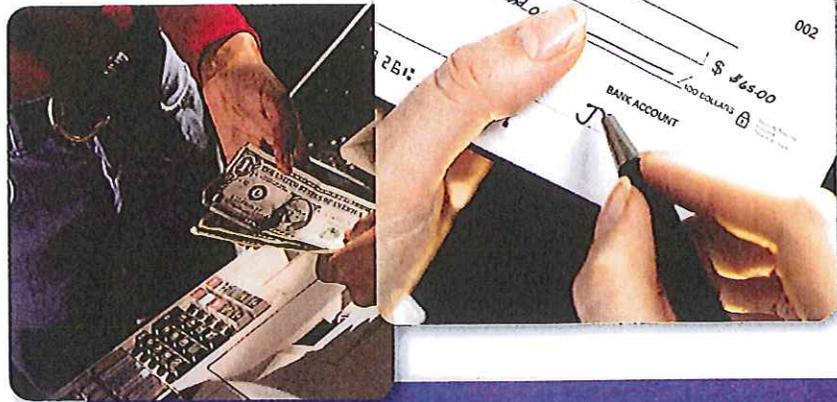
Simple. Smart.
Cashless.

● The Aflac Now CardSM is the
cash-free alternative for paying
approved medical expenses,
avoiding out-of-pocket costs.

Put away your wallet and checkbook:
The money for approved purchases is
withdrawn directly, electronically, and
conveniently from your flexible spending
account. Portable and handy, the card
also serves as a constant reminder to use
*all the money you've set aside through payroll
deduction before it is lost.* Plus, the card is
"smart" with a built-in memory feature
that keeps a running total of your benefits
limit and keeps you from exceeding it!
Go to www.mbicard.com or call
1.800.323.5391 at any time to obtain
your balance for the current benefits year.

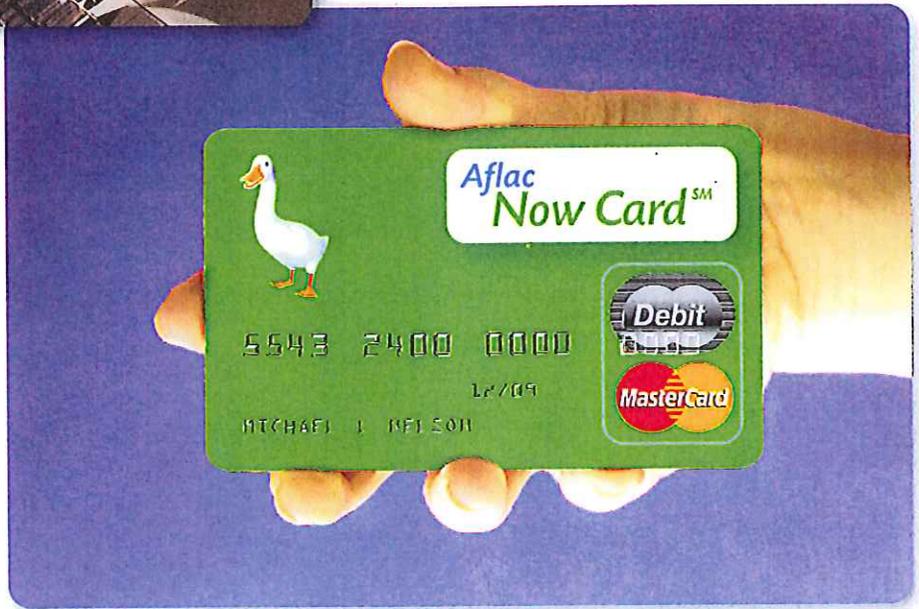


There's none of this ...



When you use this ...

One swipe and your account is deducted by the purchase amount!



Here's how the Aflac Now CardSM can make your life easier!

Use the card for eligible expenses at any qualified merchant that accepts credit cards. Normally, this includes your doctor, dentist, pharmacist, chiropractor, and virtually any other health care provider. *If you make purchases at a major retailer, you must check out at the pharmacy counter and not one of the main checkout aisles.*

The card automatically debits your FSA account. (For example, if you have set aside \$500 for the year, that amount is the spending limit of your card. Purchase a prescription for \$25, and your balance would become \$475. When the entire \$500 is used up, the card essentially "shuts off" until it "restarts" the next enrollment period.)

There are only two simple requirements!

1. IRS regulations require that you submit receipts as substantiation for all purchases. Include them when you send in your claim form.
2. Make sure the card is used only for eligible FSA expenses; otherwise, you may be required to pay back any disqualified transaction. Remember, this is for health-related services exclusively and not for routine shopping.

The Aflac Now Payment Card ...

Because you've got better things to do than wait for your money.

Aflac™

American Family Life Assurance Company of Columbus (Aflac)

Aflac Now CardSM

Questions and Answers



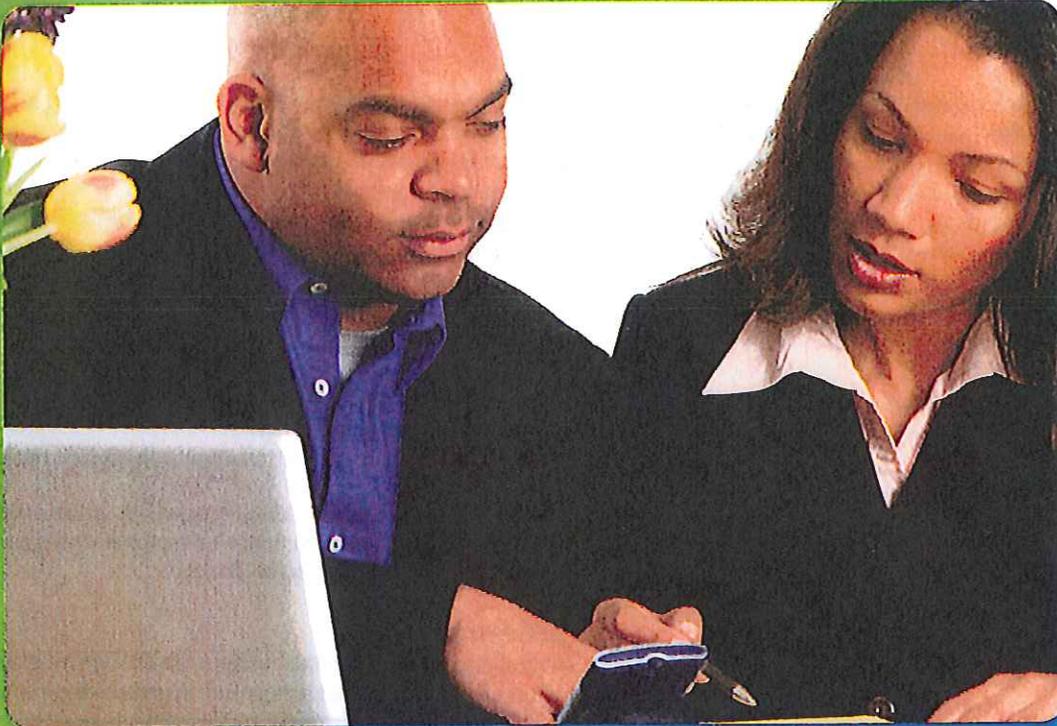
Welcome to Aflac Flex One®, a provider of cafeteria plan services! We are excited to offer you the Aflac Now Card as a faster and more seamless method for your employees to receive their pre-tax contributions. The following questions and answers will provide helpful tips and guidelines for you and your employees when using the Aflac Now Card:

- Q. Since we have a Plan Administrator, do we need to prefund a checking account since our employees use the Aflac Now Card to recoup their contributions?** Yes, we suggest that two payroll deductions from all participating employees be deposited into a non-interest-bearing checking account prior to the beginning of your plan year. This amount will help serve any immediate Aflac Now Card transactions that are made at the beginning of the plan year. For example: If Jane Doe has an annual election of \$3,500 and she is on a semimonthly payroll (26 deductions), her deduction amount would be \$134.62. You would then prefund the bank account by two of those deductions ($\$134.62 \times 2 = \269.24) for her, and similarly, for each participating employee. As the employer, you may always deposit more if you choose.
- Q. Why is it important for us to have our bank account prefunded?** You will receive an e-mail notification advising you of the approved payment card transactions through the previous evening. Those funds will be pulled from your bank account daily. If funds are not available in your bank account at the time of retrieval, you will be contacted by our department. After the third attempt to retrieve funds with no success, all payment cards will be temporarily suspended. It is also important to keep this account funded properly because each participating employee now has two means of receiving reimbursement. They have the traditional way of submitting a claim form with receipts, and they are now able to use their Aflac Now Card. This increases the possibility that the employee will exhaust his or her annual election earlier in the year.
- Q. When will my employees receive their Aflac Now Cards?** Once the enrollment process is complete for the plan year, your employees will receive their payment cards within 20 mailing days.
- Q. Will the Aflac Now Card come in an Aflac envelope via the mail?** The card will be mailed First Class to each cardholder; however, it will come in a plain white envelope with only Aflac's return address printed on the outside. Please make sure that your employees are aware of this to ensure that they receive their Aflac Now Card.
- Q. How is the Aflac Now Card activated?** The card will be automatically activated the first time it is swiped for an eligible expense at an approved health care service provider or merchant.
- Q. Can the Aflac Now Card be used at any store as a credit or debit?** The Aflac Now Card is defined as a payment card rather than a credit or debit card. It is not a credit card because it is not charging a balance that is owed by the cardholder and, in turn, charged interest. It is not a debit card as it does not withdraw from the cardholder's personal checking/savings account, and it does not have a personal identification number (PIN). It is simply a payment card that provides cardholders direct access to their pre-tax contributions.

- Q. Can the Aflac Now CardSM be used at any merchant?** While the transactions of the Aflac Now Card are supported by MasterCard[®], it does not ensure that the card can be used where MasterCard is accepted. The Aflac Now Card was designed to be used solely for out-of-pocket medical expenses. Aflac has taken steps to control where the card can be used. The card may be used only at merchants with a valid health care Merchant Category Code, including pharmacies and drug stores. A Merchant Category Code (MCC) is a special code assigned to each merchant by MasterCard that identifies the type of merchant. For example, the card cannot be used at pharmacies inside a grocery store or department store unless that pharmacy has a separate MCC that identifies it specifically as a pharmacy.
- Q. Can the Aflac Now Card be used for transactions during the end-of-year grace period?** No, the card will not work on transactions made during the grace period at the end of each plan year. Any transactions that occur during this two-month, 15-day grace period must be submitted on the Request for Reimbursement form along with the necessary receipts attached and submitted via fax to the Aflac Benefit Services Claims department at 1-877-FLEX-CLM (1-877-353-9256).
- Q. Are employees still required to submit receipts for each transaction made with their Aflac Now Card?** Yes, they are still required to submit receipt substantiation for each transaction. Although the card swipe was cleared at the time of the transaction, the receipt(s) must still be submitted to Aflac for verification purposes as required by IRS regulations.
- Q. What occurs when receipts are not submitted following each payment card transaction?** If receipts are not submitted within 14 days, the cardholder will receive a letter requesting them. If after a total of 60 days no receipts have been submitted, the participant's card will be temporarily suspended until the requested substantiation has been provided.
- Q. Whose responsibility is it to provide Aflac with correct substantiation for each payment card transaction?** That responsibility belongs to the cardholder. A common misconception is that since a payment card is being used, substantiation is no longer required; however, according to IRS regulations, the use of a payment card for out-of-pocket medical expenses under the Health Flexible Spending Account does not nullify the requirement that receipts or substantiation be submitted in order to be compensated for those transactions.
- Q. What happens if the payment card swipe approves on a transaction that is ineligible?** The transaction will be posted as an overpayment on the cardholder's account. Cardholders can offset the overpayment amount by two different means. They can either (1) submit eligible claim(s) to compensate for the overpaid amount, or they can (2) write their employer a check for the overpayment amount. The employer would then deposit that money back into the checking account from which the payment card swipe was originally deducted. The employer would then need to notify Aflac Benefit Services of the offset via mail or fax so that we can update the account balance for that cardholder.
- Q. How can my employees check the available balance on their Aflac Now Card?** Cardholders can obtain this information by either contacting a customer service representative with Aflac Benefit Services at 1-800-323-5391 or by checking the monthly activity statement that we distribute to them.

We value you as a customer. If we may be of further assistance, please call us toll-free at 1-800-32-FLEX1 (1-800-323-5391). Our customer service representatives are here to assist you Monday through Friday from 8 a.m. to 7 p.m. Eastern time.





Flexible Spending Account Participant Resource Guide

*Provided by
Aflac Benefit Services
for your Employer's Plan*

Aflac®

American Family Life Assurance Company
of Columbus (Aflac)

Flexible Spending Account Participant Resource Guide

Welcome to Aflac Benefit Services!

We are delighted to serve as your cafeteria plan service provider. Our role is to process your flexible spending account (FSA) claims according to the plan designed by your employer, who is the plan sponsor and plan administrator. FSA benefits are paid by your employer and not insured or paid by Aflac Benefit Services. All benefits are funded by your employer through your salary redirection.

- There are two types of FSAs:
 - ❖ Unreimbursed Medical (URM)
 - ❖ Dependent Day Care (DDC)
- Your participation in an FSA program allows a portion of your salary to be redirected to provide reimbursement for eligible FSA expenses.
- At the beginning of each plan year, you elect a specific dollar amount for each type of FSA you wish to participate in.
- Participation in one or both FSAs can save you money by reducing your taxable income. This is because taxes will be calculated after the elected amount is deducted from your salary.
- Your taxable income will be reduced for Social Security purposes; therefore, there may be a reduction in future Social Security benefits.

General Guidelines: URM

To be eligible for reimbursement, an expense must be for medical care incurred during the period of coverage by you, your spouse, or your eligible dependents as defined by your plan. Generally, this means your dependent children or other qualifying relatives.

Medical Care

- Medical care means diagnosis, cure, treatment, or prevention of disease.
- Medical care does not include cosmetic surgery or similar procedures. Cosmetic surgery means any procedure to improve your appearance; this may also include medicines or drugs. A surgery or procedure necessary to correct a deformity resulting from a disfiguring disease, an accident, or trauma may be eligible.
- Expenses for medical care will be limited to expenses incurred primarily for the prevention or improvement of a physical or mental defect or illness. An expense that is merely beneficial to your general health is not an eligible expense.

Substantiation of Medical Care

When you submit a claim for reimbursement, you will be required to make a statement that you have neither received nor will seek reimbursement elsewhere for the expense. If you submit a claim that contains an expense that is not clearly for medical care, the plan sponsor and/or Aflac Benefit Services may request additional information from you to substantiate that your expense is for medical care.

You can normally provide substantiation by submitting a physician's statement of medical care. The physician's statement should contain the following information and may only be applied to the plan year in which it is used:

- Physician's name (The letter will need to be from the prescribing physician, not the caregiver, unless it is the same person.)
- Patient's name
- Specific medical condition for which treatment is prescribed
- Date of service, description of the treatment, and how it treats the medical condition
- Length/frequency of the treatment program (if related)

Please note: Because a physician's statement may only be applied to the plan year in which it is used, a new statement will be required each plan year for any services that span into a subsequent plan year.

Claims Incurred

Medical expenses reimbursed under a health FSA must be incurred during your coverage period. Expenses are incurred when you receive medical care and not when you are billed, charged for, or pay for them.

Quick Tip 1 Filing a Claim

Before submitting your claim, make sure the service(s) has been incurred.

1. Complete a claim form, and be sure to sign and date it.
2. Attach a legible receipt(s) or service statement showing:
 - Patient name
 - Service provider name
 - Description of the service or a list of items received
 - Charge(s) for each service or item
 - Date(s) of service

Please note: Your service provider's signature on the claim form can be substituted for a receipt, but all service-related information must be completed on the form.



Examples of Eligible and Ineligible URM Expenses

Following lists are examples of the types of expenses that may or may not be reimbursed. These lists are not intended to be complete, as other expenses also be eligible or ineligible under federal tax law or under your employer's plan. To be eligible under an FSA URM account, the medical expense(s) must be incurred for medical care that is not reimbursed from any other source. Additional information may be requested from you to substantiate that an expense is for medical care.

Examples of Eligible Medical Expenses

- Amounts applied to insurance copayments, coinsurance, or deductibles for services received within the coverage period
- Chiropractic care
- Dental care, if for medical care (e.g., exams, cleanings, fillings, root canals, bridges, and dentures)
- Diagnostic services (e.g., X-rays, MRIs, and cancer screenings)
- Hearing devices (e.g., hearing aids and hearing aid batteries)
- Lamaze birthing classes, for mother only
- Orthodontia (e.g., braces and retainers)
- Smoking cessation programs, aids, and products
- Vision care (e.g., eye exams, prescription glasses/contact lenses, and contact lens solution)
- Vision corrective surgery (e.g., LASIK, RK, and PRK)
- Weight loss programs when prescribed to treat a specific medical condition

Examples of Eligible Over-the-Counter (OTC) Expenses (Medical Supplies, Drugs, and Medicines)

Expense documentation must clearly identify the name of over-the-counter items and must be for medical care only. Over-the-counter items purchased for personal or cosmetic reasons, or simply for general health and well-being do not qualify as eligible expenses.

- Allergy medicines (e.g., Actifed, Benadryl, Claritin, and Zyrtec)
- Antacids (e.g., Gas-X, Maalox, Mylanta, Pepcid AC, Tums, and Zantac)
- Antibiotics (e.g., Neosporin and Polysporin)
- Antidiarrhea products (e.g., Imodium A-D, Kaopectate, and Pepto Bismol)
- Antifungal medicines (e.g., Lamisil and Lotrimin AF)
- Antihistamines (e.g., Actifed, Alavert, and Sudafed)
- Anti-itch lotions and creams (e.g., Benadryl cream, Calamine Lotion, CORTAID, and Hydrocortisone)
- Asthma products (e.g., nebulizers and Primatene Mist)
- Contact lens solution (e.g., Aosept, Bausch & Lomb, Boston, Opti-Free, and ReNu)
- Cough suppressants (e.g., Chloraseptic, Delsym, Halls, Robitussin, Sucrets, Tylenol Cough, and Vicks 44)
- Decongestants and cold remedies (e.g., Advil Cold & Sinus, Aleve Cold & Sinus, Tylenol Cold & Flu, and Theraflu)
- Diabetic blood sugar monitoring and maintenance supplies (e.g., blood sugar monitor, syringes, and test strips)
- Diaper rash ointments (e.g., Desitin)
- Eye drops for allergy/cold relief (e.g., Naphcon-A and Visine-A)
- First-aid supplies (e.g., Ace bandages, Band-Aids, bandage tape, gauze, Neosporin, and thermometers)
- Hemorrhoid treatments (e.g., Preparation H and Tronolane)

- Home diagnostic products and devices (e.g., blood pressure monitor, cholesterol test, and ovulation/pregnancy test)
- Lice treatments (e.g., Nix and RID)
- Medical equipment (e.g., BiPAP, CPAP, crutches, medical support braces, oxygen equipment, walkers, and wheelchairs)
- Menstrual cycle medications (e.g., Midol and Pamprin)
- Migraine medications (e.g., Advil Migraine Liqui-Gels, Excedrin Migraine, and Motrin Migraine)
- Motion sickness medication (e.g., Bonine and Dramamine)
- Pain relievers and fever reducers (e.g., aspirin, ibuprofen, Advil, Aleve, BENGAY, Flexall, PediaCare Fever, Motrin, and Tylenol)
- Poison ivy protection (e.g., Ivarest Maximum Strength Cream and Ivy Dry Itch Spray)
- Toothache/teething pain relievers (e.g., Orajel)
- Wart removal products (e.g., Compound W, Dr. Scholl's Freeze Away, and Wart-Off)
- Yeast infection medications (e.g., miconazole, Vagistat, and MONISTAT 1-day, 3-day, and 7-day)

Examples of Potentially Eligible Expenses (Dual-Purpose Services and Items)

Additional medical substantiation is required for all dual-purpose expenses. Dual-purpose expenses are items or services that can be used for medical or nonmedical reasons. Expenses for general health and well-being, or expenses of a personal or cosmetic nature with only ancillary medical benefits are generally not eligible. Please refer to the subsection on Substantiation of Medical Care located within this guide under the heading entitled General Guidelines: URM.

- Acne medications/treatments and Retin-A
- Crowns on multiple incisor teeth
- Massage therapy – must treat injury/trauma or related medical condition; when services are not performed by a chiropractor, medical substantiation will be required from prescribing physician
- Snoring cessation aids
- Vitamins and supplements (excluding foods) prescribed to treat a specific medical condition or deficiency, for example:
 - ❖ Dietary supplements
 - ❖ Fiber supplements
 - ❖ Glucosamine/chondroitin
 - ❖ Herbal or holistic supplements
 - ❖ Hormone supplements
- Weight loss/dietary supplements (excluding foods) needed to treat obesity or a related medical condition

Note: Submitting a physician's statement of medical care for an expense does not guarantee the expense's eligibility under the plan. Each claim is examined for eligibility under the plan based on the facts and circumstances specific to the claim.

Ineligible Expenses

Expenses prohibited from reimbursement or not for medical care:

- Medical insurance premiums
- Long-term care services for chronically ill individuals
- Counseling, when not for medical care (e.g., marriage counseling, anger management, behavioral counseling)
- Dietary supplements (including vitamins) taken for general health or well-being
- Drugs and medicines used for general health, well-being, or for personal or cosmetic reasons (e.g., Propecia, Botox, etc.)
- Elective cosmetic surgery/procedures, such as:
 - ❖ Antiaging treatments (chemical peels, laser therapy, antiaging drugs, etc.)

- ❖ Breast implants (nonreconstructive)
- ❖ Cosmetic dental veneers/teeth whitening
- ❖ Electrolysis/hair implants
- ❖ Treatment for varicose or spider veins
- Personal living expenses (e.g., food, clothing, furniture, mattresses, vacuums, hot tubs, etc.)
- Sperm/egg storage beyond current plan year
- Surrogate expenses for fertility treatment
- Toiletries and personal care items (e.g., shampoo, deodorant, soap, toothbrushes, toothpaste, and skin moisturizers)
- Weight loss foods that substitute normal foods or nutritional needs

Quick Tip 2 Acceptable and Unacceptable Over-the-Counter Expense Receipts

RECEIPT EXAMPLES: Over-the-Counter Drugs

An Acceptable Over-the-Counter Drug Receipt Should Contain the Following Information:

- A** Provider Name (e.g., store name, etc.)
- B** Date of Service
- C** Expense Amount
- D** Drug Name (Name must be clearly indicated on register receipt)

Receipt ACCEPTABLE for 2 Expenses and UNACCEPTABLE for 1 Expense

D1, Not Acceptable: "Pharmacy" is not an acceptable description. If the expense was for a prescription drug purchase, please see examples for prescription drugs.

Receipt ACCEPTABLE for all 4 Expenses

A → S-Mart Shoppe
Store #gr, Valua Hickley (919)438-8913
Thank You For Allowing Us To Serve You

B → 9/11/03 1:05 PM CASH 28 \$55.12
Where Saving Is Part of the Pleasure.

C1 → CLAMIDEN ALLERGY 10.99
C2 → SUTON 18 GELCAP 5.87
C3 → SUTON A-D CAPLET 5.99
C4 → ZOSINUSIN CR 4.92

D1 → BILL WAS YOUR CASHIER TODAY.
D2 → CLAMIDEN ALLERGY 10.99
D3 → SUTON 18 GELCAP 5.87
D4 → SUTON A-D CAPLET 5.99
ZOSINUSIN CR 4.92

A → MARSHA & CINDY'S
DISCOUNT DRUGS
WE ARE DELIGHTED YOU ARE HERE
YOUR CASHIER WAS PHARMACY
DATE: 09/11/03

B → 10.00
C1 → PHARMACY 2.99
C2 → ALEXE CAPLET PC 4.19
C3 → TAX 0.50
*** BALANCE 17.68
CASH 23.00
CHANGE 2.32

D1 → PHARMACY 2.99
D2 → ALEXE CAPLET PC 4.19
D3 → TAX 0.50
D4 → TOTAL NUMBER OF ITEMS SOLD 3
CASH/1/03 01:50PM 339.65 109.99

Before you purchase an Over-the-Counter (OTC) drug for which you plan to seek reimbursement, you should remember that:

- The OTC drug must be for "medical care" as defined by the Internal Revenue Code.
- An OTC drug is for "medical care" if it is needed to treat a medical condition and is generally accepted as falling within the category of "medicine or drugs".
- Items that are merely beneficial to the general health of the individual are not for "medical care" and are not reimbursable (e.g. vitamins, nutritional supplements); however, even these drugs, when taken at a doctor's suggestion to treat a specific medical condition may be eligible.
- The third party substantiation that you provide must identify the name of the OTC drug that was purchased and, in some cases, the claims or plan administrator may need to ask for substantiation showing the reasons the drug was purchased (e.g. In situations where the OTC drug can be taken for both general health and to treat a specific medical condition).

Quick Tip 3 Acceptable and Unacceptable Prescription Drug Receipts

RECEIPT EXAMPLES: Prescription Drugs

An Acceptable Prescription Drug Receipt Should Contain the Following Information:

- A** Provider Name (e.g., pharmacy name, etc.)
- B** Patient Name
- C** Date of Service
- D** Expense Amount
- E** Insurance Approval (Copy, Coins, Applied Deductible) AND/OR Prescription Drug Name

Example Receipt #1 -- ACCEPTABLE

A → ABC Pharmacy #4557 #2255515122
B → GREENTREE JANE DOE
C → 07-23-2003
D → \$59.99
E → TAKE 1 TABLET EVERY WEEK

Example Receipt #2 -- ACCEPTABLE

A → ABC Pharmacy #4572 #22553240169
B → GREENTREE JANE DOE
C → 03-05-2003
D → \$119.92
E → TAKE AS DIRECTED

Note: Appearance of "Inst: \$0.00" does not meet requirement "E" in regards to Insurance Approval. However, since this receipt also includes the Drug Name, which fulfills requirement "E", this is an acceptable receipt.

Example Receipt #3
UNACCEPTABLE

A → DUPLICATE RECEIPT
B → JANE DOE
C → DATE: 09/11/03 RX# 0000001 REFILL
D → PRICE: \$10.00

Example Receipt #4
ACCEPTABLE

A → 123 ABC Street LAGRANSE GA 30241 (000) XXXXXXXX
B → JANE DOE
C → DATE: 09/11/03 RX# 0000001 REFILL
D → PRICE: \$10.00
E → HEALTH CARE BENEFIT: \$10.83

UNACCEPTABLE: Receipt is Missing "E"
(No Drug Name or evidence of Insurance Approval)

General Guidelines: DDC

Expense Requirements

Expenses must meet all of the following conditions to be eligible for DDC reimbursement:

- **Qualifying Individual:** Expenses must be incurred for a qualifying individual. A *qualifying individual* is someone who resides with you for more than half the year and is:
 - ❖ An individual age 12 or under who entitles you to a personal tax exemption,* which usually means that such individual (i) does not provide over half of his/her own support and (ii) is your child (son, daughter, grandchildren, stepchildren, brother, sister, niece, and nephew) or
 - ❖ A spouse or other tax dependent who is physically or mentally unable to care for himself/herself.

**Special rule for children of divorced parents:* A child of divorced or separated parents who resides with one or both parents for more than half the year and receives over half of his/her support from one or both parents may only be the qualifying individual of the custodial parent without regard to which parent claims the child on his or her tax return.
- **Work-related:** Expenses must be incurred to allow you to work. If you are married, expenses must be incurred to allow you and your spouse to work, unless your spouse is a full-time student or incapable of self-care. Expenses may also qualify if incurred while you or your spouse is unemployed but are actively looking for work.
- **Claims incurred:** Expenses must be incurred for services performed after the date of your DDC election and during your current plan year. An expense cannot be reimbursed until the service has been fully incurred. For example, if the service requested is a week of care, the expense cannot be reimbursed until that week's end. Similarly, if the requested service is a full month, the reimbursement will not be issued until after the last day of the month has passed.

Please note: You may only be reimbursed up to the amount actually contributed to your DDC benefits account for the plan year, less any prior reimbursements. Eligible expenses in excess of this amount will be carried over and reimbursed as contributions accumulate.

Eligible DDC Expenses for Qualifying Individual

The following expenses are eligible for reimbursement from your DDC account so long as you neither receive nor seek reimbursement for such expenses from another source:

- **Care outside the home:** Expenses incurred for services outside of your household for the care of a dependent (i.e., a baby sitter). If the dependent is age 13 or older, he/she must be disabled and spend at least eight hours per day in your home.
- **Dependent care center:** Expenses incurred for services provided by a dependent care center (i.e., a facility that complies with all applicable state and local laws and regulations, and that provides care for more than six individuals who do not reside at the facility).

- **Payments to relatives:** Expenses incurred for services provided by a relative who is not your dependent (even if he/she lives in your household). However, you may not claim any amounts paid to:
 - ❖ An individual for whom you or your spouse is entitled to receive a personal tax exemption as a dependent;
 - ❖ Any of your children who are under age 19 at the end of the year in which the expenses were incurred even if he/she is not your dependent; or
 - ❖ Your spouse or the parent of the child for whom care is provided.
- **Summer day camp:** Expenses incurred for a day camp that is primarily custodial in nature rather than educational. However, expenses for overnight camps are not considered work-related and are ineligible.

Dependent Care FSA or Dependent Care Tax Credit?

Before making an election, you should consult with your tax advisor to determine which of the available dependent care tax exemption programs will be the most beneficial to you. For more information, see IRS Publication 503 on the IRS Web site at www.irs.gov.

Quick Tip 4 Filing A DDC Claim

Before submitting your DDC expense request, make sure it is complete.

- DDC claims must be submitted on a Request for Reimbursement Form signed and dated by the DDC participant.
- All fields in the Dependent Care Claim Information section should be completed, including the dependent's age when the care was provided.
- All DDC expenses must be substantiated by the third-party dependent care provider. This can be done in one of two ways:
 1. Include a printed statement of services from the dependent care provider that includes:
 - ❖ Name of the dependent care provider
 - ❖ Name of the qualifying individual receiving care
 - ❖ Date(s) care was provided – must match the dates provided on the Request for Reimbursement Form
 - ❖ Amount charged for the services provided
 - OR-
 2. Have the provider complete and sign the Provider Information area within the Dependent Care Claim Information section.

Please note: When using the provider signature certification option, a new form should be completed and provider signature obtained for each subsequent service in order for the provider's certification to be deemed valid.

Quick Tip 5 Optimize Your DDC Reimbursements

The service dates you put on your DDC claim request may affect the eligibility determination of your submitted expense and when your eligible DDC expenses get reimbursed.

- **Request shorter time periods:** Requesting reimbursement for smaller increments of time may lead to faster reimbursement.

Remember, eligible DDC expenses cannot be reimbursed until the respective care has actually been provided (i.e., incurred). If you request reimbursement for a month's duration of care at the beginning of that month, the reimbursement cannot be released until the end of the month. Instead, request the expense reimbursement in smaller increments of time and amounts, such as semimonthly or weekly.

For example: Barbara spends \$400 on eligible after-school day care for the month of April. If Barbara submits her DDC claim on April 18 with request dates of April 1–30 for \$400, the earliest she is eligible to receive reimbursement is April 30. But, if Barbara submits her eligible expenses with requests dates and amounts of April 1–15 for \$200 and April 16–30 for \$200, then the expenses for April 1–15 are eligible for reimbursement immediately, and the remaining expenses for April 16–30 will be reimbursable at the end of April.

- **Don't file too far in advance:** Don't file for future months. Expenses are not considered incurred simply because you are billed, charged for, or pay for them. By submitting your Request for Reimbursement, you are certifying you have received the related services. Some leeway is provided, generally a month's time, but requests for services too far in advance will be considered invalid since the services have not been incurred.

Remember, you cannot receive more in reimbursement than has been contributed to your DDC benefits account. Therefore, if all of the contributions in your DDC benefits account have already been paid out, a reimbursement cannot be released until the next contribution is made.

Quick Tip 6 Convenient Direct Deposit

Expedite reimbursement of your claims by using direct deposit.

- You only have to enroll once (remains active unless terminated upon your written request).
- There is no waiting on checks, no lost checks, and no waiting in long bank lines.

Sign up for direct deposit today! Just go to Aflac.com and type "direct deposit" in the search box. Fill out the form, and fax or mail it in. It's that easy!

Direct Deposit Option for Flexible Spending Account Participants

Signing up is easy ...

1. Complete and sign the Authorization.
2. Fax the signed form to (706) 317-0149 or mail it to:

Aflac Benefits Services
1932 Wynnton Road
Columbus, GA 31999-1131

After your claim is paid ...

- Mailed reimbursements can take 5 - 7 days to reach your home.
- Direct deposits take only 2 - 3 days to reach your bank.

Remember ...

- Allow approximately ten business days for direct deposit to become effective.
- Call your bank to verify that your payment has been deposited before making a withdrawal or writing a check.
- Notify Aflac Benefits Services immediately if you change financial institutions.

You can get claim status information or assistance by calling us toll-free at ...

1.877.353.9487

AS02088

Aflac®

Authorization Agreement for Direct Deposit

I authorize Aflac Benefit Services to initiate credit entries and, if errors occur, I authorize the correction of entries to my account as indicated. This authorization is to remain in force until I terminate it in writing.

Type of Account:

Checking Savings

Bank Routing Number:

(This nine-digit number is usually found in the bottom left corner of your check.)

Bank Account Number:

(The exact location and number of digits varies from bank to bank, but this number is usually found in the bottom middle of your check.)

Financial Institution Information

• Name: _____

• City/State: _____

Employee Information

• Your Name: _____

• Employer: _____

• SSN: _____

• Employee Phone: _____

• Signature: _____

ABC Company

123 Main Street
Columbus, GA 33333

To: Joe A. Employee
Re: 2005 Employee Benefit Statement

This report outlines the benefits you receive as an employee of ABC Company. It shows the annual amounts that ABC Company contributes to the total cost of your benefit plan. Your Leave benefits are included in your annual salary.

Plan	Summary of Benefits	Status	Employer Cost	Employee Cost
FICA	Federal Income Contribution Act	Enrolled	\$899.60	\$899.60
FUTA	Federal Unemployment	Enrolled	\$111.80	\$0.00
SUTA	State Unemployment	Enrolled	\$300.60	\$0.00
Workers Compensation	Pays for medical expenses from on-the-job accidents	Enrolled	\$178.88	\$0.00
Medical	Benefits are paid for medically necessary treatments of illnesses or injuries	Enrolled	\$7,450.55	\$2,418.00
Dental	Benefits are paid based on dental services covered	Enrolled	\$172.64	\$692.84
Short Term Disability	Plan designed to help protect a portion of your income if you become disabled	Enrolled	\$26.52	\$0.00
Long Term Disability	Plan designed to help protect a portion of your income if you become disabled	Enrolled	\$57.72	\$0.00
Supplemental Life	Optional life insurance for additional coverages	Not Enrolled	\$0.00	\$0.00
Accidental Life	Accidental Death & Dismemberment	Enrolled	\$38.48	\$0.00
Basic Life	Basic Life Insurance with benefit according to salary	Enrolled	\$30.68	\$0.00
401k	Employee Retirement Plan	Not Enrolled	\$0.00	\$0.00
Bonus	Incentive bonus	Eligible	\$187.60	\$0.00

Your Total Compensation	
In addition to your annual salary, your fringe benefits are a valuable "hidden paycheck" which provides added security to you and your family. Here's how this affects your total compensation from ABC Company.	\$27,560.00
Annual Salary	\$9,455.04
Company paid annual fringe benefit costs	
Your fringe benefits equal an additional 34.31% of your annual salary and increases your total compensation package to \$37,015.04.	

INFO ONE ... a service provided by Aflac

statement sample

Your local Aflac agent



... like this one!

Info One®
Employee Benefit Statements ...
another value-added service
provided by Aflac

Available at no cost to new
or existing payroll accounts with
50 or more employees who are
eligible for benefits

You know the value of the
benefits you provide ...

... do your employees?

Aflac™

Aflac is ...

- The number one provider of individual health insurance and guaranteed-renewable insurance (*National Underwriter*, "Life & Health Statistical Report," August 16, 2004).
- Rated AA in insurer financial strength by Standard & Poor's (April 2004), Aa2 (Excellent) in insurer financial strength by Moody's Investors Service (March 2003), A+ (Superior) by A.M. Best (June 2005), and AA in insurer financial strength by Fitch, Inc. (April 2005).*
- Named by *Fortune* magazine to its list of America's Most Admired Companies for the fifth consecutive year in March 2005.
- Included in *Forbes* magazine's annual Platinum 400 List of America's Best Big Companies in January 2004.

*Ratings refer only to the overall financial status of Aflac and are not recommendations of specific policy provisions, rates, or practices.

For more information, contact your local Aflac agent
or call worldwide headquarters at 1.800.99.AFLAC (1.800.992.3522).

En español: 1.800.SI.AFLAC (1.800.742.3522)

Visit our Web site at aflac.com.

American Family Life Assurance Company of Columbus (Aflac)
Worldwide Headquarters • Columbus, Georgia 31999

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ENROLLMENT SERVICES DATA COLLECTION AUTHORIZATION

INFO ONE® - Employee Benefit Statements
(Requires a minimum of 50 benefit eligible employees)

Core+ - Employee Benefits Communication
(Requires a minimum of 100 or more benefit eligible employees)

Account Name: _____ Account No. (if assigned) _____

Address: _____

City: _____ State: _____ ZIP: _____

Telephone: _____ Fax: _____ Tax ID #: _____

Type of Business: _____

May we use your company as a reference for the service you are requesting? Yes No

Number of Employees: _____ Date Needed: _____ Enrollment Date: _____
(Statements will be generated 30 working days or 6 weeks from receipt of usable data.)

Account Contact: _____ Title/Department: _____

E-Mail Address (Required): _____

New Account? Yes No

If new payroll account, please include a photocopy of the Payroll Account Acknowledgement form M-0138.

This authorizes Aflac, as a service provider, to receive the data and information described herein for use in insurance transactions, preparing benefit statements and applications, and for enrollment of each employee within the above-named account. It is provided with the understanding that neither Aflac nor its representatives are engaged in rendering legal, accounting or employee benefits advice, or evaluating insurance plans or adequate levels of coverage. Neither Aflac nor its agents is a plan administrator or a plan fiduciary. If such advice or other professional assistance is required, then services from an appropriate professional should be sought. An Aflac representative will have the opportunity to talk with each employee for 30 minutes, on site and on company time, to communicate company benefits and offer Aflac supplemental insurance policies.

All employee census data and related information will be furnished to Aflac by the account via electronic transfer of data. A formal collection method will be supplied for individual information on each participating employee. Aflac agrees to exercise reasonable care and caution based on the information and data furnished by the account in preparing a Core+ enrollment. However, Aflac makes no express or implied warranty or guarantee as to the accuracy of the reports. The account agrees to review and approve any proof copy, as applicable, for content and accuracy prior to final distribution. All data furnished to Aflac will be held in confidence and will not be made known to other persons, parties or businesses, except as may be required by law.

Authorizing Officer's Name: _____ Title: _____
(please print)

Authorizing Officer's Signature: _____ Date: _____

I acknowledge and agree that all employee census data, salary, medical and related coverage and account information is private and confidential and will be held in strict confidence by me and will not be made known to other persons, parties or businesses, or used for any other purpose other than Aflac business. All applications will be protected and the information therein will not be disclosed except as required to perform my duties for Aflac. Insurance and other laws strictly prohibit the misuse of such confidential information. I assume full responsibility for the applications, and will destroy, within 30 days, any applications that are not signed by the applicant for submission to Aflac.
I agree to be used as a reference for the requested service: Yes No

Associate/General Agent Name: _____ Title: _____
(please print)

Associate/General Agent Signature: _____ Date: _____

Address: _____ E-Mail: _____

City: _____ State: _____ ZIP: _____ (Required)

Telephone: _____ Fax: _____ Writing Number: _____

Fax to: Account Systems Implementation, at 706-596-3167
American Family Life Assurance Company of Columbus (Aflac)
Worldwide Headquarters, 1932 Wynnton Road, Columbus, Georgia 31999

ADMINISTRATIVE GUIDELINES ~ Employee Benefit Statements

Available to new or existing payroll accounts with 50 or more eligible employees

- Step 1) Complete Aflac® Data Collection Authorization. This form must be completed in its entirety or it will be returned to the requesting associate. If this is a new payroll account, the Payroll Account Acknowledgment form M-0135R or M-0138, must be secured and a photocopy must be attached to the Employee Benefit Statements Authorization.
- Step 2) Forward completed Data Collection Authorization form to:
- Sales Support, Account Systems Implementation
Aflac Worldwide Headquarters
1932 Wynnton Road
Columbus, GA 31999
Telephone: (706) 243-8196 Fax: (706) 660-7864
- Step 3) Upon receipt of the completed Data Collection Authorization, Sales Support and Administration – Account Systems Implementation will forward the following to the account (by fax):
- Letter to account contact ~ informing the account contact of what data is needed and how it should be submitted to Sales Support, Account Systems Implementation
Software Requirements: *Microsoft® Excel 5.0, Microsoft® Excel 97, Microsoft® Access 2.0, Microsoft® Access 97*
 - Spreadsheet Formats ~ used by the employer to create a file containing employee and benefit data
 - Frequently Illustrated Employer Provided Benefits ~ a reference sheet used to assist in revealing employer-provided benefits
 - Frequently Asked Questions About INFO ONE® ~ a reference sheet used to answer questions regarding INFO ONE®
 - Employee Benefit Statement Sample ~ for illustration purposes
- Step 4) The requesting associate should follow up with the account to:
- Ensure the account has received the information and has the ability to complete the spreadsheets and to answer any questions.
 - Be sure the data information is returned to Sales Support, Account Systems Implementation.
 - Benefit Statements will be generated within 30 working days (6 weeks) from receipt of usable data.
- Step 5) When the employer returns the data via diskette or CD to Sales Support, Account Systems Implementation, a “proof” copy of the selected benefit statement will be faxed to the individual who signed as the “authorizing officer” on the Data Collection Authorization. Either an approval copy or requested changes will be returned to Sales Support, Account Systems Implementation. If changes are requested, another “proof” copy will be faxed. Once final approval is received, statements will be printed.
- Step 6) Statements will be sent to the requesting associate or to the account; this is at the discretion of the associate. Upon receipt of the statements, the associate should contact the account to establish a time for individual review sessions with the employees.

FREQUENTLY ASKED QUESTIONS ABOUT INFO ONE®

What is an Employee Benefit Statement?

Employee Benefit Statements are communication tools designed to give employees a better understanding of the benefits, their value and compensation provided to them by their employer.

What is the account size requirement?

INFO ONE® is a unique field assistance service for new and existing payroll accounts with 50 or more eligible employees.

What is the definition of 50 or more eligible employees?

50 or more eligible employees are defined as full-time or part-time employees who are working at the payroll account and receive benefits.

Is there a charge for this service?

Employee Benefits Statements are provided to the account and field force at no charge for payroll accounts with 50 or more eligible employees. INFO ONE® is another value added service provided by Aflac.

Can the statements be customized?

The account may choose to add their logo, benefit descriptions, employee information, etc.

What is the turn around time to receive completed statements?

Statements will be generated within 30 working days (6 weeks) from receipt of usable data from the account.

What are the computer requirements?

The account must have Microsoft® Office 97 or greater.

Does the field force need to have computer knowledge?

All computer aspects and transfer of employee and benefit data will be handled by the Sales Technology Specialists at headquarters. All you need to do is secure the Employee Benefit Statements Authorization and deliver statements to the account.

How will the benefit data be collected from the account to produce statements?

The account will be provided a spreadsheet format to be submitted via Microsoft Excel or Microsoft Access spreadsheets.

What information does the account need to provide in order to generate statements?

The data needed to generate statements is generally found on the account's payroll or personnel master. The data requested is only that which is required by law to keep.

How much time will it take the account to provide the benefit data needed?

This depends on the number of employees at the account and how much time the contact person is willing to devote in providing the data.

When is the best time to deliver completed statements to the account?

The ideal time to review statements would be at the initial enrollment. However, you can also review statements after the enrollment so statements will include the Aflac products purchased. If the account is a FLEX ONE® account, the open enrollment period would be a good time to present statements. Delivery time should be coordinated with the authorizing officer at the account due to the fact that statements must be presented "on site and on company time".

For additional questions or concerns, please contact Account Systems Implementation at (706)660-7051.



FREQUENTLY ILLUSTRATED EMPLOYER PROVIDED BENEFITS

Listed below are benefits that are commonly illustrated on employee benefit statements and can be used to assist in revealing what benefits you can provide to your employees.

Group Medical	Credit Union
Group Dental	United Way
Vision Care Plan	Dependent Care Account
Life Insurance: Term Life, Dependent Life	Medical Reimbursement Plan
Disability Income: Long Term Disability, Short Term Disability, Accidental Death and Dismemberment	Vacation
Aflac Supplemental Insurance	Holidays
401k Plan	Sick Days
Pension	Personal Days
Profit Sharing	Bonus: Christmas Bonus, Service Bonus
Company Related Benefits: Uniforms, Allowance, Company Car, Cellular Phone and Pagers	



Info One Employee/Benefit File Layout

Please provide a spreadsheet or a delimited ASCII file containing the following employee information:

SPREADSHEET FORMAT ~ EMPLOYEE / BENEFIT DATA

The employee data listed below should be provided for each active employee and should appear in the order shown. The spreadsheet should have one record, or row, per employee, and should contain columns with the appropriate field name at the top of each column. **A sample of an Employee/Benefit Data spreadsheet is provided on the following page. Required fields are italicized and in bold.**

Field Name	# of Characters	Format	Additional Information
<i>Social Security No.</i>	11	###-##-####	<i>Include dashes</i>
<i>First Name</i>	50	John	
Initial	2	M.	<i>Include period after initial</i>
<i>Last Name</i>	25	Doe	
Address 1	35	100 Main St.	
Address 2	35	Apt B	
City	20	Columbus	
State	2	GA	
Zip Code	9	99999	
Employee ID	15	11000	
<i>Date of Birth</i>	10	MM/DD/YYYY	
<i>Date of Hire</i>	10	MM/DD/YYYY	
Location	25	1234 or Main Street	Alphanumeric
Department Name	25	Marketing	Alphanumeric
<i>Gross Annual Salary</i>	9	2000000.00	
<i>Hours Worked Per Week</i>	2	40	
<i>Payroll Frequency</i>	2	B	A, SA, Q, M, SM, B, & W
<i>Deduction Frequency</i>	2	B	A, SA, Q, M, SM, B, & W
<i>Job Classification</i>	10	Full-Time	
** <i>"Benefit Name" Plan Status</i>	13	Enrolled or Not Enrolled	See example on following page.
** <i>"Benefit Name" Employer Cost</i>	5	Weekly Cost Only	See example on following page.
** <i>"Benefit Name" Employee Cost</i>	5	Weekly Cost Only	See example on following page.
** <i>"Benefit Name" Provider or Description</i>	25	MetLife or Supplemental Insurance	See example on following page.
** <i>"Benefit Name" Coverage or Description</i>	25	Employee Only or Supplemental Insurance	See example on following page.

**Each benefit will be listed separately as illustrated on the following page. A total of (5) five columns may be listed for each benefit.

PAY FREQUENCY CODES: A=Annually, SA=Semiannually, Q=Quarterly, M=Monthly, SM=Semimonthly, B=Biweekly

and W=Weekly

Info OneEmployee/Benefit File Layout Sample

The following is a sample of the Employee/Benefit Data spreadsheet and how it should appear. *The required fields are italicized and in bold.*

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15
<i>Social Security No.</i>	<i>First Name</i>	<i>Initial</i>	<i>Last Name</i>	<i>Address 1</i>	<i>Address 2</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>	<i>Employee ID</i>	<i>Date of Birth</i>	<i>Date of Hire</i>	<i>Location</i>	<i>Department Name</i>	<i>Gross Annual Salary</i>
111-11-1111	Elizabeth	B.	Lyles	2601 Macon Rd		Tucson	AZ	32189	1123	06/05/1948	05/06/1970	1234	Marketing	20000.00
222-22-2222	Jeff		Bennett	3561 Hilton Ave	Apt A-4	Columbus	GA	31906	1124	06/22/1969	01/23/1992	5369	1235	100000.00
333-33-3333	Teresa	S.	Michaels	#3 Lois Lane		Houston	TX	31907	1125	01/09/1954	03/07/1975	1587	Maint.	35000.00
444-44-4444	Mary	J.	Ashton	19 Peachtree St.		Lansing	MI	25678	1126	05/15/1964	12/13/1990	Main St.	Marketing	55000.00
555-55-5555	Jonathan	M.	Pepper	2339 Schaul St.	Apt B	Midway	AL	36053	1127	01/13/1962	11/16/1985	Moore Dr.	HR	75000.00
777-77-7777	Karen	L.	Nelson	1932 Wynnton Rd		Atlanta	GA	30334	1128	11/19/1946	03/19/1975	Slate Rd.	1236	29000.00
888-88-8888	Carol	L.	Miller	934 Julia Ave		Reno	NV	39877	1129	06/18/1949	05/23/1980	2369	Maint.	45000.00
999-99-9999	Scott	A.	Wright	651 Annette Dr		Greensburg	PA	78910	1130	06/15/1940	09/27/1983	5698	Supply	99000.00

Col. 16	Col. 17	Col. 18	Col. 19	Col. 20	Col. 21	Col. 22	Col. 23	Col. 24	Col. 25	Col. 26	Col. 27	Col. 28
<i>Hours Worked Per Week</i>	<i>Payroll Frequency</i>	<i>Deduction Frequency</i>	<i>Job Classification</i>	<i>FICA Plan Status</i>	<i>FICA Employer Cost</i>	<i>FICA Employee Cost</i>	<i>FICA Description</i>	<i>Medical Plan Status</i>	<i>Medical Employer Cost</i>	<i>Medical Employee Cost</i>	<i>Medical Provider</i>	<i>Medical Coverage</i>
40	B	SM	Full-Time	Enrolled	50.00	50.00	Federal Income Contribution Act	Enrolled	20.00	10.00	BCBS	Family
32	B	SM	Salaried	Enrolled	50.00	50.00	Federal Income Contribution Act	Not Enrolled	0.00	0.00	BCBS	N/A
20	B	SM	Part-Time	Enrolled	50.00	50.00	Federal Income Contribution Act	Enrolled	10.00	5.00	BCBS	Employee Only
40	B	SM	Part-Time	Enrolled	50.00	50.00	Federal Income Contribution Act	Not Enrolled	0.00	0.00	BCBS	N/A
35	B	SM	Salaried	Enrolled	50.00	50.00	Federal Income Contribution Act	Enrolled	15.00	7.50	BCBS	Employee + One
40	B	SM	Full-Time	Enrolled	50.00	50.00	Federal Income Contribution Act	Enrolled	10.00	5.00	BCBS	Employee Only
20	B	SM	Salaried	Enrolled	50.00	50.00	Federal Income Contribution Act	Not Enrolled	0.00	0.00	BCBS	N/A
20	B	SM	Full-Time	Enrolled	50.00	50.00	Federal Income Contribution Act	Enrolled	20.00	10.00	BCBS	Family

Note: The columns will continue depending on the number of benefits and you may or may not have five (5) columns.

ABC Company

123 Main Street
Columbus, GA 33333

To: Joe A. Employee
Re: 2005 Employee Benefit Statement

This report outlines the benefits you receive as an employee of ABC Company. It shows the annual amounts that ABC Company contributes to the total cost of your benefit plan. Your Leave benefits are included in your annual salary.

Plan	Summary of Benefits	Status	Employer Cost	Employee Cost
FICA	Federal Income Contribution Act	Enrolled	\$899.60	\$899.60
FUTA	Federal Unemployment	Enrolled	\$111.80	\$0.00
SUTA	State Unemployment	Enrolled	\$300.56	\$0.00
Workers Compensation	Pays for medical expenses from on-the-job accidents	Enrolled	\$178.88	\$0.00
Medical	Benefits are paid for medically necessary treatments of illnesses or injuries	Enrolled	\$7,450.56	\$2,418.00
Dental	Benefits are paid based on dental services covered	Enrolled	\$172.64	\$692.64
Short Term Disability	Plan designed to help protect a portion of your income if you become disabled	Enrolled	\$26.52	\$0.00
Long Term Disability	Plan designed to help protect a portion of your income if you become disabled	Enrolled	\$57.72	\$0.00
Supplemental Life	Optional life insurance for additional coverages	Not Enrolled	\$0.00	\$0.00
Accidental Life	Accidental Death & Dismemberment	Enrolled	\$38.48	\$0.00
Basic Life	Basic Life Insurance with benefit according to salary	Enrolled	\$30.68	\$0.00
401k	Employee Retirement Plan	Not Enrolled	\$0.00	\$0.00
Bonus	Incentive bonus	Eligible	\$187.60	\$0.00

Your Total Compensation	
In addition to your annual salary, your fringe benefits are a valuable "hidden paycheck" which provides added security to you and your family. Here's how this affects your total compensation from ABC Company.	
Annual Salary	\$27,560.00
Company paid annual fringe benefit costs	\$9,455.04
Your fringe benefits equal an additional 34.31% of your annual salary and increases your total compensation package to \$37,015.04 .	

QUESTIONNAIRE

All interested parties must complete the following questions in this exhibit and return with your response. If a particular question does not apply, type "NA" after restating the question.

1. What is the full name of your company? American Family Life Assurance Company of Columbus (Aflac)
2. How long has your organization been providing FSA Administration? Since 1990
3. How long in the State of Florida? 1990
4. How many clients have you provided FSA Administration for the following lengths of time?
 - a. 1 – 2 Years _____
 - b. 2 – 3 Years _____
 - c. 4 or more Years x
5. For how many employers do you contract this service? 298,349 employers
6. Describe your requirements for spending account funding. ACH debit zero balance
7. How many representatives are assigned to communicate with client benefit staff and respond to problems and where are their offices located? Local office Ft Myers, FL Headquarters 1932 Wynnton Road Columbus, GA 31999
8. Does your company provide 24 hour online access to account information, claims status and activity for client and participants? Yes
9. Briefly describe your processes for reimbursing eligible out of pocket expenses. Debit Card or manual reimbursement
10. Does your company accept faxed copies of claims? Yes
11. What claims documentation will your company require from a participant in order to pay a claim? Receipts to include: Provider Name, Patient Name, Date of Service, Expense amount
12. How are participants notified when a claim has been denied or a card usage is disputed? Mail
13. Please explain how your company's system will adjudicate claims. Include the following:
 - a. Does your company have a minimum claim reimbursement amount? \$15
 - b. Is there a system check for duplicate claims? yes
 - c. How are incomplete claims communicated? mail
14. Will participants have the option to receive their reimbursements via check or direct deposit? yes

15. Does your company process and disburse claim payments on a daily basis? Are claims paid within 10 business days with most of the claims being paid within 2-5 business days? If not, please explain the time period for your company's reimbursements. Yes

Deleted: via

16. Does your company resolve all servicing issues related to FSA's including check issuance and/or direct deposit? Explain this process. Will notify participant for needed documentation

17. What customer service standard of time is used for responding to participant inquiries? Same day, next business day, within 24 hours, etc. If call into 800# should have answer then or within 24 hours.

Deleted: Please describe your customer service objectives for

Deleted: the time it takes to answer phones or

Deleted: .

18. Where are your company's customer service and claims departments located? Customer Service Local: Ft Myers, FL Claims are paid in Columbus, GA They provide Customer Service also.

19. Do you offer a debit card? If yes, describe how you comply with IRS guidance and regulations regarding electronic payment cards. Yes. Documentation if needed.

20. Is there an extra fee for the debit card? Yes \$1 per participant

21. Does a minimum participation requirement apply? No

22. Will you have staff be available to attend Open Enrollment Question and Answer sessions even though we have an online enrollment process and is there a fee for this service? Yes and No Fee

23. Describe you company's compliance with HIPAA. We do not violate the privacy requirements.

24. How will employee data be maintained in your company's system? Does your company use the participants' social security number or another unique ID number? We use the Social Security number.

Deleted: s

25. What are your company's control standards for payment accuracy (frequency and dollar amount)? How is performance monitored? Reports

26. Does your company provide balance information such as quarterly statements for the 1st, 2nd, 3rd, and 4th quarters during the plan year for all enrolled participants? Yes if the participant uses the card monthly they will receive monthly reports if not quarterly.

27. Does your company provide reports summarizing number/percent of claims that are reimbursed within the contract time frame? How frequently is this report supplied? Yes, Monthly

28. Following the end of the plan year, how and when does your company provide notification regarding any forfeiture? Your Company is provided Monthly year to date reports and that will continue through the run-off window for the plan year.

29. Does your company administer the FSA accounts directly or do you hire a sub

contractor for the administration? Yes Directly. Debit card is a third party.

Deleted: ¶
<#>Will enrollment in your company's FSA program be subject to medical eligibility? If yes, please explain.¶

30. Does your company develop with the employer the data exchange layout for the transmission of payroll deduction and eligibility information? Does your company receive and process payroll deduction and eligibility data from the employer via FTP, Secure Email, or hard copy listing? Yes

31. Provide a copy of the detailed written disaster and recovery plan for your company. N/A

32. Describe how your company ensures the security of information passed over the Internet or through other electronic transmissions between the vendor, the Client/Employer, and/or participants. Secured fax/e-mail system.

33. Does your company accept a file transfer of ongoing enrollments? Yes

34. How does your company communicate enrollment problems to the plan sponsor (via fax, email, or telephone)? What is the standard timeframe for resolving enrollment issues? Fax, e-mail and telephone. 72 hours

35. In what format (i.e. electronic, paper, fax, etc.) will your company receive notifications of terminated participants? Fax

36. Does your company provide pre-printed copies of the claim reimbursement forms? Yes

37. How does your company handle claims that are appealed? Documentation

38. What is the average time frame of the appeals process? Does your company have an appeal's committee? Are the number of appeals along with the appeals outcome reported to the plan sponsor? If so how often? Documentation usually takes care of any appeal. Plan sponsor will be notified of claims paid.

39. Please list the standard FSA services included in your company's administrative fee. Our fee for your group size is \$3 participant and month per participant +\$1 for Debit card. With a \$50 per month min. We take care of the administration of paying claims, reporting to participant and employer. No fee for additional cards or lost cards.

Deleted: .

40. Does your company provide COBRA notification of rights to employees who have "qualifying events" including which coverage can be continued, premium rates, provider lists (if applicable), and rights under the COBRA laws? Yes we can

41. Does your company send acknowledgement letters (for all COBRA eligible benefits) to employees who have elected continuation of coverage under COBRA, and advise continuants of their coverage eligibility period? We can

42. Does your company send billings to employees for all eligible benefits, upon receipt of application for continuation of coverage, and terminate as appropriate based on the applicable COBRA benefit eligibility period? For Aflac Programs

Deleted: ¶
<#>What is your company's A.M. Best and Moody rating?¶

43. Our goal is for FSA Open Enrollment to run from December 1 through December 17,

2010 for an effective date of January 1, 2011. The proposals will go to the Board of County Commissioners for approval on November 23, 2010. If your company's quote is approved on November 23, 2010, can you operate within these timelines and have the accounts active by January 1, 2011? Yes

Government References

ENTITY: Martin County Schools

ADDRESS: 500 East Ocean Boulevard

Stuart, Florida 34994

CONTACT: Collette Gottl

TITLE: Benefits Specialist

TELEPHONE: 772.219.1200

E-MAIL: gottec@martin.k12.fl.us

ENTITY: School Board of Miami Dade

ADDRESS: 1450 NE 2nd Avenue

Miami, Florida 33132

CONTACT: Odalis Garces

TITLE: Payroll

TELEPHONE: 305.995.2301

E-MAIL: Not available

ENTITY: City of Hialeah

ADDRESS: 501 Palm Avenue

Hialeah, Florida 33010

CONTACT: Edward DeMicco

TITLE: Risk Manager

TELEPHONE: 305.883.8048

E-MAIL: Not available